BSBSMB406A
MANAGE SMALL BUSINESS FINANCES

THEORY EXAM INSTRUCTIONS

1. This exam will occur under standard assessment conditions.
    1. An oral examination may be allowed under certain circumstances. Answers will be documented and FT003 (Oral examination declaration form) must be completed.
2. Participants must provide enough detail in their responses to demonstrate their knowledge and skills.
3. Please fill in the details below, providing your name, signature and date of assessment.
    1. Your signature acknowledges that this is your own work.
4. If a participant initially answers a question incorrectly but modifies their response, they must follow the instructions below:
    1. If a participant changes their response in writing, they must put their initials next to the written change.
    2. If a participant changes their response verbally, this must be noted on the exam paper by the assessor.

Participant name Nicholas Boyd

Participant signature 

Assessor name

Assessor signature

Date 10/12/2017

Number of questions	Number of questions answered correctly	Satisfactory?	
		Yes	No
57		☐	☐

ASSESSOR COMMENTS

Q1. **What do you need to identify to be able to operate a profitable business?**

Answer

When the financial information requirements and specialist services that are required.

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Q2. **What would a financial plan enable you to do in your business?**

Answer

A financial plan allows a business to Measure, Control, Evaluate, Forecast your profitability, financial needs and financial viability much more effectively

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Q3. **Before developing a business plan it is necessary to identify the business's financial goals and targets. There are two (2) primary goals in small business these are <u>Liquidity</u> and <u>Profitability</u>.**

Explain both these terms.

Answer

Term	Explanation
Liquidity	1. Cash that is readily available to purchase goods, services and capital assets (having enough cash to pay the bills) 2. Liquidity is reflected business cash flow forecast (amount and timing of cash flowing in and out of business)
Profitability	Profitability refers to profit earned by the business. It is reflected in your business's profit and loss statement. Detailed in your total receipts from sales, and total expenses.

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Q4. **What does a financial plan look like and what purpose does it serve?**

Answer

A financial plans purpose isan evaluation of your business's current and financial state. It involves looking at cash flow, asset values and withdrawal plans.

Below is a rough outline of what a financial plan looks like

• Establishment costs	• Establishment costs
• Costs of products/services	• Costs of products/services
• Pricing strategies	• Pricing strategies
• Budgeting	• Budgeting
• Break even sales	• Break even sales
• Financial goals and targets	• Financial goals and targets

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Q5. **To get a better understanding of a business's financial requirements, we need to look at the four (4) categories shown below. Explain each term.**

Answer

Term	Explanation
Fixed costs	Fixed costs are those that remain constant – they don't change regardless of whether the business sells anything.
Variable costs	Variable costs are those that increase or decrease in as a result of business activity. If a business builds more houses, the variable costs will increase.
Working capital	Working capital refers to those funds that are used for operating a business on a daily basis

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Start-up (or establishment) costs	Start-up or establishment costs are the costs faced before any business operations begin. They include the purchase or lease of new assets for the business, or the purchase of an existing business or franchise

Q6. **Briefly explain the terms ‘direct costs’ and ‘indirect costs’ and why it is necessary to understand them.**

Answer

The Direct Costs are the sum total of what it will cost to produce or provide a product/service. These costs are variable. For example, if a restaurant’s custom was to double, it would need more food and waiters

Costs that are not directly related to the operation of the business are known as indirect costs, or overheads. These are fixed because they tend to remain constant over a period of time and business activity

It is important to understand these two key factors when running a business because an understanding of your business’s cash flow will help ensure that it has the funds to continue operating

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Q7. **Process costing is an accounting methodology. In simple terms explain what process costing endeavours to achieve for a business.**

Answer

Process costing simply allows a business to traces and accumulates direct costs and allocates indirect costs of a manufacturing process through the business.

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Q8. **What are the two (2) recommended steps involved in process costing?**

Answer

1) Adding up the cost to produce products or services
2) Allocating a proportion of the total to each of your products/services to determine the costs of each unit of product/service provided

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Q9. **The cost of goods sold (COGS) is the total expense associated with the goods sold in a reporting period.**

James has a business selling books on eBay. An inventory count at the beginning of November shows that he has $50,000 worth of inventory on hand. Over the month, he purchases another $14,000 worth of books. His inventory count at the end of November shows that he has $22,000 of inventory on hand.

