

## Excel Problems

Complete these problems from your text book: (P1-44B page 47 & P2-46B page 111) related to transaction analysis, journal entries for typical business transactions, adjusting entries and preparation of the trial balance and adjusted trial balance.

Present your analysis of the assigned problems in Excel format. Enter non-numerical responses in the same worksheet using textboxes.

**P1-44B** (L. OBJ. 9, 10) **Preparing financial statements and evaluating business performance [20–30 min]**

Accent Photography works weddings and prom-type parties. The balance of capital was \$20,000 at December 31, 2010. At December 31, 2011, the business's accounting records show these balances:

|                     |          |                     |           |
|---------------------|----------|---------------------|-----------|
| Insurance expense   | \$ 8,000 | Accounts receivable | \$ 10,000 |
| Cash                | 31,000   | Note payable        | 12,000    |
| Accounts payable    | 6,000    | Owner's equity      | ?         |
| Advertising expense | 1,000    | Salary expense      | 27,000    |
| Service revenue     | 81,000   | Equipment           | 60,000    |
| Owner withdrawals   | 15,000   | Owner investment    | 33,000    |

### Requirement

- Prepare the following financial statements for Accent Photography for the year ended December 31, 2011:
  - Income statement
  - Statement of owner's equity
  - Balance sheet

**P2-46B** (L. OBJ. 2, 3, 4, 5) **Analyzing and journalizing transactions, posting, and preparing a trial balance [45–60 min]**

Warren Smith practices medicine under the business title Warren Smith, M.D. During April, the medical practice completed the following transactions:

|       |  |
|-------|--|
| Apr 1 | Smith deposited \$78,000 cash in the business bank account. The business gave capital to Smith.                        |
| 5     | Paid monthly rent on medical equipment, \$780.   |
| 9     | Paid \$18,000 cash to purchase land for an office site.  |
| 10    | Purchased supplies on account, \$1,200.  |
| 19    | Borrowed \$20,000 from the bank for business use. Smith signed a note payable to the bank in the name of the business. |
| 22    | Paid \$800 on account.   |
| 30    | Revenues earned during the month included \$5,900 cash and \$4,900 on account.   |
| 30    | Paid employees' salaries \$2,000, office rent \$1,800, and utilities \$420. Make a single compound entry.              |
| 30    | Owner withdrew \$9,000.  |

The business uses the following accounts: Cash; Accounts receivable; Supplies; Land; Accounts payable; Notes payable; Warren Smith, Capital; Warren Smith, Withdrawals; Service revenue; Salary expense; Rent expense; Utilities expense.

### Requirements

- Journalize each transaction, as shown for April 1. Explanations are not required.

|       |                       |        |        |
|-------|-----------------------|--------|--------|
| Apr 1 | Cash                  | 78,000 |        |
|       | Warren Smith, Capital |        | 78,000 |

- Post the transactions to the T-accounts, using transaction dates as posting references in the ledger accounts. Label the balance of each account *Bal*, as shown in the chapter.
- Prepare the trial balance of Warren Smith, M.D., at April 30, 2010.