

# SOLUTIONS MANUAL

Accounting 8e



Horngrén | Harrison | Oliver

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Accounting 8e



Horngrén | Harrison | Oliver

# Chapter 2

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## Recording Business Transactions

### Short Exercises

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(5 min.) **S 2-1**

“The basic summary device in accounting is the account. The left side is called the debit side, and the right side is called the credit side. We record transactions first in a journal. Then we post (copy the data) to the ledger. It is helpful to list all the accounts with their balances on a trial balance.”

- |          |                   |  |
|----------|-------------------|--|
| <u>J</u> | 1. Equity         | A. Record of transactions                                |
| <u>C</u> | 2. Debit          | B. An asset  |
| <u>F</u> | 3. Expense        | C. Left side of an account                               |
| <u>H</u> | 4. Net income     | D. Side of an account where increases are recorded       |
| <u>I</u> | 5. Ledger         | E. Copying data from the journal to the ledger           |
| <u>E</u> | 6. Posting        | F. Using up assets in the course of operating a business |
| <u>D</u> | 7. Normal balance | G. Always a liability                                    |
| <u>G</u> | 8. Payable        | H. Revenues – Expenses = _____                           |
| <u>A</u> | 9. Journal        | I. Book of accounts                                      |
| <u>B</u> | 10. Receivable    | J. Owner's equity  |

**Debits are increases for the following types of accounts:**

- **Assets**
- **Withdrawals**
- **Expenses**

**Debits are decreases for these types of accounts:**

- **Liabilities**
- **Capital**
- **Revenues**

**Credits are increases for these types of accounts:**

- **Liabilities**
- **Capital**
- **Revenues**

**Credits are decreases for these types of accounts:**

- **Assets**
- **Withdrawals**
- **Expenses**

(5 min.) S 2-4

**Normal Balance**

<b>Assets.....</b>	<b>Debit</b>	
<b>Liabilities.....</b>		<b>Credit</b>
<b>Owner's Equity—overall.....</b>		<b>Credit</b>
<b>Capital.....</b>		<b>Credit</b>
<b>Withdrawal.....</b>	<b>Debit</b>	
<b>Revenues.....</b>		<b>Credit</b>
<b>Expenses.....</b>	<b>Debit</b>	

(10 min.) S 2-5

<b>Journal</b>				
<b>DATE</b>	<b>ACCOUNTS AND EXPLANATIONS</b>	<b>POST. REF.</b>	<b>DEBIT</b>	<b>CREDIT</b>
<b>Sept. 1</b>	<b>Cash</b>		<b>33,000</b>	
	<b>    Otis Carpenter, Capital</b>			<b>33,000</b>
	<b>Received investment from owner.</b>			
<b>2</b>	<b>Medical Supplies</b>		<b>7,000</b>	
	<b>    Accounts Payable</b>			<b>7,000</b>
	<b>Purchased supplies on account.</b>			
<b>2</b>	<b>Rent Expense</b>		<b>3,700</b>	
	<b>    Cash</b>			<b>3,700</b>
	<b>Paid office rent.</b>			
<b>3</b>	<b>Accounts Receivable</b>		<b>10,000</b>	
	<b>    Service Revenue</b>			<b>10,000</b>
	<b>Performed service on account.</b>			

<b>Journal</b>					
<b>DATE</b>		<b>ACCOUNTS AND EXPLANATIONS</b>	<b>POST. REF.</b>	<b>DEBIT</b>	<b>CREDIT</b>
<b>Mar.</b>	<b>22</b>	<b>Accounts Receivable</b>		<b>4,000</b>	
		<b>Service Revenue</b>			<b>4,000</b>
		<b>Performed service on account.</b>			
	<b>30</b>	<b>Cash</b>		<b>3,000</b>	
		<b>Accounts Receivable</b>			<b>3,000</b>
		<b>Received cash on account.</b>			
	<b>31</b>	<b>Utilities Expense</b>		<b>130</b>	
		<b>Accounts Payable</b>			<b>130</b>
		<b>Received utility bill.</b>			
	<b>31</b>	<b>Salary Expense</b>		<b>2,300</b>	
		<b>Cash</b>			<b>2,300</b>
		<b>Paid salary expense.</b>			
	<b>31</b>	<b>Advertising Expense</b>		<b>400</b>	
		<b>Cash</b>			<b>400</b>
		<b>Paid advertising expense.</b>			



Req. 1

<b>Journal</b>				
<b>DATE</b>	<b>ACCOUNTS AND EXPLANATIONS</b>	<b>POST. REF.</b>	<b>DEBIT</b>	<b>CREDIT</b>
	<b>Supplies</b>		<b>1,200</b>	
	<b>Accounts Payable</b>			<b>1,200</b>
	<b>Purchased supplies on account.</b>			
	<b>Accounts Payable</b>		<b>600</b>	
	<b>Cash (\$1,200 × 1/2)</b>			<b>600</b>
	<b>Paid on account.</b>			

Req. 2

<b>Accounts Payable</b>	
<b>600</b>	<b>1,200</b>
<b>Bal.</b>	<b>600</b>

Req. 1

<b>Journal</b>				
DATE	ACCOUNTS AND EXPLANATIONS	POST. REF.	DEBIT	CREDIT
	<b>Accounts Receivable</b>		<b>9,000</b>	
	<b>Service Revenue</b>			<b>9,000</b>
	<b>Performed service on account.</b>			
	<b>Cash</b>		<b>5,400</b>	
	<b>Accounts Receivable</b>			<b>5,400</b>
	<b>Received cash on account.</b>			

Req. 2

<b>Cash</b>	<b>Accounts Receivable</b>	<b>Service Revenue</b>
<b>5,400</b>	<b>9,000</b>	<b>9,000</b>
<b>Bal. 5,400</b>	<b>Bal. 3,600</b>	<b>Bal. 9,000</b>

Req. 3

a. Jonathan earned	<b>\$9,000:</b>	Service Revenue	
b. Total assets	<b>\$9,000:</b>	Cash	<b>\$5,400</b>
		Accounts receivable	<b><u>3,600</u></b>
		Total assets	<b><u>\$5,000</u></b>

Reqs. 1 and 2

<b>Cash</b>	
	<b>33,000</b>
	<b>3,700</b>
<b>Bal.</b>	<b>29,300</b>

<b>Accounts Receivable</b>	
	<b>10,000</b>
<b>Bal.</b>	<b>10,000</b>

<b>Medical Supplies</b>	
	<b>7,000</b>
<b>Bal.</b>	<b>7,000</b>

<b>Accounts Payable</b>	
	<b>7,000</b>
<b>Bal.</b>	<b>7,000</b>

<b>Otis Carpenter, Capital</b>	
	<b>33,000</b>
<b>Bal.</b>	<b>33,000</b>

<b>Service Revenue</b>	
	<b>10,000</b>
<b>Bal.</b>	<b>10,000</b>

<b>Rent Expense</b>	
	<b>3,700</b>
<b>Bal.</b>	<b>3,700</b>

(continued) S 2-9

Req. 3

<b>Otis Carpenter, MD</b>		
<b>Trial Balance</b>		
<b>September 3, 2010</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
Cash	\$29,300	
Accounts receivable	10,000	
Medical supplies	7,000	
Accounts payable		\$7,000
Otis Carpenter, capital		33,000
Service revenue		10,000
Rent expense	3,700	
<b>Total</b>	<b><u>\$50,000</u></b>	<b><u>\$50,000</u></b>

(10 min.) S 2-10

<b>Redwing Floor Coverings</b>		
<b>Trial Balance</b>		
<b>December 31, 2009</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
Cash	\$6,000	
Equipment	43,000	
Accounts payable		\$ 1,000
Other liabilities		17,000
Shelly Royce, Capital		25,000
Revenues		32,000
Expenses	26,000	
<b>Total</b>	<b><u>\$75,000</u></b>	<b><u>\$75,000</u></b>

<b>Incorrect Trial Balance</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
Cash	\$16,000	
Accounts receivable	1,000	
Office supplies	500	
Land	16,000	
Accounts payable		\$ 200
Georgia Lapp, Capital	30,100*	
Georgia Lapp, Withdrawals	2,000	
Service revenue		8,500
Rent expense, computer	800	
Rent expense, office	900	
Salary expense	1,200	
Utilities expense	400	
<b>Total</b>	<b><u>\$68,900</u></b>	<b><u>\$8,700</u></b>

\*Incorrect; should be listed as a credit.

To correct this error,

1. Take the difference between total debits and total credits:

$$\$68,900 - \$8,700 = \$60,200$$

2. Divide the error by 2:

$$\$60,200 / 2 = \$30,100$$

3. Locate \$30,100 on the trial balance. Georgia Lapp, Capital should have a credit balance.

<b>Incorrect Trial Balance</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
Cash	<b>\$19,000</b>	
Accounts receivable	<b>1,000</b>	
Office supplies	<b>500</b>	
Land	<b>13,000</b>	
Accounts payable		<b>\$ 400</b>
Kelly Long, Capital		<b>29,000</b>
Kelly Long, Withdrawals	<b>100*</b>	
Service revenue		<b>8,400</b>
Rent expense, computer	<b>800</b>	
Rent expense, office	<b>1,100</b>	
Salary expense	<b>1,100</b>	
Utilities expense	<b>300</b>	
<b>Total</b>	<b><u>\$36,900</u></b>	<b><u>\$37,800</u></b>

**\*Incorrect; should be listed as \$1,000.**

**To correct this error,**

**1. Take the difference between total debits and total credits:**

$$\mathbf{\$36,900 - \$37,800 = \$900}$$

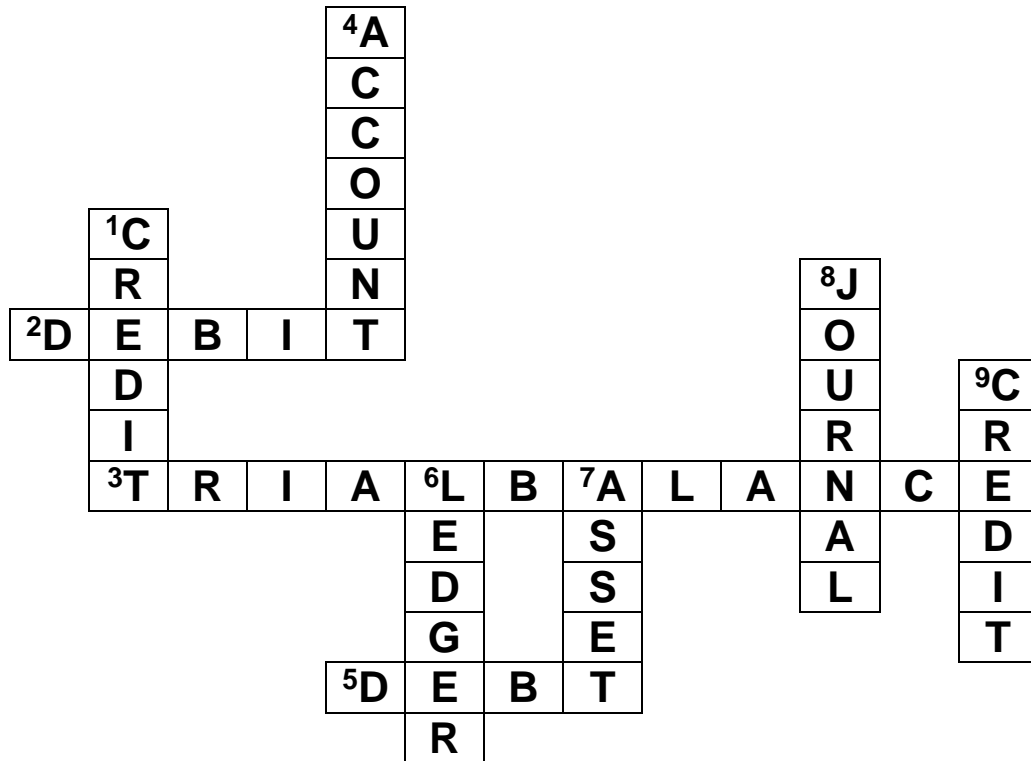
**2. Divide the error by 9:**

$$\mathbf{\$900 \div 9 = \$100}$$

**3. Locate \$100 on the trial balance. Kelly Long, Withdrawals, at \$100, holds the error. Trace Withdrawals' balance back to the ledger account, which shows the correct amount, \$1,000.**

# Exercises

(10 min.) E 2-13



				<sup>4</sup> N								
	<sup>2</sup> R	E	C	E	I	V	A	B	L	<sup>7</sup> E		
<sup>1</sup> D				T							X	
E				I							P	
<sup>3</sup> B	A	L	A	N	C	E	S	H	E	E	T	
I				C							N	
T				<sup>5</sup> P	O	S	T				S	
				M							E	
	<sup>6</sup> C	R	E	D	I	T						



Req. 1

<b>Debit</b>		<b>Credit</b>		<b>Credit</b>
<b>ASSETS</b>	<b>=</b>	<b>LIABILITIES</b>	<b>+</b>	<b>OWNERS' EQUITY</b>
<b>\$300,000</b>	<b>=</b>	<b>\$220,000</b>	<b>+</b>	<b>\$80,000</b>

Req. 2

<b>Credit</b>		<b>Debit</b>		<b>Net Credit</b>
<b>REVENUES</b>	<b>-</b>	<b>EXPENSES</b>	<b>=</b>	<b>NET INCOME</b>
<b>\$460,000</b>	<b>-</b>	<b>\$380,000</b>	<b>=</b>	<b>\$80,000</b>

**NET INCOME** represents a net credit because revenues (credits) exceed expenses (debits).

**NET LOSS** represents a net debit because expenses (debits) exceed revenues (credits).

<b>Journal</b>				
<b>DATE</b>		<b>ACCOUNTS AND EXPLANATIONS</b>	<b>DEBIT</b>	<b>CREDIT</b>
<b>Sept</b>	<b>2</b>	<b>Utilities Expense</b>	<b>300</b>	
		<b>Cash</b>		<b>300</b>
	<b>5</b>	<b>Equipment</b>	<b>2,000</b>	
		<b>Accounts Payable</b>		<b>2,000</b>
	<b>10</b>	<b>Accounts Receivable</b>	<b>1,800</b>	
		<b>Service Revenue</b>		<b>1,800</b>
	<b>12</b>	<b>Cash</b>	<b>10,000</b>	
		<b>Note Payable</b>		<b>10,000</b>
	<b>19</b>	<b>Cash</b>	<b>36,000</b>	
		<b>Land</b>		<b>36,000</b>
	<b>21</b>	<b>Supplies</b>	<b>600</b>	
		<b>Cash</b>		<b>600</b>
	<b>27</b>	<b>Accounts Payable</b>	<b>2,000</b>	
		<b>Cash</b>		<b>2,000</b>

Req. 1

- Aug. 1 Investment of cash by the owner
- 2 Purchase of supplies on account (on credit)
- 4 Purchase building with cash
- 6 Perform services for cash
- 9 Payment on account
- 17 Perform services on account
- 23 Collection on account
- 31 Payment of expenses

Req. 2 and 3

Cash		110	
Aug. 1	86,000	Aug. 4	58,000
6	2,700	9	100
23	1,300	31	1,700
Aug. 31	30,200		

