(2 point) 1. What is the difference between the balance sheet and the income statement?

(3 points) 2. State any 3 financial ratios that can be used to determine a company’s financial performance.

1. 
2. 
3. 

(5 points) 3. For each item listed, select the letter of the accounting term it best describes (You may use each letter more than once)

A. Asset
B. Liability
C. Shareholder’s Equity

1. ____ Preferred Stock
2. ____ Land
3. ____ Accrued Expenses
4. ____ Patent
5. ____ Accounts Receivable
6. ____ Inventory
7. ____ Taxes Payable
8. ____ Pre-paid Insurance
9. ____ Accounts Payable
10. ____ Retained Earnings