

Lesson 4

■ Writing Assignment

Directions: Be sure to save an electronic copy of your answer before submitting it to Ashworth College for grading. Unless otherwise stated, answer in complete sentences, and be sure to use correct English, spelling and grammar. Sources must be cited in APA format. Your response should be four (4) double-spaced pages in length; refer to the ' Assignment Format—located in the Introduction of this learning guide for specific format requirements.

Part A (30 points)

Record the following transactions in the basic accounting equation:

- Brian invests \$10,000 cash to begin an accounting service.
- The company buys office furniture for cash, \$600.
- The company buys additional office furniture on account, \$300.
- The company makes a payment on the office furniture, \$200.

Brian's Accounting Service

ASSETS

Cash + Office Furniture

=

LIABILITIES

Accounts Payable

+

OWNER'S EQUITY

Brian's Capital

-
-
-
-

Part B (40 points)

The following is a list of accounts and their balances for Benson Company for the month ended June 30, 20xx. Prepare a trial balance in good form.

Cash	\$1,370	Benson, Withdrawals	\$ 500
Accounts Payable	770	Accounts Receivable	1,600
Office Equipment	900	Service Fees	2,730
Benson, Capital	1,500	Salaries Expense	630

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Part C (30 points)

The following transactions occurred during June for Campus Cycle Shop. Record the transactions below in the T accounts. Place the letter of the transaction next to the entry. Foot and calculate the ending balances of the T accounts where appropriate.

- Tyler invested \$6,500 in the bike service from his personal savings account.
- Bought office equipment for cash, \$900.
- Performed bike service for a customer on account, \$1,000.
- Company cell phone bill received, but not paid, \$80.
- Collected \$500 from customer in transaction c.
- Tyler withdrew \$300 for personal use.

Cash	111
Office Equipment	112
Tyler's, Capital	311
Bike Fees	411

Accounts Receivable	112
Accounts Payable	211
Tyler's, Withdrawals	312
Telephone Expense	512