Accounts Receivable		120	
Aug. 17	2,100	Aug. 23	1,300
Aug. 31	800		

Supplies		130	
Aug. 2	700		
Aug. 31	700		

Building		150	
Aug. 4	58,000		
Aug. 31	58,000		

Accounts Payable		210	
Aug. 9	100	Aug. 2	700
		Aug. 31	600

Lulu Bell, Capital		310	
		Aug. 1	86,000
		Aug. 31	86,000

**Service Revenue 410**

	Aug. 6	2,700
	17	2,100
	Aug. 31	4,800

**Salary Expense 510**

Aug. 31	1,200
Aug. 31	1,200

**Rent Expense 520**

Aug. 31	500
Aug. 31	500

Req. 4

<b>Bell Technology Solutions</b>		
<b>Trial Balance</b>		
<b>August 31, 2010</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
Cash	\$30,200	
Accounts receivable	800	
Supplies	700	
Building	58,000	
Accounts payable		\$ 600
Lulu Bell, Capital		86,000
Service revenue		4,800
Salary expense	1,200	
Rent expense	500	
<b>Total</b>	<b><u>\$91,400</u></b>	<b><u>\$91,400</u></b>

	Effect on Trial Balance	Account(s) Misstated	Journal Entries (Not Required)		
a.	Total debits > Total credits	Note Payable \$5,000 too low, on the trial balance only			
b.	Total debits < Total credits	Utility Expense \$900 too low (\$1,000 – \$100 = \$900)			
c.	Total debits = Total credits	Supplies \$200 too high Accounts Payable \$200 too high	e. Entry made: Correct entry:	Supplies Cash Accounts Payable Cash	200 200 200
d.	Total debits < Total credits	Cash \$450 too low	a. Entry made: Correct entry:	Cash Service Revenue Cash Service Revenue	50 500 500
e.	Total debits = Total credits	Supplies \$90 too high Accounts Payable \$90 too high (\$430 – \$340 = \$90)	b. Entry made: Correct entry:	Supplies Accounts Payable Supplies Accounts Payable	430 430 340 340

Req. 1 and 2

<b>Cash</b>			
Sept 1	3,000	Sept 2	300
12	10,000	21	600
19	36,000	27	2,000
Sept 30	46,100		

<b>Accounts Receivable</b>			
Sept 10	1,800		
Sept 30	1,800		

<b>Supplies</b>			
Sept 21	600		
Sept 30	600		

<b>Equipment</b>			
Sept 5	2,000		
Sept 30	2,000		

<b>Land</b>			
Sept 1	36,000	Sept 19	36,000
Sept 30			

<b>Accounts Payable</b>			
Sept 27	2,000	Sept 5	2,000
		Sept 30	

<b>Notes Payable</b>			
		Sept 12	10,000
		Sept 30	10,000

<b>Al Nyquist, Capital</b>			
		Sept 1	39,000
		Sept 30	39,000

<b>Service Revenue</b>			
		Sept 10	1,800
		Sept 30	1,800

<b>Utilities Expense</b>			
		Sept 2	300
		Sept 30	300

Req. 3

<b>Advanced Engineering</b>		
<b>Trial Balance</b>		
<b>September 30, 2010</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
<b>Cash</b>	<b>\$46,100</b>	
<b>Accounts receivable</b>	<b>1,800</b>	
<b>Supplies</b>	<b>600</b>	
<b>Equipment</b>	<b>2,000</b>	
<b>Notes payable</b>		<b>\$ 10,000</b>
<b>Al Nyquist, Capital</b>		<b>39,000</b>
<b>Service revenue</b>		<b>1,800</b>
<b>Rent expense</b>	<b>300</b>	
<b>Total</b>	<b><u>\$50,800</u></b>	<b><u>\$50,800</u></b>

## Req. 1

<b>Journal</b>				
<b>DATE</b>	<b>ACCOUNTS AND EXPLANATIONS</b>	<b>POST. REF.</b>	<b>DEBIT</b>	<b>CREDIT</b>
	<b>1. Cash</b>		<b>57,000</b>	
	<b>Mrs. Clean, Capital</b>			<b>57,000</b>
	<b>Investment by owner.</b>			
	<b>2. Supplies</b>		<b>600</b>	
	<b>Accounts Payable</b>			<b>600</b>
	<b>Purchased supplies on account.</b>			
	<b>3. Building</b>		<b>31,000</b>	
	<b>Cash</b>			<b>31,000</b>
	<b>Paid cash for building.</b>			
	<b>4. Cash</b>		<b>42,000</b>	
	<b>Note Payable</b>			<b>42,000</b>
	<b>Borrowed money; signed note payable.</b>			
	<b>5. Equipment</b>		<b>4,900</b>	
	<b>Cash</b>			<b>4,900</b>
	<b>Paid cash for equipment.</b>			



Req. 2

<b>Fine's Maid Service</b>		
<b>Trial Balance</b>		
<b>October 31, 2011</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
<b>Cash</b>	<b>\$ 63,100</b>	
<b>Supplies</b>	<b>600</b>	
<b>Equipment</b>	<b>4,900</b>	
<b>Building</b>	<b>31,000</b>	
<b>Accounts payable</b>		<b>\$ 600</b>
<b>Note payable</b>		<b>42,000</b>
<b>Mrs. Clean, Capital</b>		<b>57,000</b>
<b>Total</b>	<b><u>\$99,600</u></b>	<b><u>\$99,600</u></b>

1. Your transaction:

<b>Journal</b>				
<b>DATE</b>	<b>ACCOUNTS AND EXPLANATIONS</b>	<b>POST. REF.</b>	<b>DEBIT</b>	<b>CREDIT</b>
	<b>Repair Expense</b>		<b>484.02</b>	
	<b>Cash</b>			<b>484.02</b>
	<b>Paid repair bill.</b>			

2. Advanced Automotive's transaction:

<b>Journal</b>				
<b>DATE</b>	<b>ACCOUNTS AND EXPLANATIONS</b>	<b>POST. REF.</b>	<b>DEBIT</b>	<b>CREDIT</b>
	<b>Cash</b>		<b>484.02</b>	
	<b>Service Revenue</b>			<b>484.02</b>
	<b>Performed service and received cash.</b>			

Req. 1 and 2

<b>Journal</b>				
DATE	ACCOUNTS AND EXPLANATIONS	POST. REF.	DEBIT	CREDIT
a.	Cash		16,500	
	Office Furniture		5,300	
	Mona Wade, Capital			21,800
	Received investment from owner.			
b.	Rent Expense		1,400	
	Cash			1,400
	Paid monthly rent.			
c.	Office Supplies		700	
	Accounts Payable			700
	Purchased supplies on account.			
d.	Salary Expense		1,600	
	Cash			1,600
	Paid salary expense.			
e.	Accounts Payable		400	
	Cash			400
	Paid on account.			
f.	Accounts Receivable		5,800	
	Service Revenue			5,800
	Performed service on account.			
g.	Mona Wade, Withdrawals		6,800	
	Cash			6,800
	Withdrawal by owner.			

ACCOUNT CASH					ACCOUNT NO.		
DATE	ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE		
					DEBIT	CREDIT	
a.			16,500		16,500		
b.				1,400	15,100		
d.				1,600	13,500		
e.				400	13,100		
g.				6,800	6,300		

ACCOUNT ACCOUNTS RECEIVABLE					ACCOUNT NO.		
DATE	ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE		
					DEBIT	CREDIT	
f.			5,800		5,800		

ACCOUNT OFFICE SUPPLIES					ACCOUNT NO.		
DATE	ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE		
					DEBIT	CREDIT	
c.			700		700		

ACCOUNT OFFICE FURNITURE					ACCOUNT NO.		
DATE	ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE		
					DEBIT	CREDIT	
a.			5,300		5,300		

(continued) E 2-22

ACCOUNT		ACCOUNTS PAYABLE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
c.					700		700
e.				400			300

ACCOUNT		MONA WADE, CAPITAL			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
a.					21,800		21,800

ACCOUNT		MONA WADE, WITHDRAWALS			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
g.				6,800		6,800	

ACCOUNT		SERVICE REVENUE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
f.					5,800		5,800

(continued) E 2-22

ACCOUNT		SALARY EXPENSE			ACCOUNT NO.	
DATE	ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
d.			1,600		1,600	

ACCOUNT		RENT EXPENSE			ACCOUNT NO.	
DATE	ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
b.			1,400		1,400	

Req. 3

Mona Wade, CPA		
Trial Balance		
December 31, 2011		
ACCOUNT	DEBIT	CREDIT
Cash	\$ 6,300	
Accounts receivable	5,800	
Office supplies	700	
Office furniture	5,300	
Accounts payable		\$ 300
Mona Wade, Capital		21,800
Mona Wade, Withdrawals	6,800	
Service revenue		5,800
Salary expense	1,600	
Rent expense	1,400	
<b>Total</b>	<b><u>\$27,900</u></b>	<b><u>\$27,900</u></b>

<b>Journal</b>					
<b>DATE</b>		<b>ACCOUNTS AND EXPLANATIONS</b>	<b>POST. REF.</b>	<b>DEBIT</b>	<b>CREDIT</b>
<b>Jan.</b>	<b>1</b>	<b>Cash</b>		<b>46,000</b>	
		<b>Gib Granger, Capital</b>			<b>46,000</b>
		<b>Investment by owner.</b>			
	<b>2</b>	<b>Supplies</b>		<b>600</b>	
		<b>Accounts Payable</b>			<b>600</b>
		<b>Purchased supplies on acct.</b>			
	<b>4</b>	<b>Building</b>		<b>42,000</b>	
		<b>Cash</b>			<b>42,000</b>
		<b>Paid cash for a building.</b>			
	<b>6</b>	<b>Cash</b>		<b>5,800</b>	
		<b>Service Revenue</b>			<b>5,800</b>
		<b>Performed services for cash.</b>			
	<b>9</b>	<b>Accounts Payable</b>		<b>400</b>	
		<b>Cash</b>			<b>400</b>
		<b>Paid cash on account.</b>			
	<b>17</b>	<b>Accounts Receivable</b>		<b>1,900</b>	
		<b>Service Revenue</b>			<b>1,900</b>
		<b>Performed service on account.</b>			
	<b>23</b>	<b>Cash</b>		<b>1,300</b>	
		<b>Accounts Receivable</b>			<b>1,300</b>
		<b>Received cash on account.</b>			
	<b>31</b>	<b>Salary Expense</b>		<b>2,400</b>	
		<b>Rent Expense</b>		<b>1,000</b>	
		<b>Cash</b>			<b>3,400</b>
		<b>Paid expenses.</b>			

(15-20 min.) E 2-24

Req. 1

<b>Cash</b>			
Jan. 1	46,000	Jan. 4	42,000
6	5,800	9	400
23	1,300	31	3,400
Jan. 31	7,300		

<b>Accounts Receivable</b>			
Jan. 17	1,900	Jan. 23	1,300
Jan. 31	600		

<b>Supplies</b>		
Jan. 2	600	
Jan. 31	600	

<b>Building</b>		
Jan. 4	42,000	
Jan. 31	42,000	

<b>Accounts Payable</b>			
Jan. 9	400	Jan. 2	600
		Jan. 31	200

<b>Gib Granger, Capital</b>		
	Jan. 1	46,000
	Jan. 31	46,000

<b>Service Revenue</b>		
	Jan. 6	5,800
	17	1,900
	Jan. 31	7,700

<b>Salary Expense</b>		
Jan. 31	2,400	
Jan. 31	2,400	

<b>Rent Expense</b>		
Jan. 31	1,000	
Jan. 31	1,000	



## Req. 2

<b>Granger Technology Solutions</b>		
<b>Trial Balance</b>		
<b>January 31, 2011</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
Cash	\$7,300	
Accounts receivable	600	
Supplies	600	
Building	42,000	
Accounts payable		\$ 200
Gib Granger, Capital		46,000
Service revenue		7,700
Salary expense	2,400	
Rent expense	1,000	
<b>Total</b>	<b><u>\$53,900</u></b>	<b><u>\$53,900</u></b>

<b>Valentine Moving Company</b>		
<b>Trial Balance</b>		
<b>April 30, 2010</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
Cash	\$ 6,000	
Accounts receivable	10,300	
Supplies	200	
Trucks	122,000	
Building	44,000	
Accounts payable		\$ 4,000
Note payable		56,000
Shug Valentine, Capital		59,500
Shug Valentine, Withdrawals	5,600	
Service Revenue		77,000
Salary Expense	5,000	
Fuel Expense	2,000	
Insurance Expense	700	
Utilities Expense	400	
Supplies expense	300	
<b>Total</b>	<b><u>\$196,500</u></b>	<b><u>\$196,500</u></b>

<b>Jeana Jones Tutoring Service</b>		
<b>Trial Balance</b>		
<b>August 31, 2011</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
Cash	\$ 3,500*	
Accounts receivable	1,500*	
Supplies	700	
Computer equipment	26,100	
Accounts payable		\$13,700*
Jeana Jones, Capital		12,000*
Service revenue		9,600
Salary expense	1,600	
Rent expense	900	
Utilities expense	1,000*	
<b>Total</b>	<b><u>\$35,300</u></b>	<b><u>\$35,300</u></b>

**\*Explanations:**

**Cash:  $\$3,100 + \$400 = \$3,500$**

**Accounts Receivable:  $\$1,900 - \$400 = \$1,500$**

**Accounts Payable:  $\$11,400 + \$1,800 + \$500 = \$13,700$**

**Jeana Jones, Capital:  $\$11,900 + \$100 = \$12,000$**

**Utilities Expense:  $\$500 + \$500 = \$1,000$**

# Problems

## Group A

(40-50 min.) P 2-27A

### Req. 1

<b>Journal</b>					
DATE		ACCOUNTS AND EXPLANATIONS	POST. REF.	DEBIT	CREDIT
Nov.	1	Cash		350,000	
		Darrell Palusky, Capital			350,000
	2	Building		320,000	
		Cash			320,000
	5	Cash		220,000	
		Note Payable			220,000
	10	Supplies		1,000	
		Accounts Payable			1,000
	15	Accounts Payable		600	
		Cash			600
	15	Property Tax Expense		1,400	
		Cash			1,400
	16	Salary Expense		2,900	
		Rent Expense		1,300	
		Cash			4,200
	28	Darrell Palusky, Withdrawals		8,000	
		Cash			8,000
	30	Cash		20,000	
		Service Revenue			20,000

Req. 2

Cash			
Nov. 1	350,000	Nov. 2	320,000
5	220,000	15	600
30	20,000	15	1,400
		16	4,200
		28	8,000
Bal.	255,800		

