Requirement

1. Indicate the effects of the following business transactions on the accounting equation of a Flickster Video store. Transaction (a) is answered as a guide. (Complete all answer boxes.)

a. Received cash of $10,000 and the owner received capital.

Assets					= Liabilities +	Owner's Equity
Cash	+ Accounts receivable	+ Supplies	+ Office furniture	+ Land	= Accounts payable	+ Capital
Increase	No effect	No effect	No effect	No effect	No effect	Increase

b. Earned video rental revenue on account, $1,200.

Assets					= Liabilities +	Owner's Equity
Cash	+ Accounts receivable	+ Supplies	+ Office furniture	+ Land	= Accounts payable	+ Capital
?						

Each answer above is an option of: Increase, Decrease, or No Effect

2. Jake's Roasted Peanuts supplies snack foods. The business experienced the following events.

a. Jake's Roasted Peanuts gave capital after receiving cash from the sole proprietor.
b. Cash purchase of land for a building site.
c. Paid cash on accounts payable.
d. Purchased equipment; signed a note payable.
e. Performed service for a customer on account.
f. Owner withdrew cash.
g. Received cash from a customer on account receivable.
h. Borrowed money from the bank.

Requirement

1. State whether each event (1) increased, (2) decreased, or (3) had no effect on the *total assets* of the business. Identify any specific asset affected.

	Effects on total assets	Asset account(s) affected	
a.	Decrease total asset, increase total asset, or no effect	Acct. payable. Acct. receivable, cash, equipment, note payable, owner's equity	?

3. The assets, liabilities, owner's equity, revenues, and expenses of DrouinDrouin Design Studio have the following balances at December 31, 2010, the end of its first year of operation. During the year, the owner invested $19,000.

Note payable	$	40,000	Office furniture	$	46,000
Rent expense		22,000	Utilities expense		7,000
Cash		3,600	Accounts payable		3,000
Office supplies		5,000	Owner's equity		18,400
Salary expense		61,000	Service revenue		158,400
Salaries payable		2,200	Accounts receivable		9,000
Property tax expense		1,200	Supplies expense		4,200

Requirements

1. Prepare the income statement of Drouin Drouin Design Studio for the year ended December 31, 2010. What is the result of operations for 2010?
2. What was the amount of the owner's withdrawals during the year?

Requirement 1. Prepare the income statement.

1.As of Dec 31, 2006
2.for the month ended Dec 31, 2010 Dec. 31, 2010
3.Drouin Design Studio
4. income statement
5. year ended Dec. 31, 2010

1.As of Dec 31, 2006
2.for the month ended Dec 31, 2010 Dec. 31, 2010
3.Drouin Design Studio
4. income statement
5. year ended Dec. 31, 2010

1.As of Dec 31, 2006
2.for the month ended Dec 31, 2010 Dec. 31, 2010
3.Drouin Design Studio
4. income statement
5. year ended Dec. 31, 2010

Choose from any drop-down list(1-5) and then click Check Answer.

4) Abraham Woody practiced accounting with a partnership for five years. Recently he opened his own accounting firm, which he operates as a proprietorship. The name of the new entity is Abraham Wood, CPA. Woody experienced the following events during the organizing phase of the new business and its first month of operations. Some of the events were personal and did not affect the business

Transcations:

Feb. 4	Woody received $26,000 cash from former accounting partners.*
5	Deposited $90,000 in a new business bank account titled Abraham Woody, CPA. The business gave capital to Woody.
6	Paid $400 cash for letterhead stationery for the new office.
7	Purchased office furniture for the office. The business will pay the account payable, $9,400, within 3 months.
10	Woody sold a personal investment in Amazing.com stock, which he had owned for several years, receiving $52,000 cash.*
11	Woody deposited the $52,000 cash from sale of the Amazing.com stock in his personal bank account.*
12	A representative of a large company telephoned Woody and told him of the company's intention to transfer its accounting business to Woody.
18	Finished tax hearings on behalf of a client and submitted a bill for accounting services, $14,000. Woody expected to collect from this client within two weeks.
25	Paid office rent, $1,900.
28	Withdrew $8,000 for personal use.

*Personal transaction of Abraham Woody.

Requirements:

1. Analyze the effects of the events on the accounting equation of the proprietorship of Abraham Woody, CPA.
2. As of February 28, compute
   a. Total assets
   b. Total liabilities
   c. Total owner's equity
   d. Net income or net loss for February

Requirement 1.

Analyze the effects of the events on the accounting equation of the proprietorship of Abraham Woody, CPA. First let's complete the transactions for February 4 through 5. Leave cells blank for any personal transactions.