Using the calculation for COGS (Beginning Inventory + Purchases - Ending Inventory = Cost of Goods Sold) determine the cost of goods sold for James' business.

Answer

$50,000 + $14,000 - $22,000 = **$42,000**

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Q10. **Calculate the chargeable hourly rate for labour in the following:**

Frank is operating a sub contract landscaping service, and he works 40 hours per week for 48 weeks of the year (he takes time off for public holidays and annual leave). This means he works 1,920 hours per year.

If Frank expects to earn over $110,000 in that year, then what would he need to charge as his hourly rate?

Answer

$57.30 per hour

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Q11. **What are some of the things to be considered when working out and calculating a chargeable hourly rate for labour?**

Answer

When deciding on the hourly rate that you will charge for your service, you will need to work out the chargeable hours you will work during the year and the income you expect to earn. However, these calculations do not account for overhead expenses or material costs in providing your service.

The hourly rate you charge will also be influenced by the market rate of what others in your industry are charging.

Below are all the things that need to be considered when considering your chargeable rate.

300 -	***Number of working days per year***
20	Sick days
10	Public holidays
20	Annual holidays
2	Days not worked on weekends
248	**TOTAL PROPOSED WORKING DAYS**
8	Number of working hours per day
1	Non-chargeable hours
7	**TOTAL CHARGEABLE HOURS PER DAY**

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3. Calculate chargeable hours per year	
1736	Total proposed working days X chargeable hours per day
4. Calculate chargeable hourly rate for labour	
$86.40/h	Expected year income (150k) = Chargeable hourly rate Chargeable hours per year

Q12. **Explain briefly the three (3) main methods of pricing products/services listed below.**

Answer

Term	Explanation
Cost-based pricing	This method helps you find the costs involved in the production and distribution of your product/service by adding together the separate costs as demonstrated in the diagram.
Demand-based pricing	This method helps you find the price based on the demand for your product/service

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Competition-based pricing	This method involves charging a price in competition with your competitors, known as "market price." The ability to control prices depends on the product/service you are offering. If you offer something additional or unique to other similar business, then you may be justified in charging a higher price. Setting a price for your product/service will most likely draw from each pricing method

Q13. **Name three (3) individuals/parties who should receive financial budgets/projections that have been prepared (in accordance with legal requirements).**

Answer

1. Construction Business
2. Restaurant
3. Computer Services

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Q14. **The break even analysis can be calculated from the following:**
1. Estimate the probable costs: Calculate the business's fixed and variable costs
2. Calculate the break even sales

Break even sales are calculated using the following formula:

Break even sales = Fixed costs ÷ Contribution margin*

The contribution margin needs to be calculated first.
This is the amount required to cover fixed costs. It is calculated using the following formula:

Contribution margin = Total sales and variable costs ÷ Total sales

Using the following figures calculate the break even analysis for this sub contract glazing business.

Anticipated figures for the first year of operation:

Total sales	$250,000
Fixed costs	$37,000
Variable costs	$57,000
Total costs	$94,000

Answer

Contribution Margin = $0.772 or $0.772 in each dollar

Break even sales = $47.927.46

Therefore, we can conclude that the anticipated total sales of $250,000 will by far exceed the break even sales of **$47,927.46**

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Q15. **Calculate the break even sales shown in Table 1 below for <u>Business A</u> and <u>Business B</u> and then answer the following questions:**

1. **Is Business A viable? Explain.**
2. **Is Business B viable? Explain.**
3. **What would happen if the fixed costs and variable costs for Business A each rose by $19,000?**
4. **What actions could Business B take to improve its situation?**

Business A		Business B	
Total sales	$180,000	Total sales	$ 800,000
Fixed costs	$ 64,800	Fixed costs	$ 559,800
Variable costs	$ 78,300	Variable costs	$ 243,300
Total costs	$143,100	Total costs	$ 803,100
Break even total	?	Break even total	?

Answer

A) Business A: Break even= $114,690.26. With business A running at the projected total sales of $180,000 and a break even point of $114,690.26 , there for the business will be viable by $65,309.73.

B) Business B: Break even = $ 805,467.62. With business B running at the projected total] sales of $800,00 and having the break even point of $805,467 this business is running at a loss of $5,467.62 per year. Making t his business not viable.