Accounts Payable			
Nov. 15	600	Nov. 10	1,000
		Bal.	400

Notes Payable			
		Nov. 5	220,000
		Bal.	220,000

Supplies	
Nov. 10	1,000
Bal.	1,000

Darrell Palusky, Capital	
	Nov. 1 350,000
	Bal. 350,000

Building	
Nov. 12	320,000

Service Revenue	
	Nov. 30 20,000
	Bal. 20,000

Darrell Palusky, Withdrawals	
Nov. 28	8,000
Bal.	8,000

Salary Expense	
Nov. 16	2,900
Bal.	2,900

Property Tax Expense	
Nov. 15	1,400
Bal.	1,400

Rent Expense	
Nov. 16	1,300
Bal.	1,300

Req. 1

<b>Journal</b>					
<b>DATE</b>		<b>ACCOUNTS AND EXPLANATIONS</b>	<b>POST. REF.</b>	<b>DEBIT</b>	<b>CREDIT</b>
<b>Jan.</b>	<b>1</b>	<b>Cash</b>		<b>74,000</b>	
		<b>William White, Capital</b>			<b>74,000</b>
	<b>5</b>	<b>Rent Expense - Equipment</b>		<b>600</b>	
		<b>Cash</b>			<b>600</b>
	<b>9</b>	<b>Land</b>		<b>24,000</b>	
		<b>Cash</b>			<b>24,000</b>
	<b>10</b>	<b>Supplies</b>		<b>1,500</b>	
		<b>Accounts Payable</b>			<b>1,500</b>
	<b>19</b>	<b>Cash</b>		<b>18,000</b>	
		<b>Note Payable</b>			<b>18,000</b>
	<b>22</b>	<b>Accounts Payable</b>		<b>1,200</b>	
		<b>Cash</b>			<b>1,200</b>
	<b>31</b>	<b>Cash</b>		<b>6,400</b>	
		<b>Accounts Receivable</b>		<b>4,300</b>	
		<b>Service Revenue</b>			<b>10,700</b>
	<b>31</b>	<b>Salary Expense</b>		<b>2,600</b>	
		<b>Rent Expense - Office</b>		<b>1,700</b>	
		<b>Utilities Expense</b>		<b>350</b>	
		<b>Cash</b>			<b>4,650</b>
	<b>31</b>	<b>William White, Withdrawals</b>		<b>9,000</b>	
		<b>Cash</b>			<b>9,000</b>

Req. 2

<b>Cash</b>			
Jan. 1	74,000	Jan. 5	600
19	18,000	9	24,000
31	6,400	22	1,200
		31	4,650
		31	9,000
Bal.	58,950		

<b>Accounts Receivable</b>			
Jan. 31	4,300		
Bal.	4,300		

<b>Supplies</b>			
Jan. 10	1,500		
Bal.	1,500		

<b>Land</b>			
Jan. 9	24,000		
Bal.	24,000		

<b>Accounts Payable</b>			
Jan. 22	1,200	Jan. 10	1,500
		Bal.	300

<b>Notes Payable</b>			
		Jan. 19	18,000
		Bal.	18,000

<b>William White, Capital</b>			
		Jan. 1	74,000
		Bal.	74,000

<b>William White, Withdrawals</b>			
Jan. 31	9,000		
Bal.	9,000		

<b>Service Revenue</b>			
		Jan. 31	10,700
		Bal.	10,700

<b>Rent Expense - Equipment</b>			
Jan. 5	600		
Bal.	600		

<b>Rent Expense - Office</b>			
Jan. 31	1,700		
Bal.	1,700		

(continued) P2-28A

<b>Salary Expense</b>		
Jan. 31	2,600	
Bal.	2,600	

<b>Utility Expense</b>		
Jan. 31	350	
Bal.	350	

Req. 3

<b>William White, MD</b>		
<b>Trial Balance</b>		
<b>January 31, 2010</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
Cash	\$ 58,950	
Accounts receivable	4,300	
Supplies	1,500	
Land	24,000	
Accounts payable		300
Note payable		\$ 18,000
William White, Capital		74,000
William White, Withdrawals	9,000	
Service revenue		10,700
Salary expense	2,600	
Rent expense - office	1,700	
Rent expense - equipment	600	
Utilities expense	350	
<b>Total</b>	<b>\$103,000</b>	<b>\$103,000</b>



Req. 1

<b>Journal</b>					
<b>DATE</b>		<b>ACCOUNTS AND EXPLANATIONS</b>	<b>POST. REF.</b>	<b>DEBIT</b>	<b>CREDIT</b>
<b>Jan.</b>	<b>1</b>	<b>Cash</b>		<b>35,000</b>	
		<b>Donna White, Capital</b>			<b>35,000</b>
	<b>4</b>	<b>Supplies</b>		<b>300</b>	
		<b>Furniture</b>		<b>2,200</b>	
		<b>Accounts Payable</b>			<b>2,500</b>
	<b>6</b>	<b>Cash</b>		<b>2,000</b>	
		<b>Service Revenue</b>			<b>2,000</b>
	<b>7</b>	<b>Land</b>		<b>23,000</b>	
		<b>Cash</b>			<b>23,000</b>
	<b>10</b>	<b>Accounts Receivable</b>		<b>900</b>	
		<b>Service Revenue</b>			<b>900</b>
	<b>14</b>	<b>Accounts payable</b>		<b>2,200</b>	
		<b>Cash</b>			<b>2,200</b>
	<b>15</b>	<b>Salary Expense</b>		<b>590</b>	
		<b>Cash</b>			<b>590</b>
	<b>17</b>	<b>Cash</b>		<b>700</b>	
		<b>Accounts Receivable</b>			<b>700</b>
	<b>20</b>	<b>Accounts Receivable</b>		<b>700</b>	
		<b>Service Revenue</b>			<b>700</b>
	<b>28</b>	<b>Cash</b>		<b>2,400</b>	
		<b>Service Revenue</b>			<b>2,400</b>

	31	Salary Expense		590	
		Cash			590
	31	Rent Expense		490	
		Cash			490
	31	Donna White, Withdrawals		2,300	
		Cash			2,300

**Req. 2**

<b>Cash</b>			
Jan. 1	35,000	Jan. 7	23,000
6	2,000	14	2,200
17	700	15	590
28	2,400	31	590
		31	490
		31	2,300
<b>Bal.</b>	<b>10,930</b>		

<b>Accounts Receivable</b>			
Jan. 10	900	Jan. 17	700
Jan. 20	700		
<b>Bal.</b>	<b>900</b>		

<b>Supplies</b>	
Jan. 4	300
<b>Bal.</b>	<b>300</b>

<b>Furniture</b>	
Jan. 4	2,200
<b>Bal.</b>	<b>2,200</b>

<b>Land</b>	
Jan. 7	23,000
<b>Bal.</b>	<b>23,000</b>

<b>Accounts Payable</b>			
Jan. 14	2,200	Jan. 4	2,500
		<b>Bal.</b>	<b>300</b>

<b>Donna White, Capital</b>			
		Jan. 1	35,000
		<b>Bal.</b>	<b>35,000</b>

(continued) P2-29A

Donna White, Withdrawals	
Jan. 31	2,300
Bal.	2,300

Service Revenue	
Jan. 6	2,000
10	900
20	700
28	2,400
Bal.	6,000

Salary Expense	
Jan. 15	590
31	590
Bal.	1,180

Rent Expense	
Jan. 31	490
Bal.	490

Req. 3

Donna White, MD		
Trial Balance		
January 31, 2010		
ACCOUNT	DEBIT	CREDIT
Cash	\$ 10,930	
Accounts receivable	900	
Supplies	300	
Furniture	2,200	
Land	23,000	
Accounts payable		\$ 300
Donna White, Capital		35,000
Donna White, Withdrawals	2,300	
Service revenue		6,000
Salary expense	1,180	
Rent expense	490	
<b>Total</b>	<b>\$41,300</b>	<b>\$41,300</b>

## Req. 1

<b>Journal</b>					
DATE		ACCOUNTS AND EXPLANATIONS	POST. REF.	DEBIT	CREDIT
Mar.	2	Cash		42,000	
		Vince Smith, Capital			42,000
	3	Supplies		400	
		Furniture		1,900	
		Accounts Payable			2,300
	4	Cash		1,900	
		Service Revenue			1,900
	7	Land		26,000	
		Cash			26,000
	11	Accounts Receivable		800	
		Service Revenue			800
	15	Salary Expense		550	
		Cash			550
	16	Accounts Payable		400	
		Cash			400
	18	Cash		2,300	
		Service Revenue			2,300
	19	Accounts Receivable		700	
		Service Revenue			700
	29	Cash		600	
		Accounts Receivable			600

	31	Salary Expense		550	
		Cash			550
	31	Rent Expense		910	
		Cash			910
	31	Vince Smith, Withdrawals		2,100	
		Cash			2,100

**Req. 2**

<b>Cash</b>			
Mar. 2	42,000	Mar. 7	26,000
4	1,900	15	550
18	2,300	16	400
29	600	31	550
		31	910
		31	2,100
Bal.	16,290		

<b>Accounts Receivable</b>			
Mar. 11	800	Mar. 29	600
19	700		
Bal.	900		

<b>Supplies</b>	
Mar. 3	400
Bal.	400

<b>Furniture</b>	
Mar. 3	1,900
Bal.	1,900

<b>Land</b>	
Mar. 7	26,000
Bal.	26,000

<b>Accounts Payable</b>			
Mar. 16	400	Mar. 3	2,300
		Bal.	1,900

<b>Vince Smith, Capital</b>			
		Mar. 2	42,000
		Bal.	42,000

(continued) P2-30A

<b>Vince Smith, Withdrawals</b>	
Mar. 31	2,100
Bal.	2,100

<b>Service Revenue</b>	
Mar. 4	1,900
11	800
18	2,300
19	700
Bal.	5,700

<b>Salary Expense</b>	
Mar. 15	550
31	550
Bal.	1,100

<b>Rent Expense</b>	
Mar. 31	910
Bal.	910

Req. 3

<b>Vince Smith, Attorney</b>		
<b>Trial Balance</b>		
<b>March 31, 2010</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
Cash	\$ 16,290	
Accounts receivable	900	
Supplies	400	
Furniture	1,900	
Land	26,000	
Accounts payable		\$ 1,900
Vince Smith, Capital		42,000
Vince Smith, Withdrawals	2,100	
Service revenue		5,700
Salary expense	1,100	
Rent expense	910	
<b>Total</b>	<b><u>\$49,600</u></b>	<b><u>\$49,600</u></b>

## Req. 1

<b>Journal</b>					Page 3
DATE		ACCOUNTS AND EXPLANATIONS	POST. REF.	DEBIT	CREDIT
Dec.	4	Cash		5,000	
		Accounts Receivable			5,000
		Received on account.			
	8	Accounts Receivable		4,500	
		Service Revenue			4,500
		Performed service on account.			
	13	Accounts Payable		2,300	
		Cash			2,300
		Paid on account.			
	18	Supplies		800	
		Accounts Payable			800
		Purchased supplies on account.			
	20	Seth Knoll, Withdrawals		1,900	
		Cash			1,900
		Withdrew cash for personal use.			
	21	Paid for deck for residence; not a transaction of the business.			
	22	Cash		2,200	
		Service Revenue			2,200
		Performed service for cash.			
	28	Rent Expense		400	
		Cash			400
		Paid rent.			
	28	Salary Expense		1,200	
		Cash			1,200
		Paid employee salary.			

## Req. 2

ACCOUNT CASH					ACCOUNT NO. 11		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Nov.	30	Bal.				3,000	
Dec.	4			5,000		8,000	
	13				2,300	5,700	
	20				1,900	3,800	
	22			2,200		6,000	
	28				400	5,600	
	28				1,200	4,400	

ACCOUNT ACCOUNTS RECEIVABLE					ACCOUNT NO. 12		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Nov.	30	Bal.				8,700	
Dec.	4				5,000	3,700	
	8			4,500		8,200	

ACCOUNT SUPPLIES					ACCOUNT NO. 13		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Nov.	30	Bal.				700	
Dec.	18			800		1,500	



## Req. 2

ACCOUNT		LAND			ACCOUNT NO. 14		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Dec.	31	Bal.				16,000	

ACCOUNT		ACCOUNTS PAYABLE			ACCOUNT NO. 21		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Nov.	30	Bal.					4,200
Dec.	13			2,300			1,900
	18				800		2,700

ACCOUNT		SETH KNOLL, CAPITAL			ACCOUNT NO. 31		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Dec.	31	Bal.					24,200

ACCOUNT		SETH KNOLL, WITHDRAWALS			ACCOUNT NO. 32		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Dec.	20			1,900		1,900	

Req. 2

ACCOUNT SERVICE REVENUE					ACCOUNT NO. 41		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Dec.	8				4,500		4,500
	22				2,200		6,700

ACCOUNT SALARY EXPENSE					ACCOUNT NO. 51		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Dec.	28			1,200		1,200	

ACCOUNT RENT EXPENSE					ACCOUNT NO. 52		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Dec.	28			400		400	

## Req. 3

<b>Seth Knoll, CPA</b>			
<b>Trial Balance</b>			
<b>December 31, 2011</b>			
<b>ACCT. NO.</b>	<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
11	Cash	\$ 4,400	
12	Accounts receivable	8,200	
13	Supplies	1,500	
14	Land	16,000	
21	Accounts payable		\$ 2,700
31	Seth Knoll, Capital		24,200
32	Seth Knoll, Withdrawals	1,900	
41	Service revenue		6,700
51	Salary expense	1,200	
52	Rent expense	400	
	<b>Total</b>	<b><u>\$33,600</u></b>	<b><u>\$33,600</u></b>

## Req. 1

<b>Journal</b>					Page 3
DATE		ACCOUNTS AND EXPLANATIONS	POST. REF.	DEBIT	CREDIT
Jan.	4	Cash		5,000	
		Accounts Receivable			5,000
		Received on account.			
	7	Accounts Receivable		6,400	
		Service Revenue			6,400
		Performed service on account.			
	16	Supplies		600	
		Accounts Payable			600
		Purchased supplies on account.			
	19	Shelley Summers, Withdrawals		2,200	
		Cash			2,200
		Owner withdrawal.			
	20	Accounts Payable		2,600	
		Cash			2,600
		Paid on account.			
	24	Cash		2,400	
		Service Revenue			2,400
		Performed service for cash.			
	31	Rent Expense		700	
		Cash			700
		Paid rent.			
	31	Salary Expense		1,500	
		Cash			1,500
		Paid employee salary.			