	Assets								= Liabilities +		Owner's equity	
Date	Cash	+	Accounts receivable	+	Supplies	+	Office furniture	=	Accounts payable	+	Abraham Woody, Capital	Type of owner's equity transaction
Feb. 4		+		+		+		=		+		Owner investment, Owner withdrawal, rent expense, OR service revenue
5		+		+		+		=		+		Owner investment, Owner withdrawal, rent expense, OR service revenue
Bal.		+		+		+		=		+		

Choose from any list and enter any number in the input fields and then click Check Answer.

5. Presented here are the accounts of Town and Country Realty Town for the year ended December 31, 2011.

Land	$ 6,000	Heidi Gentry, capital	$ 83,000
Note payable	26,000	Accounts payable	13,000
Property tax expense	2,400	Accounts receivable	4,800
Withdrawals	26,000	Advertising expense	14,000
Rent expense	18,000	Building	133,900
Salary expense	68,000	Cash	8,000
Salary payable	1,400	Equipment	20,000
Service revenue	195,000	Insurance expense	2,300
Supplies	6,000	Interest expense	9,000

Requirements

1. Prepare Town and Country Realty's income statement.
2. Prepare the statement of owner's equity.
3. Prepare the balance sheet.
4. Answer these questions about the business:
   a. Was the result of operations for the year a profit or a loss? How much?
   b. How much in total economic resources does the company have as it moves into the new year?
   c. How much does the company owe?
   d. What is the dollar amount of the owner's equity in the business at the end of the year?

Requirement 1.
Prepare the income statement from the data provided. (Do not check your answer until you have completed the entire income statement.)

1. Town and country Realty
2. Dec. 31, 2011
3. For Dec. 31, 2011
4. Income statement
5. Year ended Dec. 31 2011

?

1. Town and country Realty
2. Dec. 31, 2011
3. For Dec. 31, 2011
4. Income statement
5. Year ended Dec. 31 2011

1. Town and country Realty
2. Dec. 31, 2011
3. For Dec. 31, 2011
4. Income statement
5. Year ended Dec. 31 2011

Revenue:		
?		
Expenses:		

Choose from any list or enter any number in the input fields and then click Check Answer.

6. Matilda Clifford owns and operates a public relations firm called Solid Gold. The following amounts summarize her business on August 31, 2011:

	Assets							=	Liabilities	+	Owner's equity
			Accounts						Accounts		Matilda Clifford,
Date	Cash	+	receivable	+	Supplies	+	Land	=	payable	+	Capital
Bal.	2,600	+	1,700	+	0	+	14,000	=	8,000	+	10,300

During September 2011, the business completed the following transactions:

a. Owner invested cash of $11,000.
b. Performed service for a client and received cash of $1,100.
c. Paid off the beginning balance of accounts payable.
d. Purchased supplies from OfficeMax on account, $800.
e. Collected cash from a customer on account, $500.
f. Received cash of $1,700 from owner.
g. Consulted for a new band and billed the client for services rendered, $4,300.
h. Recorded the following business expenses for the month:
   1. Paid office rent, $900.
   2. Paid advertising, $600.
i. Returned supplies to OfficeMax for $60 cash, which was the cost of the supplies.
j Owner withdrew $2,400.

Requirements

1. Analyze the effects of the preceding transactions on the accounting equation of Solid Gold.
2. Prepare the income statement of Solid Gold for the month ended September 30, 2011.
3. Prepare the entity's statement of owner's equity for the month ended September 30, 2011.
4. Prepare the balance sheet at September 30, 2011.

Requirement
1.
First enter each event (transaction) in the appropriate columns, then recalculate new balances for all the accounts. (Complete only the necessary answer boxes for your transaction lines. Carry down all balances, including zero balance accounts. Enter decreases with a minus sign or parentheses.)
a. Owner invested cash of
$11 comma 00011,000.

	Assets				= Liabilities	+ Owner's equity	
		Accounts			Accounts	Matilda Clifford,	Type of owner's
	Cash +	receivable +	Supplies +	Land =	payable +	Capital	equity transaction
Bal.	2,600 +	1,700 +	0 +	14,000 =	8,000 +	10,300	
	+	+	+	=	+		Advertising expense, owner investment, owner withdrawal, etc
Bal.	+	+	+	=	+		

Choose from any list or enter any number in the input fields and then click Check Answer.

7. The following transactions occurred for Global Engineering:

Sep. 2	Paid utilities expense of $300.
5	Purchased equipment on account, $2,000.
10	Performed service for a client on account, $1,200.
12	Borrowed $8,000 cash, signing a note payable.
19	Sold for $35,000 land that had cost this same amount.
21	Purchased supplies for $500 and paid cash.
27	Paid the liability from Sep. 5.