C) By increasing the fixed and variable cost by $19,000 Business A would be running at a break-even point of $182,570.80. There for the Business is no longer viable and is running at a loss of $2,570.80 p/a

D) As business B is running at a loss of $5,467.62 p/a such actions as decreasing there variable cost and increasing its total sales would have a positive impact on its finical situation.

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Answer

☑

Q16. **In brief, how is personal net worth calculated? Give an example.**

Answer Your personal net worth is the difference between what you own (assets), and what you owe (liabilities).
For example, if you own a house worth $350,000 (asset), but have a mortgage of $300,000 (liability), then your personal net worth is ($50,000.

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Q17. **The pricing of a business's products/services is influenced by the target market, the business objectives, the marketing mix, competitors' prices, products/services costs, demand for the products/services and general market trends These factors will influence the price of a business's product/service.**

What is necessary for the owner/s of a business to ensure when pricing their products/services?

Answer **1)** To Calculate the direct costs of production including material, labour and direct expenses.
2) Apply an overhead rate to cover manufacturing overheads, such as rent, electricity, etc.
3) Add a mark-up to cover non-manufacturing overheads, such as accountant's fees or advertising and allow for a profit

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Q18. **The ultimate aim for a business is to make a profit. What must happen for this to occur?**

Answer For a business to be running at a profit the following things must take place.

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1) A business total sales must out way it's Break even total.
2) A business Personal Financial statements must be in order to ensure cash flow is adequate.
3) Must know what your personal net worth is.

Q19. **Consider the pricing structure for a new manufacturing business which intends to make 2 and 3 kilowatt inverter sinewave generators.**

What steps will the manufacturer need to consider when setting the price of these manufactured goods?

Answer

Cost base pricing: this in tales running though the steps as follows 1. Direct cost 2. Indirect cost 3. Profit margin 4. Market Price

Demand base pricing: this includes the following factors that need to be considered 1. What the customer is prepared to pay 2. Niche market/ high demand. Is your company the only one selling the product? 3. Mass market/ low demand – will you need to price your product according to similar products.

Competition Based Products: This method involves charging a price in competition with your competitors, known as "market price."

Once the manufacture has incorporated all these factors it will be able to set a price that is suited to the product on sale.

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Q20. **Cash out is expenditure which flows out of a business.**

What makes up these variable expenditures that will take money out of a business?

Answer

1) Fixed monthly expenditure
2) Variable monthly expenditure
3) Fixed infrequent expenditure
4) Variable infrequent expenditure

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Q21. **What is a Sales Mix document and what purpose would it serve in a business?**

Answer

The Sales Mix is a document that details your market research and your marketing plan. This will serve its purpose in the business when you need to determine the flowing:

1) The products/services to be sold.
2) The number of items (products/services) sold per month.
3) The selling price for these products/services.

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Q22. **What is cash flow? Explain what a cash flow forecast is.**

Answer

Cash flow is the total amount of Cash that comes in and out of your business. It is made up from the following 5 components. 1) Starting cash 2) Cash In 3) Cash out 4) Total Cash out 5) Change in Flow

Cash flow forecast shows that if the cash flow into your business doesn't match the cash flowing out your business will have insufficient capital. This includes Sales, Receipts, Cash payments to suppliers, Banks and Employees. To avoid possible closer of your business, a cash flow forecast must be completed.

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Q23. **The amount of working capital available is calculated as:**
Working capital = current assets - current liabilities

Briefly explain the terms 'current assets' and 'current liabilities'.

Answer

Term	Explanation
Current assets	Current assets refer to cash, and assets which can be turned into cash during normal business. Some current assets include Bank accounts, Stock of goods and Money owed by customers
Current liabilities	Current liabilities refer to business obligations/debts which must be met in a relatively short period of time. Some Liabilities include Income tax, Short-term loans and Money owed to creditors

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Q24. **What could be considered by business owner(s) to improve business performance and to manage working capital?**

Answer

To improve business performance and to manage working capital a business may consider the following options:

1. Strategies for managing cash, debtors, creditors and inventory
2. Reviewing loan servicing requirements
3. Setting specific performance targets for your business
4. Regularly checking the ratio of your current assets and liabilities
5. Regularly reviewing the performance targets for yourself and staff

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Q25. **What are the reasons for keeping accurate and timely financial records for a business?**

Answer

Financial records are an essential source of information that shows records about your business. They provide both an aid for decision-making in your business operations, as well as meet legal taxation requirements.