## Req. 2

ACCOUNT		CASH				ACCOUNT NO. 11	
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Dec.	31	Bal.				4,000	
Jan.	4			5,000		9,000	
	19				2,200	6,800	
	20				2,600	4,200	
	24			2,400		6,600	
	31				700	5,900	
	31				1,500	4,400	

ACCOUNT		ACCOUNTS RECEIVABLE				ACCOUNT NO. 12	
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Dec.	31	Bal.				8,300	
Jan.	4				5,000	3,300	
	7			6,400		9,700	

ACCOUNT		SUPPLIES				ACCOUNT NO. 13	
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Dec.	30	Bal.				700	
Jan.	16			600		1,400	

## Req. 2

ACCOUNT		EQUIPMENT			ACCOUNT NO. 14		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Jan.	31	Bal.				16,000	

ACCOUNT		ACCOUNTS PAYABLE			ACCOUNT NO. 21		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Dec.	30	Bal.					5,500
Jan.	16				600		6,100
	20			2,600			3,500

ACCOUNT		SHELLEY SUMMERS, CAPITAL			ACCOUNT NO. 31		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Jan.	31	Bal.					23,600

ACCOUNT		SHELLEY SUMMERS, WITHDRAWALS			ACCOUNT NO. 32		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Jan.	19			2,200		2,200	

Req. 2

ACCOUNT		SERVICE REVENUE			ACCOUNT NO. 41		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Jan.	7				6,400		6,400
	24				2,400		8,800

ACCOUNT		SALARY EXPENSE			ACCOUNT NO. 51		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Jan.	31			1,500		1,500	

ACCOUNT		RENT EXPENSE			ACCOUNT NO. 52		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Jan.	31			700		700	

## Req. 3

<b>Shelley Summers, Registered Dietician</b>			
<b>Trial Balance</b>			
<b>January 31, 2011</b>			
<b>ACCT. NO.</b>	<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
11	Cash	\$ 4,400	
12	Accounts receivable	9,700	
13	Supplies	1,400	
14	Equipment	16,000	
21	Accounts payable		\$ 3,500
31	Shelley Summers, Capital		23,600
32	Shelley Summers, Withdrawals	2,200	
41	Service revenue		8,800
51	Salary expense	1,500	
52	Rent expense	700	
	<b>Total</b>	<b><u>\$35,900</u></b>	<b><u>\$35,900</u></b>



## Req. 1 and 2

<b>Journal</b>				
DATE	ACCOUNTS AND EXPLANATIONS	POST. REF.	DEBIT	CREDIT
a.	Cash		49,000	
	Building		22,000	
	Mike Smith, Capital			71,000
	Received investment by owner.			
b.	Office Supplies		2,300	
	Accounts Payable			2,300
	Purchased supplies on account.			
c.	Office Furniture		16,000	
	Cash			16,000
	Purchased furniture.			
d.	Salary Expense		1,900	
	Cash			1,900
	Paid salary.			
e.	Accounts Receivable		3,300	
	Service Revenue			3,300
	Performed service on account.			
f.	Accounts Payable		500	
	Cash			500
	Paid on account.			
g.	Advertising Expense		500	
	Accounts Payable			500
	Received advertising bill.			

## Req. 1 and 2 (continued)

<b>Journal</b>				
<b>DATE</b>	<b>ACCOUNTS AND EXPLANATIONS</b>	<b>POST. REF.</b>	<b>DEBIT</b>	<b>CREDIT</b>
<b>h.</b>	<b>Cash</b>		<b>900</b>	
	<b>Service Revenue</b>			<b>900</b>
	<b>Performed service and received cash.</b>			
<b>i.</b>	<b>Cash</b>		<b>1,600</b>	
	<b>Accounts Receivable</b>			<b>1,600</b>
	<b>Collected cash on account.</b>			
<b>j.</b>	<b>Rent Expense</b>		<b>1,000</b>	
	<b>Utilities Expense</b>		<b>800</b>	
	<b>Cash</b>			<b>1,800</b>
	<b>Paid expenses.</b>			
<b>k.</b>	<b>Mike Smith, Withdrawals</b>		<b>3,000</b>	
	<b>Cash</b>			<b>3,000</b>
	<b>Withdrawal by owner.</b>			

## Req. 3

ACCOUNT CASH					ACCOUNT NO.	
DATE	ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
a.			49,000		49,000	
c.				16,000	33,000	
d.				1,900	31,100	
f.				500	30,600	
h.			900		31,500	
i.			1,600		33,100	
j.				1,800	31,300	
k.				3,000	28,300	

ACCOUNT ACCOUNTS RECEIVABLE					ACCOUNT NO.	
DATE	ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
e.			3,300		3,300	
i.				1,600	1,700	

ACCOUNT OFFICE SUPPLIES					ACCOUNT NO.	
DATE	ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
b.			2,300		2,300	

ACCOUNT OFFICE FURNITURE					ACCOUNT NO.	
DATE	ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
c.			16,000		16,000	

(continued) P 2-33A

ACCOUNT		BUILDING			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
a.				22,000		22,000	

ACCOUNT		ACCOUNTS PAYABLE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
b.					2,300		2,300
f.				500			1,800
g.					500		2,300

ACCOUNT		MIKE SMITH, CAPITAL			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
a.					71,000		71,000

ACCOUNT		MIKE SMITH, WITHDRAWALS			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
k.				3,000		3,000	

ACCOUNT		SERVICE REVENUE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
e.					3,300		3,300
h.					900		4,200

(continued) P 2-33A

ACCOUNT		SALARY EXPENSE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
d.				1,900		1,900	

ACCOUNT		RENT EXPENSE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
j.				1,000		1,000	

ACCOUNT		ADVERTISING EXPENSE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
g.				500		500	

ACCOUNT		UTILITIES EXPENSE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
j.				800		800	

Req. 4

<b>Smith Environmental Consulting Company</b>		
<b>Trial Balance</b>		
<b>December 31, 2012</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
Cash	\$ 28,300	
Accounts receivable	1,700	
Office supplies	2,300	
Office furniture	16,000	
Building	22,000	
Accounts payable		\$ 2,300
Mike Smith, Capital		71,000
Mike Smith, Withdrawals	3,000	
Service revenue		4,200
Salary expense	1,900	
Rent expense	1,000	
Advertising expense	500	
Utilities expense	800	
<b>Total</b>	<b><u>\$77,500</u></b>	<b><u>\$77,500</u></b>

Req. 1 and 2

<b>Journal</b>					
DATE		ACCOUNTS AND EXPLANATIONS	POST. REF.	DEBIT	CREDIT
a.		Cash		43,000	
		Automobile		26,000	
		Val Vaughn, Capital			69,000
		Received investment by owner.			
b.		Equipment		36,000	
		Cash			36,000
		Purchased equipment for cash.			
c.		Supplies		400	
		Accounts Payable			400
		Purchased supplies on account.			
d.		Salary Expense		1,600	
		Cash			1,600
		Paid salary.			
e.		Cash		1,100	
		Service Revenue			1,100
		Performed service for cash.			
f.		Advertising Expense		500	
		Accounts Payable			500
		Received advertising bill.			
g.		Accounts Payable		400	
		Cash			400
		Paid accounts payable.			

## Req. 1 and 2 (continued)

<b>Journal</b>				
<b>DATE</b>	<b>ACCOUNTS AND EXPLANATIONS</b>	<b>POST. REF.</b>	<b>DEBIT</b>	<b>CREDIT</b>
<b>h.</b>	<b>Accounts Receivable</b>		<b>3,000</b>	
	<b>Service Revenue</b>			<b>3,000</b>
	<b>Performed service on account.</b>			
<b>i.</b>	<b>Cash</b>		<b>1,700</b>	
	<b>Accounts Receivable</b>			<b>1,700</b>
	<b>Collected cash on account.</b>			
<b>j.</b>	<b>Rent Expense</b>		<b>1,100</b>	
	<b>Insurance Expense</b>		<b>900</b>	
	<b>Cash</b>			<b>2,000</b>
	<b>Paid expenses.</b>			
<b>k.</b>	<b>Val Vaughn, Withdrawals</b>		<b>2,000</b>	
	<b>Cash</b>			<b>2,000</b>
	<b>Withdrawal by owner.</b>			



## Req. 3

ACCOUNT CASH					ACCOUNT NO.	
DATE	ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
a.			43,000		43,000	
b.				36,000	7,000	
d.				1,600	5,400	
e.			1,100		6,500	
g.				400	6,100	
i.			1,700		7,800	
j.				2,000	5,800	
k.				2,000	3,800	

ACCOUNT ACCOUNTS RECEIVABLE					ACCOUNT NO.	
DATE	ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
h.			3,000		3,000	
i.				1,700	1,300	

ACCOUNT OFFICE SUPPLIES					ACCOUNT NO.	
DATE	ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
c.			400		400	

ACCOUNT EQUIPMENT					ACCOUNT NO.	
DATE	ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
b.			36,000		36,000	

(continued) P 2-34A

ACCOUNT		AUTOMOBILE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
a.				26,000		26,000	

ACCOUNT		ACCOUNTS PAYABLE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
c.					400		400
f.					500		900
g.				400			500

ACCOUNT		VAL VAUGHN, CAPITAL			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
a.					69,000		69,000

ACCOUNT		VAL VAUGHN, WITHDRAWALS			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
k.				2,000		2,000	

ACCOUNT		SERVICE REVENUE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
e.					1,100		1,100
h.					3,000		4,100

(continued) P 2-34A

ACCOUNT		SALARY EXPENSE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
d.				1,600		1,600	

ACCOUNT		RENT EXPENSE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
j.				1,100		1,100	

ACCOUNT		ADVERTISING EXPENSE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
f.				500		500	

ACCOUNT		INSURANCE EXPENSE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
j.				900		900	

## Req. 4

<b>Vaughn Carpet Installers</b>		
<b>Trial Balance</b>		
<b>December 31, 2011</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
Cash	\$ 3,800	
Accounts receivable	1,300	
Office supplies	400	
Equipment	36,000	
Automobile	26,000	
Accounts payable		\$ 500
Val Vaughn, Capital		69,000
Val Vaughn, Withdrawals	2,000	
Service revenue		4,100
Salary expense	1,600	
Rent expense	1,100	
Insurance expense	900	
Advertising expense	500	
<b>Total</b>	<b><u>\$73,600</u></b>	<b><u>\$73,600</u></b>

<b>Kind Care Child Care</b>		
<b>Trial Balance</b>		
<b>April 30, 2012</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
Cash	\$ 8,600*	
Accounts receivable	10,000*	
Supplies	2,000*	
Equipment	84,300*	
Accounts payable		\$ 56,400*
Ron Lazer, Capital		50,700
Ron Lazer, Withdrawals	2,300	
Service revenue		4,500
Salary expense	3,600*	
Rent expense	800	
<b>Total</b>	<b><u>\$111,600</u></b>	<b><u>\$111,600</u></b>

**\*Explanations:**

**Cash: \$6,600 + \$2,000 = \$8,600**

**Accounts receivable: \$8,000 + \$1,000 + \$1,000 = \$10,000**

**Supplies: \$600 + \$1,400 = \$2,000**

**Equipment: \$89,000 - \$4,700 = \$84,300**

**Accounts payable: \$55,000 + \$1,400 = \$56,400**

**Salary expense: \$4,100 - \$500 = \$3,600**

<b>Gold Rush Exploration Company</b>		
<b>Trial Balance</b>		
<b>October 31, 2012</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
Cash	\$ 4,200*	
Accounts Receivable	1,180*	
Supplies	900*	
Exploration Equipment	19,130*	
Computers	46,000	
Accounts payable		\$ 2,700*
Note Payable		18,400
Ozzy Faulk, Capital		50,800
Ozzy Faulk, Withdrawals	8,000	
Service Revenue		10,800*
Salary Expense	1,200	
Rent Expense	1,280*	
Advertising Expense	700	
Utilities Expense	110*	
<b>Total</b>	<b><u>\$82,700</u></b>	<b><u>\$82,700</u></b>

**\*Explanations:**

**Cash: \$6,200 - \$2,000 = \$4,200**

**Accounts receivable: \$1,000 + \$180 = \$1,180**

**Supplies: \$700 + \$2 = \$900**

**Exploration Equipment: \$22,400 - \$3,270 = \$19,130**

**Accounts payable: \$2,500 + \$200 = \$2,700**

**Service Revenue: \$4,200 + \$6,600 = \$10,800**

**Utilities Expense: \$100 + \$10 = \$110**

**Rent expense: \$500 + \$390 + \$390 = \$1,280**

Req. 1

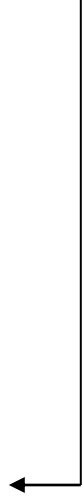
<b>Party Time Amusements Company</b>		
<b>Income Statement</b>		
<b>Month Ended November 30, 2012</b>		
<b>Revenues:</b>		
<b>Service revenue</b>		<b>\$20,000</b>
<b>Expenses:</b>		
<b>Salary expense</b>	<b>\$2,900</b>	
<b>Rent expense</b>	<b>1,300</b>	
<b>Property tax expense</b>	<b><u>1,400</u></b>	
<b>Total expenses</b>		<b><u>5,600</u></b>
<b>Net income</b>		<b><u>\$14,400</u></b>

Req. 2

<b>Party Time Amusements Company</b>	
<b>Statement of Owner's Equity</b>	
<b>Month Ended November 30, 2012</b>	
<b>Darrell Palusky, capital, November 1, 2012</b>	<b>\$ -0-</b>
<b>Add: Investment by owner</b>	<b>350,000</b>
<b>Net income for the month</b>	<b><u>14,400</u></b>
	<b>364,400</b>
<b>Less: Withdrawals by owner</b>	<b><u>(8,000)</u></b>
<b>Darrell Palusky, capital, November 30, 2012</b>	<b><u>\$356,400</u></b>

Req. 3

<b>Party Time Amusements Company</b>			
<b>Balance Sheet</b>			
<b>November 30, 2012</b>			
<b>ASSETS</b>		<b>LIABILITIES</b>	
Cash	\$255,800	Accounts payable	\$ 400
Supplies	1,000	Note payable	<u>220,000</u>
		Total liabilities	220,400
Building	320,000		
		<b>OWNER'S EQUITY</b>	
		Darrell Palusky, capital	356,400
		Total liabilities and	
<b>Total assets</b>	<u><b>\$576,800</b></u>	<b>owner's equity</b>	<u><b>\$576,800</b></u>





Req. 1

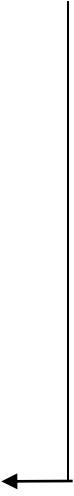
<b>William White, MD</b>		
<b>Income Statement</b>		
<b>Month Ended January 31, 2010</b>		
<b>Revenues:</b>		
<b>Service revenue</b>		<b>\$10,700</b>
<b>Expenses:</b>		
<b>Salary expense</b>	<b>\$2,600</b>	
<b>Rent expense - office</b>	<b>1,700</b>	
<b>Rent expense - equipment</b>	<b>600</b>	
<b>Utilities expense</b>	<b><u>350</u></b>	
<b>Total expenses</b>		<b><u>5,250</u></b>
<b>Net income</b>		<b><u>\$5,450</u></b>

Req. 2

<b>William White, MD</b>	
<b>Statement of Owner's Equity</b>	
<b>Month Ended January 31, 2010</b>	
<b>William White, capital, January 1, 2010</b>	<b>\$ -0-</b>
<b>Add: Investment by owner</b>	<b>74,000</b>
<b>Net income for the month</b>	<b><u>5,450</u></b>
	<b>79,450</b>
<b>Less: Withdrawals by owner</b>	<b><u>(9,000)</u></b>
<b>William White, capital, January 31, 2010</b>	<b><u>\$70,450</u></b>

Req. 3

<b>William White, MD</b>			
<b>Balance Sheet</b>			
<b>January 31, 2010</b>			
<b>ASSETS</b>		<b>LIABILITIES</b>	
Cash	\$ 58,950	Accounts payable	\$ 300
Accounts receivable	4,300	Note payable	<u>18,000</u>
Supplies	1,500	Total liabilities	18,300
Land	24,000		
		<b>OWNER'S EQUITY</b>	
		William White, capital	70,450
		Total liabilities and	
<b>Total assets</b>	<u>\$ 88,750</u>	<b>owner's equity</b>	<u>\$ 88,750</u>