Requirement
1. Record the transactions in the journal. (Record debits first, then credits. Explanations are not required. Record transactions chronologically.)
Sep.2: Paid utilities expense of $300.

Journal Entry			
Date	Accounts	Debit	Credit
Sep.	Acct. payable, acct. receivable, cash, equipment, land, note payable, service revenue, supplies, OR utilities expenses		
	Acct. payable, acct. receivable, cash, equipment, land, note payable, service revenue, supplies, OR utilities expenses		
	Acct. payable, acct. receivable, cash, equipment, land, note payable, service revenue, supplies, OR utilities expenses		
	Acct. payable, acct. receivable, cash, equipment, land, note payable, service revenue, supplies, OR utilities expenses		

Choose from any list or enter any number in the input fields and then click Check Answer.

8. The following transactions occurred during the month for Mona Wade, CPA.

a. Wade opened an accounting firm by investing $16,500 cash and office furniture valued at $5,300. The business gave $21,800 of capital to Wade.
b. Paid monthly rent of $1,400.
c. Purchased office supplies on account, $700.
d. Paid employee's salary, $1,600.
e. Paid $400 of the account payable created in transaction (c).
f. Performed accounting service on account, $5,800.
g. Owner withdrew $6,800.

Requirements

1. Journalize the transactions and post to the four-column accounts. Use the letters to identify the transactions. Keep a running balance in each account.
2. Prepare a trial balance at December 31, 2011.

Requirement 1. Journalize the transactions for Mona Wade, CPA. (Record debits first, then credits. Explanations are not required.) Begin with transaction a. Wade opened an accounting firm by investing $16,500 cash and office furniture valued at $5,300. The business gave $21,800 of Wade.

Journal Entry			
	Accounts	Debit	Credit
a.	Acct. payable, acct. receivable, cash, Mona Wade Capital, Mona Wade withdrawal, office furniture, office supplies, rental expense, salary		

	expense, OR service revenue		
	Acct. payable, acct. receivable, cash, Mona Wade Capital, Mona Wade withdrawal, office furniture, office supplies, rental expense, salary expense, OR service revenue		
	Acct. payable, acct. receivable, cash, Mona Wade Capital, Mona Wade withdrawal, office furniture, office supplies, rental expense, salary expense, OR service revenue		
	Acct. payable, acct. receivable, cash, Mona Wade Capital, Mona Wade withdrawal, office furniture, office supplies, rental expense, salary expense, OR service revenue		

Choose from any list or enter any number in the input fields and then click Check Answer.

9. Showtime Amusements Company owns movie theaters. The company's ledger (in T-account form) for the month ended October 31,2012 follows:

Cash

Oct.	1	360,000	Oct.	2	300,000
	5	250,000		15	1,200
	31	20,000		15	1,600
				16	3,500
				28	11,000
Bal.		312,700			

Accounts payable

Oct.	15	1,200	Oct.	10	1,500
Bal.					300

Notes payable

				5	250,000
Bal					250,000

Supplies

Oct.	10	1,500	Oct.		
Bal.		1,500			

Darrell Palusky, Capital

Oct.			Oct.	1	360,000
Bal.					360,000

Building

Oct.	2	300,000	Oct.		
Bal.		300,000			

Service revenue

Oct.			Oct.	31	20,000
Bal.					20,000

Darrell Palusky, Withdrawals

Oct.	28	11,000	Oct.		
Bal.		11,000			

Salary expense

Oct.	16	2,500	Oct.		
Bal.		2,500			

Propery tax expense

Oct.	15	1,600	Oct.		
Bal.		1,600			

Rent expense

Oct.	16	1,000	Oct.		
		1,000			

Prepare the following financial statements for Showtime Amusements Company:
Requirements

1. Income statement for the month ended October 31, 2012.
2. Statement of Owner's Equity for the month ended October 31, 2012. The beginning balance of Capital was $0.
3. Balance sheet at October 31, 2012.

Requirement 1. Prepare the income statement for the month ended October 31, 2012. (Leave unused lines blank.)

Showtime Amusements Company, Income statement, for the ended Oct. 31, 2012, month ended Oct. 31, 2012, OR Oct. 31, 2012
Showtime Amusements Company, Income statement, for the ended Oct. 31, 2012, month ended Oct. 31, 2012, OR Oct. 31, 2012
Showtime Amusements Company, Income statement, for the ended Oct. 31, 2012, month ended Oct. 31, 2012, OR Oct. 31, 2012

Choose from any drop-down list and then click Check Answer.