Not only by keeping your financial records timely and accurate will it allow you to run you r business to its maximum potential it will, also allow you to achieve the following points much easier.

1. assessing the overall state of your business
2. maximising the change of business success
3. determining how much cash you have available
4. identifying how much money you owe
5. identifying which account you need to pay
6. controlling the cost of goods and services
7. determining your profit levels
8. discovering reasons for poor profit
9. applying for finance
10. meeting legal requirements
11. selling the business

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Q26. **What must a business legally do under the *Income Tax Assessment Act 1997*?**

Answer

Under the Income Tax Assessment Act 1997, you must keep sufficient records (in English) to calculate your assessable income and business deductions.

These records must include documents which provide evidence of your business transactions, or enable these transactions to be traced and verified through an accounting system using record keeping and account software application such as e-record, MYOB, Qickbooks

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Q27. **What is a Business Activity Statement (BAS)?**

Answer

The business activity statement (BAS) is a form submitted to the Australian Taxation Office by all businesses registered for GST to report their taxation obligations. ... Some entities may be required to report PAYG Withholding liabilities or GST on a monthly basis

Some additional information may be also be required, such as:

1. Income activity statement
2. Worker Payment Summaries
3. Reconciliation of Daily Sales
4. Cash Payments Book
5. Cash Receipts Book
6. Payment to workers

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Q28. **What is Goods and Services Tax (GST)?**

Answer

The goods and services tax (GST) is a tax of 10% on most goods and services sold in Australia. If you run a business, you are likely to have some GST obligations.

If your business is registered for GST, you need to:

1. include GST in the price of sales to your customers
2. Claim credits for the GST included in the price of your purchases for your business.

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Q29. **A record keeping system is essential for business and depends largely on the information requirements of the particular business. Regardless of the system that is developed the record keeping should be among other things simple as possible, easy to access and accurate in its recordings.**

What are some of the basic guidelines for record keeping in a business?

Answer

Basic guidelines for record keeping include:

1. open a bank account in the business name, to separate from your personal account(s)
2. all receipts and payments go to this account
3. a duplicate deposit book detailing all deposits
4. Record detail on cheque butts so you can later transfer information to cash payments journal
5. establish a petty cash system
6. avoid making personal withdrawals from this account
7. file all documents: rent/lease agreements, invoices
8. keep tax invoices for the purchase of new assets
9. if you buy and sell on credit basis, then records of creditors and debtors must be kept

☑

Q30. **What are some of the strategies, processes and developmental procedures required in order to effectively implement and monitor the financial plan for a business (and meet the requirements of financial backers)?**

Answer

strategies, processes and developmental procedures required in order to effectively implement and monitor the financial plan for your business. These include:

1. Producing financial budgets and projections
2. Negotiating, securing and managing business capital
3. Maintaining and reporting taxation records
4. Developing and maintaining strategies to enable taxation payments to be made
5. Developing, monitoring and maintaining client credit policies
6. Selecting key performance indicators to monitor the business

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Q31. **What purpose do Key Performance Indicators (KPIs) play in managing and monitoring a business?**

Answer

By using the KPIs in running a business, it allows you to Identify, Establish and Benchmark your movements in your business. By using KPIs you are able to monitor the following.

1. Financial performance
2. Business development
3. Product and service range
4. Provision of and the delivery of professional services
5. Personnel relationships within organisation

☑

Q32. **Key Performance Indicators (KPIs) will usually have four components. What are they and give an example for each.**

Answer

1. Objective that identifies what you aim to do. Example: To increase sales
2. Measurement is the measurement factor you use. Example: Sales growth
3. Target is what you want to achieve and when. Example: Increase sales growth by 20% in 2012
4. Initiatives are a set of all of above actions. Example: (a) To increase sale (b) growth (c) by 20% in 2012

☑

Q33. **Key Performance Indicators (KPIs) can also be used to monitor what?**

Answer

KPIs can also be used to monitor the following:

1. Financial performance
2. Business development
3. Product and service range
4. Provision of and the delivery of professional services
5. Personnel relationships within organisation

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Q34. **It is important to consider your own business and to evaluate its performance for areas that can be improved. Over time, your business can change and so can the market place, therefore regular evaluation is necessary.**

What is a recommended re-evaluation period and what should be considered for this evaluation?