Req. 1

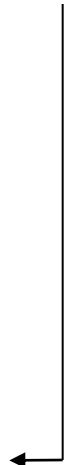
<b>Donna White, Designer</b>		
<b>Income Statement</b>		
<b>Month Ended January 31, 2010</b>		
<b>Revenues:</b>		
<b>Service revenue</b>		<b>\$6,000</b>
<b>Expenses:</b>		
<b>Salary expense</b>	<b>\$1,180</b>	
<b>Rent expense</b>	<b>490</b>	
<b>Total expenses</b>		<b><u>1,670</u></b>
<b>Net income</b>		<b><u>\$4,330</u></b>

Req. 2

<b>Donna White Designer</b>	
<b>Statement of Owner's Equity</b>	
<b>Month Ended January 31, 2010</b>	
<b>Donna White, capital, January 1, 2010</b>	<b>\$ -0-</b>
<b>Add: Investment by owner</b>	<b>35,000</b>
<b>Net income for the month</b>	<b><u>4,330</u></b>
	<b>39,330</b>
<b>Less: Withdrawals by owner</b>	<b><u>(2,300)</u></b>
<b>Donna White, capital, January 31, 2010</b>	<b><u>\$37,030</u></b>

Req. 3

<b>Donna White, Designer</b>			
<b>Balance Sheet</b>			
<b>January 31, 2010</b>			
<b>ASSETS</b>		<b>LIABILITIES</b>	
Cash	\$ 10,930	Accounts payable	\$ 300
Accounts receivable	900		
Supplies	300	Total liabilities	300
Furniture	2,200		
Land	23,000	<b>OWNER'S EQUITY</b>	
		Donna White, capital	37,030
		Total liabilities and	
<b>Total assets</b>	<b><u>\$ 37,330</u></b>	<b>owner's equity</b>	<b><u>\$ 37,330</u></b>



Req. 1

<b>Vince Smith, Attorney</b>		
<b>Income Statement</b>		
<b>Month Ended March 31, 2010</b>		
<b>Revenues:</b>		
<b>Service revenue</b>		<b>\$5,700</b>
<b>Expenses:</b>		
<b>Salary expense</b>	<b>\$1,100</b>	
<b>Rent expense</b>	<b>910</b>	
<b>Total expenses</b>		<b><u>2,010</u></b>
<b>Net income</b>		<b><u>\$3,690</u></b>

Req. 2

<b>Vince Smith, Attorney</b>	
<b>Statement of Owner's Equity</b>	
<b>Month Ended March 31, 2010</b>	
<b>Vince Smith, capital, March 1, 2010</b>	<b>\$ -0-</b>
<b>Add: Investment by owner</b>	<b>42,000</b>
<b>Net income for the month</b>	<b><u>3,690</u></b>
	<b>45,690</b>
<b>Less: Withdrawals by owner</b>	<b><u>(2,100)</u></b>
<b>Vince Smith, capital, March 31, 2010</b>	<b><u>\$43,590</u></b>

Req. 3

<b>Vince Smith, Attorney</b>			
<b>Balance Sheet</b>			
<b>March 31, 2010</b>			
<b>ASSETS</b>		<b>LIABILITIES</b>	
Cash	\$ 16,290	Accounts payable	\$ 1,900
Accounts receivable	900		
Supplies	400	Total liabilities	1,900
Furniture	1,900		
Land	26,000	<b>OWNER'S EQUITY</b>	
		Vince Smith, capital	43,590
		Total liabilities and	
<b>Total assets</b>	<b><u>\$ 45,490</u></b>	<b>owner's equity</b>	<b><u>\$ 45,490</u></b>



Req. 1

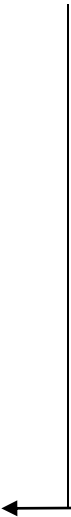
<b>Seth Knoll, CPA</b>		
<b>Income Statement</b>		
<b>Month Ended December 31, 2011</b>		
<b>Revenues:</b>		
<b>Service revenue</b>		<b>\$6,700</b>
<b>Expenses:</b>		
<b>Salary expense</b>	<b>\$1,200</b>	
<b>Rent expense</b>	<b>400</b>	
<b>Total expenses</b>		<b><u>1,600</u></b>
<b>Net income</b>		<b><u>\$5,100</u></b>

Req. 2

<b>Seth Knoll, CPA</b>	
<b>Statement of Owner's Equity</b>	
<b>Month Ended December 31, 2011</b>	
<b>Seth Knoll, capital, December 1, 2011</b>	<b>\$ 24,200</b>
<b>Add: Investment by owner</b>	<b>-0-</b>
<b>Net income for the month</b>	<b><u>5,100</u></b>
	<b>29,300</b>
<b>Less: Withdrawals by owner</b>	<b><u>(1,900)</u></b>
<b>Seth Knoll, capital, December 31, 2011</b>	<b><u>\$27,400</u></b>

Req. 3

<b>Seth Knoll, CPA</b>			
<b>Balance Sheet</b>			
<b>December 31, 2011</b>			
<b>ASSETS</b>		<b>LIABILITIES</b>	
Cash	\$ 4,400	Accounts payable	\$ 2,700
Accounts receivable	8,200		
Supplies	1,500	Total liabilities	2,700
Land	16,000		
		<b>OWNER'S EQUITY</b>	
		Seth Knoll, capital	27,400
		Total liabilities and	
<b>Total assets</b>	<b><u>\$ 30,100</u></b>	<b>owner's equity</b>	<b><u>\$ 30,100</u></b>





Req. 1

<b>Shelley Summers, Registered Dietician</b>		
<b>Income Statement</b>		
<b>Month Ended January 31, 2011</b>		
<b>Revenues:</b>		
<b>Service revenue</b>		<b>\$8,800</b>
<b>Expenses:</b>		
<b>Salary expense</b>	<b>\$1,500</b>	
<b>Rent expense</b>	<b>700</b>	
<b>Total expenses</b>		<b><u>2,200</u></b>
<b>Net income</b>		<b><u>\$6,600</u></b>

Req. 2

<b>Shelley Summers, Registered Dietician</b>	
<b>Statement of Owner's Equity</b>	
<b>Month Ended January 31, 2011</b>	
<b>Shelley Summers, capital, January 1, 2011</b>	<b>\$ 23,600</b>
<b>Add: Investment by owner</b>	<b>-0-</b>
<b>Net income for the month</b>	<b><u>6,600</u></b>
	<b>30,200</b>
<b>Less: Withdrawals by owner</b>	<b><u>(2,200)</u></b>
<b>Shelley Summers, capital, January 31, 2011</b>	<b><u>\$28,000</u></b>

Req. 3

<b>Shelley Summers, Registered Dietician</b>			
<b>Balance Sheet</b>			
<b>January 31, 2011</b>			
<b>ASSETS</b>		<b>LIABILITIES</b>	
Cash	\$ 4,400	Accounts payable	\$ 3,500
Accounts receivable	9,700		
Supplies	1,400	Total liabilities	3,500
Equipment	16,000		
		<b>OWNER'S EQUITY</b>	
		Shelley Summers, capital	28,000
		Total liabilities and	
<b>Total assets</b>	<b><u>\$ 31,500</u></b>	<b>owner's equity</b>	<b><u>\$ 31,500</u></b>



Req. 1

<b>Smith Environmental Consulting Company</b>		
<b>Income Statement</b>		
<b>Month Ended December 31, 2012</b>		
<b>Revenues:</b>		
<b>Service revenue</b>		<b>\$4,200</b>
<b>Expenses:</b>		
<b>Salary expense</b>	<b>\$1,900</b>	
<b>Rent expense</b>	<b>1,000</b>	
<b>Advertising expense</b>	<b>500</b>	
<b>Utilities expense</b>	<b><u>800</u></b>	
<b>Total expenses</b>		<b><u>4,200</u></b>
<b>Net income</b>		<b><u>\$ 0</u></b>

Req. 2

<b>Smith Environmental Consulting Company</b>	
<b>Statement of Owner's Equity</b>	
<b>Month Ended December 31, 2012</b>	
<b>Mike Smith, capital, December 1, 2012</b>	<b>\$ -0-</b>
<b>Add: Investment by owner</b>	<b>71,000</b>
<b>Net income for the month</b>	<b><u>-0-</u></b>
	<b>71,000</b>
<b>Less: Withdrawals by owner</b>	<b><u>(3,000)</u></b>
<b>Mike Smith, capital, December 31, 2012</b>	<b><u>\$68,000</u></b>

Req. 3

<b>Smith Environmental Consulting Company</b>			
<b>Balance Sheet</b>			
<b>December 31, 2012</b>			
<b>ASSETS</b>		<b>LIABILITIES</b>	
Cash	\$ 28,300	Accounts payable	\$ 2,300
Accounts receivable	1,700		
Office supplies	2,300	Total liabilities	2,300
Office furniture	16,000		
Building	22,000	<b>OWNER'S EQUITY</b>	
		Mike Smith, capital	68,000
		Total liabilities and	
<b>Total assets</b>	<b><u>\$ 70,300</u></b>	<b>owner's equity</b>	<b><u>\$ 70,300</u></b>



Req. 1

<b>Vaughn Carpet Installers</b>		
<b>Income Statement</b>		
<b>Month Ended December 31, 2011</b>		
<b>Revenues:</b>		
<b>Service revenue</b>		<b>\$4,100</b>
<b>Expenses:</b>		
<b>Salary expense</b>	<b>\$1,600</b>	
<b>Rent expense</b>	<b>1,100</b>	
<b>Insurance expense</b>	<b>900</b>	
<b>Advertising expense</b>	<b><u>500</u></b>	
<b>Total expenses</b>		<b><u>4,100</u></b>
<b>Net income</b>		<b><u>\$ 0</u></b>

Req. 2

<b>Vaughn Carpet Installers</b>	
<b>Statement of Owner's Equity</b>	
<b>Month Ended December 31, 2011</b>	
<b>Val Vaughn, capital, December 1, 2011</b>	<b>\$ -0-</b>
<b>Add: Investment by owner</b>	<b>69,000</b>
<b>Net income for the month</b>	<b><u>-0-</u></b>
	<b>69,000</b>
<b>Less: Withdrawals by owner</b>	<b><u>(2,000)</u></b>
<b>Val Vaughn, capital, December 31, 2011</b>	<b><u>\$67,000</u></b>

Req. 3

<b>Vaughn Carpet Installers</b>			
<b>Balance Sheet</b>			
<b>December 31, 2011</b>			
<b>ASSETS</b>		<b>LIABILITIES</b>	
Cash	\$ 3,800	Accounts payable	\$ 500
Accounts receivable	1,300		
Supplies	400	Total liabilities	500
Equipment	36,000		
Automobile	26,000	<b>OWNER'S EQUITY</b>	
		Val Vaughn, capital	67,000
		Total liabilities and	
<b>Total assets</b>	<b><u>\$ 67,500</u></b>	<b>owner's equity</b>	<b><u>\$ 67,500</u></b>



# Problems

## Group B

(40-50 min.) P 2-45B

### Req. 1

<b>Journal</b>					
<b>DATE</b>		<b>ACCOUNTS AND EXPLANATIONS</b>	<b>POST. REF.</b>	<b>DEBIT</b>	<b>CREDIT</b>
<b>Aug.</b>	<b>1</b>	<b>Cash</b>		<b>390,000</b>	
		<b>Don Cougliato, Capital</b>			<b>390,000</b>
	<b>2</b>	<b>Building</b>		<b>300,000</b>	
		<b>Cash</b>			<b>300,000</b>
	<b>5</b>	<b>Cash</b>		<b>210,000</b>	
		<b>Note Payable</b>			<b>210,000</b>
	<b>10</b>	<b>Supplies</b>		<b>1,100</b>	
		<b>Accounts Payable</b>			<b>1,100</b>
	<b>15</b>	<b>Accounts Payable</b>		<b>800</b>	
		<b>Cash</b>			<b>800</b>
	<b>15</b>	<b>Property Tax Expense</b>		<b>1,400</b>	
		<b>Cash</b>			<b>1,400</b>
	<b>16</b>	<b>Salary Expense</b>		<b>2,300</b>	
		<b>Rent Expense</b>		<b>1,700</b>	
		<b>Cash</b>			<b>4,000</b>
	<b>28</b>	<b>Don Cougliato, Withdrawals</b>		<b>10,000</b>	
		<b>Cash</b>			<b>10,000</b>
	<b>31</b>	<b>Cash</b>		<b>22,000</b>	
		<b>Service Revenue</b>			<b>22,000</b>

Req. 2

<b>Cash</b>			
Aug. 1	390,000	Aug. 2	300,000
5	210,000	15	800
31	22,000	15	1,400
		16	4,000
		28	10,000
Bal.	305,800		

<b>Accounts Payable</b>			
Aug. 15	800	Aug. 10	1,100
		Bal.	300
<b>Notes Payable</b>			
		Aug. 5	210,000
		Bal.	210,000

<b>Supplies</b>	
Aug. 10	1,100
Bal.	1,100

<b>Don Coughiato, Capital</b>	
Aug. 1	390,000
Bal.	390,000

<b>Building</b>	
Aug. 2	300,000

<b>Service Revenue</b>	
Aug. 31	22,000
Bal.	22,000

<b>Don Coughiato, Withdrawals</b>	
Aug. 28	10,000
Bal.	10,000

<b>Salary Expense</b>	
Aug. 16	2,300
Bal.	2,300

<b>Property Tax Expense</b>	
Aug. 15	1,400
Bal.	1,400

<b>Rent Expense</b>	
Aug. 16	1,700
Bal.	1,700



Req. 1

<b>Journal</b>					
<b>DATE</b>		<b>ACCOUNTS AND EXPLANATIONS</b>	<b>POST. REF.</b>	<b>DEBIT</b>	<b>CREDIT</b>
<b>Apr.</b>	<b>1</b>	<b>Cash</b>		<b>78,000</b>	
		<b>Warren Smith, Capital</b>			<b>78,000</b>
	<b>5</b>	<b>Rent Expense - Equipment</b>		<b>780</b>	
		<b>Cash</b>			<b>780</b>
	<b>9</b>	<b>Land</b>		<b>18,000</b>	
		<b>Cash</b>			<b>18,000</b>
	<b>10</b>	<b>Supplies</b>		<b>1,200</b>	
		<b>Accounts Payable</b>			<b>1,200</b>
	<b>19</b>	<b>Cash</b>		<b>20,000</b>	
		<b>Note Payable</b>			<b>20,000</b>
	<b>22</b>	<b>Accounts Payable</b>		<b>800</b>	
		<b>Cash</b>			<b>800</b>
	<b>30</b>	<b>Cash</b>		<b>5,900</b>	
		<b>Accounts Receivable</b>		<b>4,900</b>	
		<b>Service Revenue</b>			<b>10,800</b>
	<b>30</b>	<b>Salary Expense</b>		<b>2,000</b>	
		<b>Rent Expense - Office</b>		<b>1,800</b>	
		<b>Utilities Expense</b>		<b>420</b>	
		<b>Cash</b>			<b>4,220</b>
	<b>31</b>	<b>Warren Smith, Withdrawals</b>		<b>9,000</b>	
		<b>Cash</b>			<b>9,000</b>

Req. 2

<b>Cash</b>			
Apr. 1	78,000	Apr. 5	780
19	20,000	9	18,000
30	5,900	22	800
		30	4,220
		30	9,000
Bal.	71,100		

