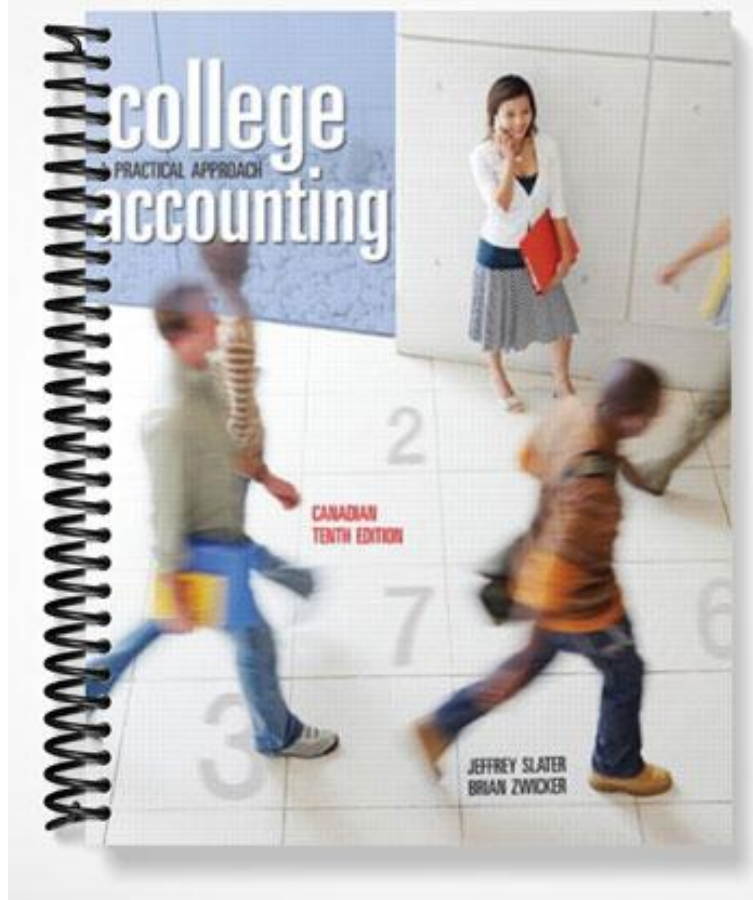


SOLUTIONS MANUAL



2

Debits and Credits: Analyzing and Recording Business Transactions

ANSWERS TO DISCUSSION QUESTIONS AND CRITICAL THINKING/ETHICAL CASE

1. *A ledger is a group of accounts that record in monetary value data from business transactions.*
2. *Because that is always the debit side. It is an arbitrary rule.*
3. *False. Accounts with one entry will not need footings.*
4. *The end product of the accounting process is preparing financial reports.*
5. *The transaction analysis chart is a teaching device that is not used in the regular accounting process.*
6. *Accounts affected, category, ↑ ↓ , rules, update of T accounts.*
7. *The analysis of transactions results in the total of debits being equal to total of credits. A double-entry system provides a system of checks and balances.*
8. *False. Informal report; does not have the same status as financial reports.*
9. *The financial reports are prepared from the ending balances of the accounts (debit or credit) in the ledger. These ending balances are then used on financial reports. The inside columns on financial reports are for subtotaling.*
10. *It is easier to prepare the reports from the trial balance, because a list of all accounts and their balances is provided. The columns for revenue, expenses, etc., on the expanded accounting equation do not list specific titles and their balances.*
11. *The question in this case is whether Audrey should be allowed to put fictitious figures into the trial balance. Although Audrey has good intentions, this type of behavior cannot be tolerated. Her actions are extremely unprofessional and go against all accounting standards (not to mention ethics!). Instead of putting in fictitious figures, Audrey should stay late and correct the trial balance (or perhaps engage an assistant to help her so she could catch the plane).*

SOLUTIONS TO CLASSROOM DEMONSTRATION EXERCISES, Set A

1. *Cash* *\$10,400* *Debit Balance*
John Jones, Capital *\$17,000* *Credit Balance*

2. A. *Expense* *Dr.* *Cr.* *Dr.*
 B. *Revenue* *Cr.* *Dr.* *Cr.*
 C. *Asset* *Dr.* *Cr.* *Dr.*
 D. *Capital* *Cr.* *Dr.* *Cr.*
 E. *Withdrawals* *Dr.* *Cr.* *Dr.*
 F. *Asset* *Dr.* *Cr.* *Dr.*
 G. *Expense* *Dr.* *Cr.* *Dr.*

3.