Answer

The recommended re-evaluation period for your business is at least every 3 months and these are the steps that should be considered:

1. Regularly monitor your marketing activities and compare their current performance against your marketing objectives.

2. Review your Action Plans agreed at the original planning phase.

3. Identify performance gaps and determine why they exist.

4. Objectively and unemotionally appraise every aspect of the plan.

5. Seek out opportunities to improve and take corrective action or adjust your targets. Rewrite the plan (where necessary

☑

Q35. **There are some common financial ratios used which allow the financial position of a business to be compared over time, three of these are working capital, current ratio and quick ratio (or acid test ratio).**

The equations and explanations for these follow in the table below:

Financial ratio	How to calculate It	What it tells you
Working capital	= Current Assets - Current Liabilities	An indicator of whether the company will be able to meet its current obligations (i.e. pay its bills & meet its payroll, make a loan, etc.) If a company has current assets exactly equal to current liabilities. The greater the amount of working capital the more likely it will be able to make its payment on time
Current ratio	= Current Assets ÷ Current Liabilities	This tells you the relationship of current assets to current liabilities. A ratio of 3:1 is better than 2:1. A 1:1 ratio means there is no working capital
Quick ratio (Acid test ratio)	= (Cash + Temp. Investments + Accounts Receivable) ÷ Current Liabilities : 1	This ratio is similar to the Current Ratio except that Inventory, Supplies and Prepaid Expenses are excluded. This indicates the relationship between the amount of assets that can be quickly turned to cash versus the amount of liabilities

Using the example company balance sheet on the following page, determine for the company:

5. **Working capital**
6. **Current ratio**
7. **Quick ratio (Acid test ratio)**

Answer

Working capital	$89,000 - $61,000 = **$28,000**
Current ratio	$89,000 / $61,000 = **$1.4590**
Acid test ratio	($2100 + $10,000 + $45,000) / 69,000 = **$0.936 : 1**

☐

Example Company
Balance Sheet
December 31, 2014

ASSETS		LIABILITIES	
Current assets		Current liabilities	
Cash	$ 2,100	Notes payable	$ 5,000
Petty cash	100	Accounts payable	35,900
Temporary investments	10,000	Wages payable	8,500
Accounts receivable - net	40,500	Interest payable	2,900
Inventory	31,000	Taxes payable	6,100
Supplies	3,800	Warranty liability	1,100
Prepaid insurance	1,500	Unearned revenues	1,500
Total current assets	89,000	Total current liabilities	61,000
Investments	36,000	Long-term liabilities	
		Notes payable	20,000
Property, plant & equipment		Bonds payable	400,000
Land	5,500	Total long-term liabilities	420,000
Land improvements	6,500		
Buildings	180,000		
Equipment	201,000	Total liabilities	481,000
Less: accum depreciation	(56,000)		
Prop, plant & equip - net	337,000	STOCKHOLDERS' EQUITY	
Intangible assets			
		Common stock	110,000
Goodwill	105,000	Retained earnings	229,000
Trade names	200,000	Less: Treasury stock	(50,000)
Total intangible assets	305,000	Total stockholders' equity	289,000
Other assets	3,000		
Total assets	$ 770,000	Total liabilities & stockholders' equity	$ 770,000

Q36. **Another name for the balance sheet is…? Tick your response.**

Answer

Choice	Possible Answers
☐	Statement of operations
☒	Statement of financial position

Q37. **The balance sheet heading will specify a…? Tick your response.**

Answer

Choice	Possible Answers
☐	Period of time
☒	Point in time

Q38. **Which of the following is a category or element of the balance sheet? Tick your response.**

Answer

Choice	Possible Answers
☐	Expenses
☐	Gains
☒	Liabilities
☐	Losses

Q39. **Which of the following is an asset account? Tick your response.**

Answer

Choice	Possible Answers
☐	Accounts payable
☒	Prepaid insurance
☐	Unearned revenue

Q40. **What is the normal balance for an asset account? Tick your response.**

Answer

Choice	Possible Answers
☒	Debit
☐	Credit

Q41. **What is the normal balance for liability accounts? Tick your response.**

Answer

Choice	Possible Answers
☐	Debit
☒	Credit

☐

Q42. **What is the normal balance for stockholders' equity and owner's equity accounts? Tick your response.**

Answer

Choice	Possible Answers
☐	Debit
☒	Credit

☐

Q43. **The client, Jay Thomas, pays ABC Builders $1,000 in December for ABC to perform services for Jay Thomas in 45 days. ABC uses the accrual basis of accounting. In December ABC will debit Cash for $1,000.**

What will be the other account involved in the December accounting entry prepared by ABC (and what type of account is it)? Tick your response.