<b>Accounts Receivable</b>			
Apr. 30	4,900		
Bal.	4,900		

<b>Supplies</b>			
Apr. 10	1,200		
Bal.	1,200		

<b>Land</b>	
Apr. 9	18,000
Bal.	18,000

<b>Accounts Payable</b>			
Apr. 22	800	Apr. 10	1,200
		Bal.	400

<b>Notes Payable</b>	
	Apr. 19 20,000
	Bal. 20,000

<b>Warren Smith, Capital</b>	
	Apr. 1 78,000
	Bal. 78,000

<b>Warren Smith, Withdrawals</b>	
Apr. 30	9,000
Bal.	9,000

<b>Service Revenue</b>	
	Apr. 30 10,800
	Bal. 10,800

<b>Rent Expense - Equipment</b>	
Apr. 5	780
Bal.	780

<b>Rent Expense - Office</b>	
Apr. 30	1,800
Bal.	1,800

(continued) P2-46B

Salary Expense		Utility Expense	
Apr. 30	2,000	Apr. 30	420
Bal.	2,000	Bal.	420

Req. 3

Warren Smith, MD		
Trial Balance		
April 30, 2010		
ACCOUNT	DEBIT	CREDIT
Cash	\$ 71,100	
Accounts receivable	4,900	
Supplies	1,200	
Land	18,000	
Accounts payable		400
Note payable		\$ 20,000
Warren Smith, Capital		78,000
Warren Smith, Withdrawals	9,000	
Service revenue		10,800
Salary expense	2,000	
Rent expense - office	1,800	
Rent expense - equipment	780	
Utilities expense	420	
<b>Total</b>	<b>\$109,200</b>	<b>\$109,200</b>

Req. 1

<b>Journal</b>					
DATE		ACCOUNTS AND EXPLANATIONS	POST. REF.	DEBIT	CREDIT
Mar.	1	Cash		37,000	
		Ann Duxbury, Capital			37,000
	4	Supplies		700	
		Furniture		2,100	
		Accounts Payable			2,800
	6	Cash		1,700	
		Service Revenue			1,700
	7	Land		26,000	
		Cash			26,000
	10	Accounts Receivable		1,100	
		Service Revenue			1,100
	14	Accounts payable		2,100	
		Cash			2,100
	15	Salary Expense		460	
		Cash			460
	17	Cash		800	
		Accounts Receivable			800
	20	Accounts Receivable		800	
		Service Revenue			800
	28	Cash		2,000	
		Service Revenue			2,000

	31	Salary Expense		460	
		Cash			460
	31	Rent Expense		890	
		Cash			890
	31	Ann Duxbury, Withdrawals		2,500	
		Cash			2,500

**Req. 2**

<b>Cash</b>			
Mar. 1	37,000	Mar. 7	26,000
6	1,700	14	2,100
17	800	15	460
28	2,000	31	460
		31	890
		31	2,500
Bal.	9,090		

<b>Accounts Receivable</b>			
Mar. 10	1,100	Mar. 17	800
20	800		
Bal.	1,100		

<b>Supplies</b>	
Mar. 4	700
Bal.	700

<b>Furniture</b>	
Mar. 4	2,100
Bal.	2,100

<b>Land</b>	
Mar. 7	26,000
Bal.	26,000

<b>Accounts Payable</b>			
Mar. 14	2,100	Mar. 4	2,800
		Bal.	700

<b>Ann Duxbury, Capital</b>			
		Mar. 1	37,000
		Bal.	37,000

(continued) P2-47B

Ann Duxbury, Withdrawals	
Mar. 31	2,500
Bal.	2,500

Service Revenue	
Mar. 6	1,700
10	1,100
20	800
28	2,000
Bal.	5,600

Salary Expense	
Mar. 15	460
31	460
Bal.	920

Rent Expense	
Mar. 31	890
Bal.	890

Req. 3

Ann Duxbury, Designer		
Trial Balance		
March 31, 2010		
ACCOUNT	DEBIT	CREDIT
Cash	\$ 9,090	
Accounts receivable	1,100	
Supplies	700	
Furniture	2,100	
Land	26,000	
Accounts payable		\$ 700
Ann Duxbury, Capital		37,000
Ann Duxbury, Withdrawals	2,500	
Service revenue		5,600
Salary expense	920	
Rent expense	890	
<b>Total</b>	<b>\$43,300</b>	<b>\$43,300</b>

Req. 1

<b>Journal</b>					
DATE		ACCOUNTS AND EXPLANATIONS	POST. REF.	DEBIT	CREDIT
Oct.	2	Cash		34,000	
		Timothy Muse, Capital			34,000
	3	Supplies		700	
		Furniture		2,100	
		Accounts Payable			2,800
	4	Cash		1,700	
		Service Revenue			1,700
	7	Land		22,000	
		Cash			22,000
	11	Accounts Receivable		700	
		Service Revenue			700
	15	Salary Expense		520	
		Cash			520
	16	Accounts Payable		700	
		Cash			700
	18	Cash		1,600	
		Service Revenue			1,600
	19	Accounts Receivable		800	
		Service Revenue			800
	29	Cash		800	
		Accounts Receivable			800

	31	Salary Expense		520	
		Cash			520
	31	Rent Expense		630	
		Cash			630
	31	Timothy Muse, Withdrawals		2,400	
		Cash			2,400

Req. 2

Cash			
Oct. 2	34,000	Oct. 7	22,000
4	1,700	15	520
18	1,600	16	700
29	800	31	520
		31	630
		31	2,400
Bal.	11,330		

Accounts Receivable			
Oct. 11	700	Oct. 29	800
19	800		
Bal.	700		

Supplies	
Oct. 3	700
Bal.	700

Furniture	
Oct. 3	2,100
Bal.	2,100

Land	
Oct. 7	22,000
Bal.	22,000

Accounts Payable			
Oct. 16	700	Oct. 3	2,800
		Bal.	2,100

Timothy Muse, Capital			
		Oct. 2	34,000
		Bal.	34,000



(continued) P2-48B

Timothy Muse, Withdrawals	
Oct. 31	2,400
Bal.	2,400

Service Revenue	
Oct. 4	1,700
11	700
18	1,600
19	800
Bal.	4,800

Salary Expense	
Oct. 15	520
31	520
Bal.	1,040

Rent Expense	
Oct. 31	630
Bal.	630

Req. 3

Timothy Muse, Attorney		
Trial Balance		
October 31, 2010		
ACCOUNT	DEBIT	CREDIT
Cash	\$ 11,330	
Accounts receivable	700	
Supplies	700	
Furniture	2,100	
Land	22,000	
Accounts payable		\$ 2,100
Timothy Muse, Capital		34,000
Timothy Muse, Withdrawals	2,400	
Service revenue		4,800
Salary expense	1,040	
Rent expense	630	
<b>Total</b>	<b>\$40,900</b>	<b>\$40,900</b>

## Req. 1

<b>Journal</b>					Page 3
DATE		ACCOUNTS AND EXPLANATIONS	POST. REF.	DEBIT	CREDIT
Oct.	4	Cash		6,000	
		Accounts Receivable			6,000
		Received on account.			
	8	Accounts Receivable		4,800	
		Service Revenue			4,800
		Performed service on account.			
	13	Accounts Payable		2,200	
		Cash			2,200
		Paid on account.			
	18	Supplies		900	
		Accounts Payable			900
		Purchased supplies on account.			
	20	John Hilton, Withdrawals		2,300	
		Cash			2,300
		Withdrew cash for personal use.			
	21	Paid for deck for residence; not a transaction of the business.			
	22	Cash		2,400	
		Service Revenue			2,400
		Performed service for cash.			
	28	Rent Expense		500	
		Cash			500
		Paid rent.			
	28	Salary Expense		1,400	
		Cash			1,400
		Paid employee salary.			

## Req. 2

ACCOUNT		CASH				ACCOUNT NO. 11	
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Sept	30	Bal.				4,000	
Oct.	4			6,000		10,000	
	13				2,200	7,800	
	20				2,300	5,500	
	22			2,400		7,900	
	28				500	7,400	
	28				1,400	6,000	

ACCOUNT		ACCOUNTS RECEIVABLE				ACCOUNT NO. 12	
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Sept	30	Bal.				8,000	
Oct.	4				6,000	2,000	
	8			4,800		6,800	

ACCOUNT		SUPPLIES				ACCOUNT NO. 13	
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Sept	30	Bal.				700	
Oct.	18			900		1,600	

## Req. 2

ACCOUNT		LAND			ACCOUNT NO. 14		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Oct.	31	Bal.				17,000	

ACCOUNT		ACCOUNTS PAYABLE			ACCOUNT NO. 21		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Sept	30	Bal.					6,300
Oct.	13			2,200			4,100
	18				900		5,000

ACCOUNT		JOHN HILTON, CAPITAL			ACCOUNT NO. 31		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Oct.	31	Bal.					23,400

ACCOUNT		JOHN HILTON, WITHDRAWALS			ACCOUNT NO. 32		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Oct.	20			2,300		2,300	

Req. 2

ACCOUNT		SERVICE REVENUE			ACCOUNT NO. 41		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Oct.	8				4,800		4,800
	22				2,400		7,200

ACCOUNT		SALARY EXPENSE			ACCOUNT NO. 51		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Oct.	28			1,400		1,400	

ACCOUNT		RENT EXPENSE			ACCOUNT NO. 52		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Oct.	28			500		500	

## Req. 3

<b>John Hilton, CPA</b>			
<b>Trial Balance</b>			
<b>October 31, 2011</b>			
<b>ACCT. NO.</b>	<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
11	Cash	\$ 6,000	
12	Accounts receivable	6,800	
13	Supplies	1,600	
14	Land	17,000	
21	Accounts payable		\$ 5,000
31	Seth Knoll, Capital		23,400
32	Seth Knoll, Withdrawals	2,300	
41	Service revenue		7,200
51	Salary expense	1,400	
52	Rent expense	500	
	<b>Total</b>	<b><u>\$35,600</u></b>	<b><u>\$35,600</u></b>

## Req. 1

<b>Journal</b>					Page 3
DATE		ACCOUNTS AND EXPLANATIONS	POST. REF.	DEBIT	CREDIT
Oct.	4	Cash		6,000	
		Accounts Receivable			6,000
		Received on account.			
	7	Accounts Receivable		4,200	
		Service Revenue			4,200
		Performed service on account.			
	16	Supplies		700	
		Accounts Payable			700
		Purchased supplies on account.			
	19	Sharon Silver, Withdrawals		1,900	
		Cash			1,900
		Owner withdrawal.			
	20	Accounts Payable		2,400	
		Cash			2,400
		Paid on account.			
	24	Cash		2,300	
		Service Revenue			2,300
		Performed service for cash.			
	31	Rent Expense		600	
		Cash			600
		Paid rent.			
	31	Salary Expense		1,900	
		Cash			1,900
		Paid employee salary.			

## Req. 2

ACCOUNT		CASH			ACCOUNT NO. 11		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Sept	30	Bal.				7,000	
Oct.	4			6,000		13,000	
	19				1,900	11,100	
	20				2,400	8,700	
	24			2,300		11,000	
	31				600	10,400	
	31				1,900	8,500	

ACCOUNT		ACCOUNTS RECEIVABLE			ACCOUNT NO. 12		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Sept	30	Bal.				6,800	
Oct.	4				6,000	800	
	7			4,200		5,000	

ACCOUNT		SUPPLIES			ACCOUNT NO. 13		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Sept	30	Bal.				800	
Oct.	16			700		1,500	



## Req. 2

ACCOUNT		EQUIPMENT				ACCOUNT NO. 14	
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Jan.	31	Bal.				15,000	

ACCOUNT		ACCOUNTS PAYABLE				ACCOUNT NO. 21	
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Sept	30	Bal.					5,000
Oct.	16				700		5,700
	20			2,400			3,300

ACCOUNT		SHARON SILVER, CAPITAL				ACCOUNT NO. 31	
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Oct.	31	Bal.					24,600

ACCOUNT		SHARON SILVER, WITHDRAWALS				ACCOUNT NO. 32	
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Oct.	19			1,900		1,900	

Req. 2

ACCOUNT		SERVICE REVENUE			ACCOUNT NO. 41		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Oct.	7				4,200		4,200
	24				2,300		6,500

ACCOUNT		SALARY EXPENSE			ACCOUNT NO. 51		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Oct.	31			1,900		1,900	

ACCOUNT		RENT EXPENSE			ACCOUNT NO. 52		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
Oct.	31			600		600	

## Req. 3

<b>Sharon Silver, Registered Dietician</b>			
<b>Trial Balance</b>			
<b>January 31, 2011</b>			
<b>ACCT. NO.</b>	<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
11	Cash	\$ 8,500	
12	Accounts receivable	5,000	
13	Supplies	1,500	
14	Equipment	15,000	
21	Accounts payable		\$ 3,300
31	Sharon Silver, Capital		24,600
32	Sharon Silver, Withdrawals	1,900	
41	Service revenue		6,500
51	Salary expense	1,900	
52	Rent expense	600	
	<b>Total</b>	<b><u>\$34,400</u></b>	<b><u>\$34,400</u></b>

## Req. 1 and 2

<b>Journal</b>				
<b>DATE</b>	<b>ACCOUNTS AND EXPLANATIONS</b>	<b>POST. REF.</b>	<b>DEBIT</b>	<b>CREDIT</b>
<b>a.</b>	<b>Cash</b>		<b>42,000</b>	
	<b>Building</b>		<b>25,000</b>	
	<b>Fran Stein, Capital</b>			<b>67,000</b>
	<b>Received investment by owner.</b>			
<b>b.</b>	<b>Office Supplies</b>		<b>2,200</b>	
	<b>Accounts Payable</b>			<b>2,200</b>
	<b>Purchased supplies on account.</b>			
<b>c.</b>	<b>Office Furniture</b>		<b>19,000</b>	
	<b>Cash</b>			<b>19,000</b>
	<b>Purchased furniture.</b>			
<b>d.</b>	<b>Salary Expense</b>		<b>2,000</b>	
	<b>Cash</b>			<b>2,000</b>
	<b>Paid salary.</b>			
<b>e.</b>	<b>Accounts Receivable</b>		<b>3,100</b>	
	<b>Service Revenue</b>			<b>3,100</b>
	<b>Performed service on account.</b>			
<b>f.</b>	<b>Accounts Payable</b>		<b>700</b>	
	<b>Cash</b>			<b>700</b>
	<b>Paid on account.</b>			
<b>g.</b>	<b>Advertising Expense</b>		<b>600</b>	
	<b>Accounts Payable</b>			<b>600</b>
	<b>Received advertising bill.</b>			

## Req. 1 and 2 (continued)

<b>Journal</b>				
DATE	ACCOUNTS AND EXPLANATIONS	POST. REF.	DEBIT	CREDIT
h.	Cash		900	
	Service Revenue			900
	Performed service and received cash.			
i.	Cash		1,300	
	Accounts Receivable			1,300
	Collected cash on account.			
j.	Rent Expense		900	
	Utilities Expense		800	
	Cash			1,700
	Paid expenses.			
k.	Fran Stein, Withdrawals		2,900	
	Cash			2,900
	Withdrawal by owner.			

