**Accounting I  
 Chapter 7: Financial Statements for a Proprietorship**

**7-1 Preparing an Income Statement**

1. How is the adequate disclosure concept applied with financial statements?
2. How is the accounting period cycle concept applied with financial statements?
3. How is going Concern concept applied with financial statements?
4. How is the matching expenses with revenue concept applied with financial statements?
5. What are the three lines in the heading of an income statement?

a.

b.

c.

1. What is the formula to figure component percentages?
2. Where do you get acceptable component percentage numbers?

DEFINE:

1. Stakeholders
2. Component percentage

**7-2 Balance Sheet Information on a Work Sheet**

1. What is the heading on a Balance Sheet?

a.

b.

c.

1. What is the purpose of a balance sheet?
2. What are the four sections of a balance sheet?

a.

b.

c.

d.

1. How do you figure the capital account balance for the Balance sheet?