

**PROCESS:**

The following accounts with their normal balances were taken from the books of Paranormal Enterprise on December 31, 2019:

Account Titles	Balances
Cash in bank	154,000
Caluag, Ed, Capital	?
Notes Receivable	488,000
Prepaid Insurance	53,400
Prepaid Rent	60,000
Accrued Expenses	75,780
Inventories	315,680
Franchise	150,000
Trademark	99,000
Loan Payable	1,000,000
Notes Payable	240,000
Delivery equipment	1,500,000
Accumulated depreciation – Delivery equipment	200,000
Accounts Receivable	112,000
Accounts Payable	160,690

Additional information:

- Caluag, Ed, Capital has a balance of 1,001,090 on January 1, 2019. The owner gave 200,000 additional investments during the year. Net income for the year was 240,890.
- Prepare a report form of Statement of Financial Position and classify the elements into current and noncurrent assuming the following additional information:
  - A portion, 20%, of the Notes payable is due 5 months from now while the rest for more than a year.
  - Notes receivable is collectible 7 months from the date.
  - Prepaid expenses will be used within one year after SFP date.
  - The owner acquired a loan which is payable after 2 years.

Requirement:

- Prepare a Statement of Changes in Owner's Equity.
- Prepare a Statement of Financial Position in Report Form.


  

Add:		
Sub-Total		
Less:		


<b>Assets</b>	
Current Assets	
Noncurrent Assets	
<b>Liabilities and Owner's Equity</b>	
Current Liabilities	
Noncurrent Liabilities	
Owner's Equity	