## Req. 3

ACCOUNT		CASH			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
a.				42,000		42,000	
c.					19,000	23,000	
d.					2,000	21,000	
f.					700	20,300	
h.				900		21,200	
i.				1,300		22,500	
j.					1,700	20,800	
k.					2,900	17,900	

ACCOUNT		ACCOUNTS RECEIVABLE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
e.				3,100		3,100	
i.					1,300	1,800	

ACCOUNT		OFFICE SUPPLIES			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
b.				2,200		2,200	

ACCOUNT		OFFICE FURNITURE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
c.				19,000		19,000	

(continued) P 2-51B

ACCOUNT		BUILDING			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
a.				25,000		25,000	

ACCOUNT		ACCOUNTS PAYABLE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
b.					2,200		2,200
f.				700			1,500
g.					600		2,100

ACCOUNT		FRAN STEIN, CAPITAL			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
a.					67,000		67,000

ACCOUNT		FRAN STEIN, WITHDRAWALS			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
k.				2,900		2,900	

ACCOUNT		SERVICE REVENUE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
e.					3,100		3,100
h.					900		4,000

(continued) P 2-51B

ACCOUNT		SALARY EXPENSE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
d.				2,000		2,000	

ACCOUNT		RENT EXPENSE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
j.				900		900	

ACCOUNT		ADVERTISING EXPENSE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
g.				600		600	

ACCOUNT		UTILITIES EXPENSE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
j.				800		800	



Req. 4

<b>Stein Environmental Consulting Company</b>		
<b>Trial Balance</b>		
<b>February 29, 2012</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
Cash	\$ 17,900	
Accounts receivable	1,800	
Office supplies	2,200	
Office furniture	19,000	
Building	25,000	
Accounts payable		\$ 2,100
Fran Stein, Capital		67,000
Fran Stein, Withdrawals	2,900	
Service revenue		4,000
Salary expense	2,000	
Rent expense	900	
Advertising expense	600	
Utilities expense	800	
<b>Total</b>	<b><u>\$73,100</u></b>	<b><u>\$73,100</u></b>

## Req. 1 and 2

<b>Journal</b>				
DATE	ACCOUNTS AND EXPLANATIONS	POST. REF.	DEBIT	CREDIT
a.	Cash		40,000	
	Automobile		20,000	
	Van Stubbs, Capital			60,000
	Received investment by owner.			
b.	Equipment		35,000	
	Cash			35,000
	Purchased equipment for cash.			
c.	Supplies		600	
	Accounts Payable			600
	Purchased supplies on account.			
d.	Salary Expense		1,800	
	Cash			1,800
	Paid salary.			
e.	Cash		900	
	Service Revenue			900
	Performed service for cash.			
f.	Advertising Expense		300	
	Accounts Payable			300
	Received advertising bill.			
g.	Accounts Payable		600	
	Cash			600
	Paid accounts payable.			

## Req. 1 and 2 (continued)

<b>Journal</b>				
DATE	ACCOUNTS AND EXPLANATIONS	POST. REF.	DEBIT	CREDIT
<b>h.</b>	<b>Accounts Receivable</b>		<b>3,000</b>	
	<b>Service Revenue</b>			<b>3,000</b>
	<b>Performed service on account.</b>			
<b>i.</b>	<b>Cash</b>		<b>1,100</b>	
	<b>Accounts Receivable</b>			<b>1,100</b>
	<b>Collected cash on account.</b>			
<b>j.</b>	<b>Rent Expense</b>		<b>1,200</b>	
	<b>Insurance Expense</b>		<b>500</b>	
	<b>Cash</b>			<b>1,700</b>
	<b>Paid expenses.</b>			
<b>k.</b>	<b>Van Stubbs, Withdrawals</b>		<b>2,200</b>	
	<b>Cash</b>			<b>2,200</b>
	<b>Withdrawal by owner.</b>			

## Req. 3

ACCOUNT CASH					ACCOUNT NO.	
DATE	ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
a.			40,000		40,000	
b.				35,000	5,000	
d.				1,800	3,200	
e.			900		4,100	
g.				600	3,500	
i.			1,100		4,600	
j.				1,700	2,900	
k.				2,200	700	

ACCOUNT ACCOUNTS RECEIVABLE					ACCOUNT NO.	
DATE	ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
h.			3,000		3,000	
i.				1,100	1,900	

ACCOUNT OFFICE SUPPLIES					ACCOUNT NO.	
DATE	ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
c.			600		600	

ACCOUNT EQUIPMENT					ACCOUNT NO.	
DATE	ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
b.			35,000		35,000	

(continued) P 2-52B

ACCOUNT AUTOMOBILE					ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
a.				20,000		20,000	

ACCOUNT ACCOUNTS PAYABLE					ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
c.					600		600
f.					300		900
g.				600			300

ACCOUNT VAN STUBBS , CAPITAL					ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
a.					60,000		60,000

ACCOUNT VAN STUBBS, WITHDRAWALS					ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
k.				2,200		2,200	

ACCOUNT SERVICE REVENUE					ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
e.					900		900
h.					3,000		3,900

(continued) P 2-52B

ACCOUNT		SALARY EXPENSE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
d.				1,800		1,800	

ACCOUNT		RENT EXPENSE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
j.				1,200		1,200	

ACCOUNT		ADVERTISING EXPENSE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
f.				300		300	

ACCOUNT		INSURANCE EXPENSE			ACCOUNT NO.		
DATE		ITEM	JRNL. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
j.				500		500	

## Req. 4

<b>Stubbs Carpet Installers</b>		
<b>Trial Balance</b>		
<b>December 31, 2011</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
Cash	\$ 700	
Accounts receivable	1,900	
Office supplies	600	
Equipment	35,000	
Automobile	20,000	
Accounts payable		\$ 300
Van Stubbs, Capital		60,000
Van Stubbs, Withdrawals	2,200	
Service revenue		3,900
Salary expense	1,800	
Rent expense	1,200	
Insurance expense	500	
Advertising expense	300	
<b>Total</b>	<b><u>\$64,200</u></b>	<b><u>\$64,200</u></b>

<b>URNO 1 Child Care</b>		
<b>Trial Balance</b>		
<b>March 31, 2012</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
Cash	\$ 11,100*	
Accounts receivable	14,000*	
Supplies	1,800*	
Equipment	78,200*	
Accounts payable		\$ 57,000*
Peg Johnson, Capital		50,000
Peg Johnson, Withdrawals	2,200	
Service revenue		4,200
Salary expense	3,200*	
Rent expense	700	
<b>Total</b>	<b><u>\$111,200</u></b>	<b><u>\$111,200</u></b>

**\*Explanations:**

**Cash:  $\$6,100 + \$5,000 = \$11,100$**

**Accounts receivable:  $\$8,000 + \$3,000 + \$3,000 = \$14,000$**

**Supplies:  $\$800 + \$1,000 = \$1,800$**

**Equipment:  $\$89,000 - \$10,800 = \$78,200$**

**Accounts payable:  $\$56,000 + \$1,000 = \$57,000$**

**Salary expense:  $\$3,600 - \$400 = \$3,200$**



<b>Silver Shovels Exploration Company</b>		
<b>Trial Balance</b>		
<b>September 30, 2012</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
Cash	\$ 3,500*	
Accounts Receivable	3,270*	
Supplies	1,000*	
Exploration Equipment	23,910*	
Computers	45,000	
Accounts payable		\$ 2,400*
Note Payable		18,100
Philip Fink, Capital		50,900
Philip Fink, Withdrawals	1,000	
Service Revenue		10,200*
Salary Expense	1,700	
Rent Expense	1,180*	
Advertising Expense	700	
Utilities Expense	340*	
<b>Total</b>	<b><u>\$81,600</u></b>	<b><u>\$81,600</u></b>

**\*Explanations:**

**Cash: \$6,500 - \$3,000 = \$3,500**

**Accounts receivable: \$3,000 + \$270 = \$3,270**

**Supplies: \$800 + \$200 = \$1,000**

**Exploration Equipment: \$22,700 + \$1,210 = \$23,910**

**Accounts payable: \$2,200 + \$200 = \$2,400**

**Service Revenue: \$4,200 + \$6,600 = \$10,800**

**Utilities Expense: \$300 + \$40 = \$340**

**Rent expense: \$400 + \$390 + \$390 = \$1,180**

## Req. 1

<b>Big Screen Amusements Company</b>		
<b>Income Statement</b>		
<b>Month Ended August 31, 2012</b>		
<b>Revenues:</b>		
<b>Service revenue</b>		<b>\$22,000</b>
<b>Expenses:</b>		
<b>Salary expense</b>	<b>\$2,300</b>	
<b>Rent expense</b>	<b>1,700</b>	
<b>Property tax expense</b>	<b><u>1,400</u></b>	
<b>Total expenses</b>		<b><u>5,400</u></b>
<b>Net income</b>		<b><u>\$16,600</u></b>

## Req. 2

<b>Big Screen Amusements Company</b>	
<b>Statement of Owner's Equity</b>	
<b>Month Ended August 31, 2012</b>	
<b>Don Cougliato, capital, August 1, 2012</b>	<b>\$ -0-</b>
<b>Add: Investment by owner</b>	<b>390,000</b>
<b>Net income for the month</b>	<b><u>16,600</u></b>
	<b>406,600</b>
<b>Less: Withdrawals by owner</b>	<b><u>(10,000)</u></b>
<b>Don Cougliato, capital, August 31, 2012</b>	<b><u>\$396,600</u></b>

Req. 3

<b>Big Screen Amusements Company</b>			
<b>Balance Sheet</b>			
<b>August 31, 2012</b>			
<b>ASSETS</b>		<b>LIABILITIES</b>	
Cash	\$305,800	Accounts payable	\$ 300
Supplies	1,100	Note payable	<u>210,000</u>
		Total liabilities	210,300
Building	300,000		
		<b>OWNER'S EQUITY</b>	
		Don Coughiato, capital	396,600
		Total liabilities and	
Total assets	<u>\$606,900</u>	owner's equity	<u>\$606,900</u>

## Req. 1

<b>Warren Smith, MD</b>		
<b>Income Statement</b>		
<b>Month Ended April 30, 2010</b>		
<b>Revenues:</b>		
<b>Service revenue</b>		<b>\$10,800</b>
<b>Expenses:</b>		
<b>Salary expense</b>	<b>\$2,000</b>	
<b>Rent expense - office</b>	<b>1,800</b>	
<b>Rent expense - equipment</b>	<b>780</b>	
<b>Utilities expense</b>	<b><u>420</u></b>	
<b>Total expenses</b>		<b><u>5,000</u></b>
<b>Net income</b>		<b><u>\$5,800</u></b>

## Req. 2

<b>Warren Smith, MD</b>	
<b>Statement of Owner's Equity</b>	
<b>Month Ended April 30, 2010</b>	
<b>Warren Smith, capital, April 1, 2010</b>	<b>\$ -0-</b>
<b>Add: Investment by owner</b>	<b>78,000</b>
<b>Net income for the month</b>	<b><u>5,800</u></b>
	<b>83,800</b>
<b>Less: Withdrawals by owner</b>	<b><u>(9,000)</u></b>
<b>Warren Smith, capital, April 30, 2010</b>	<b><u>\$74,800</u></b>

Req. 3

<b>Warren Smith, MD</b>			
<b>Balance Sheet</b>			
<b>April 30, 2010</b>			
<b>ASSETS</b>		<b>LIABILITIES</b>	
Cash	\$ 71,100	Accounts payable	\$ 400
Accounts receivable	4,900	Note payable	<u>20,000</u>
Supplies	1,200	Total liabilities	20,400
Land	18,000		
		<b>OWNER'S EQUITY</b>	
		Warren Smith, capital	74,800
		Total liabilities and	
<b>Total assets</b>	<b><u>\$ 95,200</u></b>	<b>owner's equity</b>	<b><u>\$ 95,200</u></b>

## Req. 1

<b>Ann Duxbury, Designer</b>		
<b>Income Statement</b>		
<b>Month Ended March 31, 2010</b>		
<b>Revenues:</b>		
<b>Service revenue</b>		<b>\$5,600</b>
<b>Expenses:</b>		
<b>Salary expense</b>	<b>\$ 920</b>	
<b>Rent expense</b>	<b>890</b>	
<b>Total expenses</b>		<b><u>1,810</u></b>
<b>Net income</b>		<b><u>\$3,790</u></b>

## Req. 2

<b>Ann Duxbury, Designer</b>	
<b>Statement of Owner's Equity</b>	
<b>Month Ended March 31, 2010</b>	
<b>Ann Duxbury, capital, March 1, 2010</b>	<b>\$ -0-</b>
<b>Add: Investment by owner</b>	<b>37,000</b>
<b>Net income for the month</b>	<b><u>3,790</u></b>
	<b>40,790</b>
<b>Less: Withdrawals by owner</b>	<b><u>(2,500)</u></b>
<b>Ann Duxbury, capital, March 31, 2010</b>	<b><u>\$38,290</u></b>

Req. 3

<b>Ann Duxbury, Designer</b>			
<b>Balance Sheet</b>			
<b>March 31, 2010</b>			
<b>ASSETS</b>		<b>LIABILITIES</b>	
Cash	\$ 9,090	Accounts payable	\$ 700
Accounts receivable	1,100		
Supplies	700	Total liabilities	700
Furniture	2,100		
Land	26,000	<b>OWNER'S EQUITY</b>	
		Ann Duxbury, capital	38,290
		Total liabilities and	
<b>Total assets</b>	<b><u>\$ 38,990</u></b>	<b>owner's equity</b>	<b><u>\$ 38,990</u></b>



## Req. 1

<b>Timothy Muse, Attorney</b>		
<b>Income Statement</b>		
<b>Month Ended October 31, 2010</b>		
<b>Revenues:</b>		
<b>Service revenue</b>		<b>\$4,800</b>
<b>Expenses:</b>		
<b>Salary expense</b>	<b>\$1,040</b>	
<b>Rent expense</b>	<b>630</b>	
<b>Total expenses</b>		<b><u>1,670</u></b>
<b>Net income</b>		<b><u>\$3,130</u></b>

## Req. 2

<b>Timothy Muse, Attorney</b>	
<b>Statement of Owner's Equity</b>	
<b>Month Ended October 31, 2010</b>	
<b>Timothy Muse, capital, October 1, 2010</b>	<b>\$ -0-</b>
<b>Add: Investment by owner</b>	<b>34,000</b>
<b>Net income for the month</b>	<b><u>3,130</u></b>
	<b>37,130</b>
<b>Less: Withdrawals by owner</b>	<b><u>(2,400)</u></b>
<b>Timothy Muse, capital, October 31, 2010</b>	<b><u>\$34,730</u></b>



Req. 3

<b>Timothy Muse, Attorney</b>			
<b>Balance Sheet</b>			
<b>October 31, 2010</b>			
<b>ASSETS</b>		<b>LIABILITIES</b>	
Cash	\$ 11,330	Accounts payable	\$ 2,100
Accounts receivable	700		
Supplies	700	Total liabilities	2,100
Furniture	2,100		
Land	22,000	<b>OWNER'S EQUITY</b>	
		Timothy Muse, capital	34,730
		Total liabilities and	
<b>Total assets</b>	<b><u>\$ 36,830</u></b>	<b>owner's equity</b>	<b><u>\$ 36,830</u></b>