Answer

Choice	Possible Answers
☐	Accounts receivable (asset)
☐	Prepaid services (asset)
☐	Service revenues (revenue)
☒	Unearned revenues (liability)

☐

Q44. **ABC Builders performed services for the client, Kay Smith, in December and billed Kay Smith $4,000 with terms of net 30 days. ABC Builders follows the accrual basis of accounting.**

In January ABC Builders received the $4,000 from Kay Smith. In January ABC will debit Cash, since cash was received.

What account should ABC Builders credit in the January entry? Tick your response.

Answer

Choice	Possible Answers
☒	Accounts receivable
☐	Service revenue
☐	Owner's equity

☐

Q45. **ABC Builders follows the accrual basis of accounting and performs a service on account (on credit) in December. The service was billed at the agreed upon amount of $3,500. ABC Builders debited Accounts Receivable for $3,500 and credited Service Revenue for $3,500.**

The effect of this entry on the balance sheet of ABC is to increase assets by $3,500 and to… Tick your response.

Answer

Choice	Possible Answers
☐	Decrease assets by $3,500
☒	Increase Owner's (Stockholders') equity by $3,500

☐

Q46. **Which of the following would <u>not</u> be a current asset?**
Tick your response.

Answer

Choice	Possible Answers
☐	Accounts receivable
☒	Land
☐	Prepaid insurance
☐	Supplies

☐

Q47. **Which of the following would normally be a current liability? Tick your response.**

Answer

Choice	Possible Answers
☐	Note payable due in two years
☒	Unearned revenue

☐

Q48. **When an owner draws $5,000 from a sole proprietorship or when a corporation declares and pays a $5,000 dividend, the asset Cash decreases by $5,000. What is the other effect on the balance sheet? Tick your response.**

Answer

Choice	Possible Answers
☒	Owner's/Stockholders' Equity Decreases
☐	None

☐

Q49. **ABC Builders incurs clean up expense of $500 on December 30. The supplier's invoice states that the $500 is due by January 10 and ABC will pay the invoice on January 9. ABC follows the accrual basis of accounting and its accounting year ends on December 31.**
What is the effect of the clean-up service on the December balance sheet of ABC? Tick your response.

Answer

Choice	Possible Answers
☐	Assets decreased
☒	Liabilities increased
☐	No effect on owner's equity

☐

Q50. **Deferred credits will appear on the balance sheet with the... Tick your response.**

Answer

Choice	Possible Answers
☐	Assets
☒	Liabilities
☐	Owner's/Stockholders' Equity

☐

Q51. **Notes Payable could not appear as a line on the balance sheet in which classification? Tick your response.**

Answer

Choice	Possible Answers
☒	Current assets
☐	Current liabilities
☐	Long-term liabilities

☐

Q52. **On December 1, ABC Builders hired Juanita Perez to begin working on January 2 at a monthly salary of $4,000. ABC's balance sheet of December 31 will show a liability of… Tick your response.**

Answer

Choice	Possible Answers
☐	$4,000
☐	$48,000
☒	No Liability

☐

Q53. **ABC Builders has current assets of $50,000 and total assets of $150,000. ABC has current liabilities of $30,000 and total liabilities of $80,000. What is the amount of ABC's owner's equity? Tick your response.**

Answer

Choice	Possible Answers
☐	$20,000
☐	$30,000
☒	$70,000
☐	$120,000

☐

Q54. **True or False (Tick your response): The amount reported on the balance sheet for Property, Plant and Equipment is the company's estimate of the fair market value as of the balance sheet date.**

Answer

☐	True
☒	False

☐

Q55. **True or False (Tick your response): The total amount reported for stockholders' equity is the approximate fair value or net worth of the corporation as of the balance sheet date.**

Answer

☒	True
☐	False

☐

Q56. **True or False (Tick your response): The book value of a corporation is the total amount of stockholders' equity reported on the balance sheet.**

Answer

☒	True
☐	False

☐

Q57. **True or False (Tick your response): The third line of the balance sheet at the end of the year should begin with "For the Year Ended".**

Answer

☐	True
☒	False

☐