

**exercise 1-429-182**  
**June 27, 2011**

## **A&E Shirts, LLC: Assessing First Month Financial Performance**

### **Overview**

This exercise presents A&E Shirts LLC, a budding retail company that is balancing its books for its first month of business operations. The exercise is designed to guide you through a systematic approach to account for typical business activities in a variety of financial statements, e.g. balance sheet, income statement, and a statement of retained earnings.

Your instructor will provide context and explanations for the accounting terms mentioned in the exercise. This exercise will allow you to:



courtesy of Racchio

- Identify, Prepare, and Account for Adjusting Journal Entries
- Account for External Transactions
- Prepare an Income Statement
- Close Temporary Accounts
- Adjust Retained Earnings
- Account for Dividends
- Create a Balance Sheet

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