## Req. 1

<b>John Hilton, CPA</b>		
<b>Income Statement</b>		
<b>Month Ended October 31, 2011</b>		
<b>Revenues:</b>		
<b>Service revenue</b>		<b>\$7,200</b>
<b>Expenses:</b>		
<b>Salary expense</b>	<b>\$1,400</b>	
<b>Rent expense</b>	<b>500</b>	
<b>Total expenses</b>		<b><u>1,900</u></b>
<b>Net income</b>		<b><u>\$5,300</u></b>

## Req. 2

<b>John Hilton, CPA</b>	
<b>Statement of Owner's Equity</b>	
<b>Month Ended October 31, 2011</b>	
<b>John Hilton, capital, October 1, 2011</b>	<b>\$ -0-</b>
<b>Add: Investment by owner</b>	<b>23,400</b>
<b>Net income for the month</b>	<b><u>5,300</u></b>
	<b>28,700</b>
<b>Less: Withdrawals by owner</b>	<b><u>(2,300)</u></b>
<b>John Hilton, capital, October 31, 2011</b>	<b><u>\$26,400</u></b>

Req. 3

<b>John Hilton, CPA</b>			
<b>Balance Sheet</b>			
<b>October 31, 2011</b>			
<b>ASSETS</b>		<b>LIABILITIES</b>	
Cash	\$ 6,000	Accounts payable	\$ 5,000
Accounts receivable	6,800		
Supplies	1,600	Total liabilities	5,000
Land	17,000		
		<b>OWNER'S EQUITY</b>	
		John Hilton, capital	26,400
		Total liabilities and	
<b>Total assets</b>	<b><u>\$ 31,400</u></b>	<b>owner's equity</b>	<b><u>\$ 31,400</u></b>



## Req. 1

<b>Sharon Silver, Registered Dietician</b>		
<b>Income Statement</b>		
<b>Month Ended October 31, 2011</b>		
<b>Revenues:</b>		
<b>Service revenue</b>		<b>\$6,500</b>
<b>Expenses:</b>		
<b>Salary expense</b>	<b>\$1,900</b>	
<b>Rent expense</b>	<b>600</b>	
<b>Total expenses</b>		<b><u>2,500</u></b>
<b>Net income</b>		<b><u>\$4,000</u></b>

## Req. 2

<b>Sharon Silver, Registered Dietician</b>	
<b>Statement of Owner's Equity</b>	
<b>Month Ended October 31, 2011</b>	
<b>Sharon Silver, capital, October 1, 2011</b>	<b>\$ 24,600</b>
<b>Add: Investment by owner</b>	<b>-0-</b>
<b>Net income for the month</b>	<b><u>4,000</u></b>
	<b>28,600</b>
<b>Less: Withdrawals by owner</b>	<b><u>(1,900)</u></b>
<b>Sharon Silver, capital, October 31, 2011</b>	<b><u>\$26,700</u></b>

Req. 3

<b>Sharon Silver, Registered Dietician</b>			
<b>Balance Sheet</b>			
<b>October 31, 2011</b>			
<b>ASSETS</b>		<b>LIABILITIES</b>	
Cash	\$ 8,500	Accounts payable	\$ 3,300
Accounts receivable	5,000		
Supplies	1,500	Total liabilities	3,300
Equipment	15,000		
		<b>OWNER'S EQUITY</b>	
		Sharon Silver, capital	26,700
		Total liabilities and	
<b>Total assets</b>	<b><u>\$ 30,000</u></b>	<b>owner's equity</b>	<b><u>\$ 30,000</u></b>

## Req. 1

<b>Stein Environmental Consulting Company</b>		
<b>Income Statement</b>		
<b>Month Ended February 29, 2012</b>		
<b>Revenues:</b>		
<b>Service revenue</b>		<b>\$4,000</b>
<b>Expenses:</b>		
<b>Salary expense</b>	<b>\$2,000</b>	
<b>Rent expense</b>	<b>900</b>	
<b>Advertising expense</b>	<b>600</b>	
<b>Utilities expense</b>	<b><u>800</u></b>	
<b>Total expenses</b>		<b><u>4,300</u></b>
<b>Net income</b>		<b><u>\$ (300)</u></b>

## Req. 2

<b>Stein Environmental Consulting Company</b>	
<b>Statement of Owner's Equity</b>	
<b>Month Ended February 29, 2012</b>	
<b>Fran Stein, capital, February 1, 2012</b>	<b>\$ -0-</b>
<b>Add: Investment by owner</b>	<b>67,000</b>
<b>Net income for the month</b>	<b><u>(300)</u></b>
	<b>66,700</b>
<b>Less: Withdrawals by owner</b>	<b><u>(2,900)</u></b>
<b>Fran Stein, capital, February 29, 2012</b>	<b><u>\$63,800</u></b>

Req. 3

<b>Stein Environmental Consulting Company</b>			
<b>Balance Sheet</b>			
<b>February 29, 2012</b>			
<b>ASSETS</b>		<b>LIABILITIES</b>	
Cash	\$ 17,900	Accounts payable	\$ 2,100
Accounts receivable	1,800		
Office supplies	2,200	Total liabilities	2,100
Office furniture	19,000		
Building	25,000	<b>OWNER'S EQUITY</b>	
		Fran Stein, capital	63,800
		Total liabilities and	
<b>Total assets</b>	<b><u>\$ 65,900</u></b>	<b>owner's equity</b>	<b><u>\$ 65,900</u></b>

## Req. 1

<b>Stubbs Carpet Installers</b>		
<b>Income Statement</b>		
<b>Month Ended December 31, 2011</b>		
<b>Revenues:</b>		
<b>Service revenue</b>		<b>\$3,900</b>
<b>Expenses:</b>		
<b>Salary expense</b>	<b>\$1,800</b>	
<b>Rent expense</b>	<b>1,200</b>	
<b>Insurance expense</b>	<b>500</b>	
<b>Advertising expense</b>	<b><u>300</u></b>	
<b>Total expenses</b>		<b><u>3,800</u></b>
<b>Net income</b>		<b><u>\$ 100</u></b>

## Req. 2

<b>Stubbs Carpet Installers</b>	
<b>Statement of Owner's Equity</b>	
<b>Month Ended December 31, 2011</b>	
<b>Van Stubbs, capital, December 1, 2011</b>	<b>\$ -0-</b>
<b>Add: Investment by owner</b>	<b>60,000</b>
<b>Net income for the month</b>	<b><u>100</u></b>
	<b>60,100</b>
<b>Less: Withdrawals by owner</b>	<b><u>(2,200)</u></b>
<b>Van Stubbs, capital, December 31, 2011</b>	<b><u>\$57,900</u></b>



Req. 3

<b>Stubbs Carpet Installers</b>			
<b>Balance Sheet</b>			
<b>December 31, 2011</b>			
<b>ASSETS</b>		<b>LIABILITIES</b>	
Cash	\$ 700	Accounts payable	\$ 300
Accounts receivable	1,900		
Supplies	600	Total liabilities	300
Equipment	35,000		
Automobile	20,000	<b>OWNER'S EQUITY</b>	
		Van Stubbs, capital	57,900
		Total liabilities and	
<b>Total assets</b>	<b><u>\$ 58,200</u></b>	<b>owner's equity</b>	<b><u>\$ 58,200</u></b>



# Continuing Exercise

(30 min.) E 2-63

Req. 1 and 2

<b>Journal</b>					
DATE		ACCOUNTS AND EXPLANATIONS	POST. REF.	DEBIT	CREDIT
Aug.	1	Cash		1,000	
		Hannah Sherman, Capital			1,000
	3	Equipment		1,400	
		Accounts Payable			1,400
	5	Fuel Expense		20	
		Cash			20
	6	Accounts Receivable		200	
		Service Revenue			200
	8	Lawn Supplies		50	
		Cash			50
	17	Cash		500	
		Service Revenue			500
	31	Cash		50	
		Accounts Receivable			50

Req. 3

Cash			
Aug. 1	1,000	Aug. 5	20
17	500	8	50
31	50		
Bal.	1,480		

Accounts Receivable			
Aug. 6	200	Aug. 31	50
Bal.	150		

Lawn Supplies			
Aug. 8	50		
Bal.	50		

Equipment			
Aug. 3	1,400		
Bal.	1,400		

Accounts Payable			
		Aug. 3	1,400
		Bal.	1,400

Hannah Sherman, Capital			
		Aug. 1	1,000
		Bal.	1,000

Service Revenue			
		Aug. 6	200
		17	500
		Bal.	700

Fuel Expense			
		Aug. 5	20
		Bal.	50

Req. 4

<b>Sherman Lawn Service</b>		
<b>Trial Balance</b>		
<b>August 31, 2009</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
Cash	\$ 1,480	
Accounts receivable	150	
Lawn supplies	50	
Equipment	1,400	
Accounts payable		\$ 1,400
Hannah Sherman, Capital		1,000
Service revenue		700
Fuel expense	20	
<b>Total</b>	<b><u>\$3,100</u></b>	<b><u>\$3,100</u></b>

# Continuing Problem

(60 min.) P 2-64

Reqs. 1 and 2

<b>Journal</b>					
DATE		ACCOUNTS AND EXPLANATIONS	POST. REF.	DEBIT	CREDIT
<b>Dec.</b>	<b>2</b>	<b>Cash</b>		<b>10,000</b>	
		<b>Carl Haupt, Capital</b>			<b>10,000</b>
	<b>2</b>	<b>Rent Expense</b>		<b>500</b>	
		<b>Cash</b>			<b>500</b>
	<b>3</b>	<b>Equipment</b>		<b>2,000</b>	
		<b>Cash</b>			<b>2,000</b>
	<b>4</b>	<b>Furniture</b>		<b>3,600</b>	
		<b>Accounts Payable</b>			<b>3,600</b>
	<b>5</b>	<b>Supplies</b>		<b>300</b>	
		<b>Accounts Payable</b>			<b>300</b>
	<b>9</b>	<b>Accounts Receivable</b>		<b>1,700</b>	
		<b>Service Revenue</b>			<b>1,700</b>
	<b>12</b>	<b>Utilities Expense</b>		<b>200</b>	
		<b>Cash</b>			<b>200</b>
	<b>18</b>	<b>Cash</b>		<b>800</b>	
		<b>Service Revenue</b>			<b>800</b>

Req. 3

Cash			
Dec. 2	10,000	Dec. 2	500
18	800	3	2,000
		12	200
Bal.	8,100		

Accounts Receivable		
Dec. 9	1,700	
Bal.	1,700	

Supplies	
Dec. 5	300
Bal.	300

Equipment	
Dec. 3	2,000
Bal.	2,000

Furniture	
Dec. 4	3,600
Bal.	3,600

Accounts Payable		
	Dec. 4	3,600
	5	300
	Bal.	3,900

Carl Haupt, Capital		
	Dec. 2	10,000
	Bal.	10,000

Carl Haupt, Withdrawals	

Service Revenue		
	Dec. 9	1,700
	18	800
	Bal.	2,500

Rent Expense	
Dec. 2	500
Bal.	500

Utilities Expense	
Dec. 12	200
Bal.	200

Salary Expense	

## Req. 4

<b>Haupt Consulting</b>		
<b>Trial Balance</b>		
<b>December 18, 2010</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
Cash	\$ 8,100	
Accounts receivable	1,700	
Supplies	300	
Equipment	2,000	
Furniture	3,600	
Accounts payable		\$ 3,900
Carl Haupt, capital		10,000
Carl Haupt, withdrawals	—	
Service revenue		2,500
Rent expense	500	
Utilities expense	200	
Salary expense	—	
<b>Total</b>	<b><u>\$16,400</u></b>	<b><u>\$16,400</u></b>

# PRACTICE SET: Chapter 2

(60 min.)

Req. 1

<b>Journal</b>					
DATE		ACCOUNTS AND EXPLANATIONS	POST REF.	DEBIT	CREDIT
Apr.	1	Cash		20,000	
		Truck		5,000	
		C. Oliver, Capital			25,000
	2	Prepaid rent		1,600	
		Cash			1,600
	3	Prepaid insurance		1,200	
		Cash			1,200
	4	Supplies		220	
		Accounts payable			220
	5	Equipment		2,000	
		Accounts payable			2,000
	7	Equipment		1,500	
		Cash			1,500
	9	Accounts receivable		3,200	
		Service revenue			3,200
	10	Cash		200	
		Accounts receivable			200
	15	Contract labor expense		300	
		Cash			300
	16	Cash		1,200	
		Unearned service revenue			1,200



	17	Cash		700	
		Service revenue			700
	18	Utilities expense		200	
		Accounts payable			200
	20	Cash		10,000	
		Notes payable			10,000
	21	Cash		1,000	
		Accounts receivable			1,000
	25	Accounts payable		1,500	
		Cash			1,500
	29	Advertising expense		200	
		Cash			200
	30	C. Oliver, Withdrawals		500	
		Cash			500

**Req. 2**

<b>Cash</b>				<b>Accounts Payable</b>			
Apr. 1	20,000	Apr. 2	1,600	Apr. 25	1,500	Apr. 4	220
10	200	3	1,200			5	2,000
16	1,200	7	1,500			18	200
17	700	15	300			Bal.	920
20	10,000	25	1,500			<b>Unearned service revenue</b>	
21	1,000	29	200			Apr. 16	1,200
		30	500			Bal.	1,200
Bal.	26,300						

Req. 2 (continued)

Accounts receivable			
Apr. 9	3,200	Apr.10	200
		21	1,000
Bal.	2,000		

Note payable		
	Apr.20	10,000
	Bal.	10,000

Supplies	
Apr. 4	220
Bal.	220

C. Oliver, Capital		
	Apr. 1	25,000
	Bal.	25,00

Prepaid rent	
Apr. 2	1,600
Bal.	1,600

C. Oliver, Withdrawals		
Apr. 30	500	
Bal.	500	

Prepaid insurance	
Apr. 3	1,200
Bal.	1,200

Service revenues		
	Apr. 9	3,200
	17	700
	Bal.	3,900

Truck	
Apr. 1	5,000
Bal.	5,000

Contract labor expense		
Apr. 15	300	
Bal.	300	

Equipment	
Apr. 5	2,000
7	1,500
Bal.	3,500

Utilities expense		
Apr. 18	200	
Bal.	200	

Advertising expense	
Apr. 29	200
Bal.	200

Req. 3 (continued)

<b>Crystal Clear Cleaning</b>		
<b>Trial Balance</b>		
<b>April 30, 2009</b>		
<b>ACCOUNT</b>	<b>DEBIT</b>	<b>CREDIT</b>
Cash	\$ 26,300	
Accounts receivable	2,000	
Prepaid rent	1,600	
Prepaid insurance	1,200	
Truck	5,000	
Supplies	200	
Equipment	3,500	
Accounts payable		\$ 920
Unearned service revenue		1,200
Notes payable		10,000
C. Oliver, Capital		25,000
C. Oliver, Withdrawals	500	
Service revenue		3,900
Contract labor expense	300	
Utilities expense	200	
Advertising expense	200	
<b>Total</b>	<b><u>\$41,020</u></b>	<b><u>\$41,020</u></b>