■ *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 (20 points)

Prepare in proper form journal entries for the following transactions. Omit explanations.

October
2 Owner made a cash investment into the company $5,000
8 Bought supplies on account $100.
10 Paid salaries, $700
15 Paid for supplies purchased on October 8
21 Received company telephone bill, to be paid later, $30

Part B (5 points each for a possible total of 50 points)

Record the following selected transactions for January in a two-column journal, identifying each entry by letter:

(a) Earned $7,000 fees; customer will pay later.
(b) Purchased equipment for $45,000, paying $20,000 in cash and the remainder on credit
(c) Paid $3,000 for rent for January.
(d) Purchased $2,500 of supplies on account.
(e) A. Allen $1,000 investment in the company.
(f) Received $7,000 in cash for fees earned previously.
(g) Paid $1,200 to creditors on account.
(h) Paid wages of $6,250.
(i) Received $7,150 from customers on account.
(j) A. Allen withdrawal of $1,750.

Part C

(1) **(10 points)** From the following items in the income statement columns of the worksheet of Friend's Tutoring at December 31, prepare the closing entries without explanation, assuming that a $1,000 withdrawal was made during the period.

Account	Income Statement Debit	Income Statement Credit
Tutoring Fees		3,450
Wages Expense	700	
Rent Expense	600	
Supplies Expense	450	
Insurance Expense	250	
	2,000	3,450
Net Income	1,450	
	$3,450	$3,450

(2) **(5 points each for a possible total of 20 points)** A summary of selected ledger accounts appear below for S. Ball for the current calendar year.

S. Ball, Capital

12/31	6,500	1/1	27,000
		12/31	4,250

S Ball, Withdrawals

3/31	2,000	12/31	6,000
10/31	3,000		
12/22	1,000		

Income Summary

12/31	12,750	12/31	17,000
12/31	4,250		

Answer the following questions.

a. What was the total amount of withdrawals for the year?
b. What was the net income?
c. What was the total revenue?
d. What were the total expenses?