<i>Cash</i>	<i>Asset</i>	↑	<i>Dr.</i>	<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr><td align="center" colspan="2"><u><i>Cash</i></u></td></tr> <tr><td align="center">600</td><td align="center"> </td></tr> </table>	<u><i>Cash</i></u>		600			
<u><i>Cash</i></u>										
600										
<i>Accounts Receivable</i>	<i>Asset</i>	↑	<i>Dr.</i>	<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr><td align="center" colspan="2"><u><i>Accounts Receivable</i></u></td></tr> <tr><td align="center">1,900</td><td align="center"> </td></tr> </table>	<u><i>Accounts Receivable</i></u>		1,900			
<u><i>Accounts Receivable</i></u>										
1,900										
<i>Bookkeeping Services</i>	<i>Revenue</i>	↑	<i>Cr.</i>	<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr><td align="center" colspan="2"><u><i>Bookkeeping Fees</i></u></td></tr> <tr><td align="center"></td><td align="center"> </td></tr> <tr><td align="center"></td><td align="center">2,500</td></tr> </table>	<u><i>Bookkeeping Fees</i></u>					2,500
<u><i>Bookkeeping Fees</i></u>										
	2,500									

4. *Cash*
Accounts Receivable
Office Equipment
Accounts Payable
J. Joy, Capital
J. Joy, Withdrawals
Hair Salon Fees Earned
Advertising Expense
Salary Expense
Selling Expense

5. A. *BS*
 B. *BS*
 C. *BS*
 D. *BS*
 E. *OE*
 F. *OE*
 G. *IS*
 H. *IS*
 I. *IS*
 J. *IS*
 K. *IS*

SOLUTIONS TO CLASSROOM DEMONSTRATION EXERCISES, Set B

1. *Cash* *\$11,500* *Debit Balance*
C. Clark, Capital *\$16,000* *Credit Balance*

2. A. *Asset* *Dr.* *Cr.* *Dr.*
B. *Asset* *Dr.* *Cr.* *Dr.*
C. *Liability* *Cr.* *Dr.* *Cr.*
D. *Capital* *Cr.* *Dr.* *Cr.*
E. *Withdrawals* *Dr.* *Cr.* *Dr.*
F. *Revenue* *Cr.* *Dr.* *Cr.*
G. *Expense* *Dr.* *Cr.* *Dr.*

3.

<i>Cash</i>	<i>Asset</i>	↑	<i>Dr.</i>	<table style="margin-left: auto; margin-right: auto;"> <tr><td align="center" colspan="2"><u><i>Cash</i></u></td></tr> <tr><td align="center">3,000</td><td align="center"> </td></tr> </table>	<u><i>Cash</i></u>		3,000	
<u><i>Cash</i></u>								
3,000								
<i>Accounts Receivable</i>	<i>Asset</i>	↑	<i>Dr.</i>	<table style="margin-left: auto; margin-right: auto;"> <tr><td align="center" colspan="2"><u><i>Accounts Receivable</i></u></td></tr> <tr><td align="center">1,000</td><td align="center"> </td></tr> </table>	<u><i>Accounts Receivable</i></u>		1,000	
<u><i>Accounts Receivable</i></u>								
1,000								
<i>Legal Fees</i>	<i>Revenue</i>	↑	<i>Cr.</i>	<table style="margin-left: auto; margin-right: auto;"> <tr><td align="center" colspan="2"><u><i>Legal Fees</i></u></td></tr> <tr><td align="center"> </td><td align="center">4,000</td></tr> </table>	<u><i>Legal Fees</i></u>			4,000
<u><i>Legal Fees</i></u>								
	4,000							

4. *Cash*
Accounts Receivable
Computer Equipment
Accounts Payable
D. Cope, Capital
D. Cope, Withdrawals
Legal Fees Earned
Advertising Expense
Rent Expense
Selling Expense

5. A. *BS*
B. *BS*
C. *BS*
D. *BS*
E. *OE*
F. *OE*
G. *IS*
H. *IS*
I. *IS*
J. *IS*
K. *IS*

SOLUTIONS TO EXERCISES

EXERCISE 2-1.

Balance Sheet Accounts	
Assets	
111 Cash	
112 Accounts Receivable	
121 Office Equipment	
Liabilities	
211 Accounts Payable	
Owner's Equity	
311 B. Bryan, Capital	
312 B. Bryan, Withdrawals	
Income Statement Accounts	
Revenue	
411 Legal Fees	
Expenses	
511 Advertising Expense	
512 Repair Expense	
513 Salary Expense	

EXERCISE 2-4.

	Dr.	Cr.
A.	8	1
B.	6	1
C.	9	4
D.	1	7
E.	10	1
F.	3	5
G.	2	7
H.	1	2
I.	3	4

EXERCISE 2-2.

1. <i>Accounts Affected</i>	2. <i>Category</i>	3. ↑ ↓	4. <i>Rules</i>	5. <i>T-Account Update</i>
<i>Office Equipment</i>	<i>Asset</i>	↑	<i>Dr.</i>	<i>Office Equipment</i> 18,000
<i>Accounts Payable</i>	<i>Liability</i>	↑	<i>Cr.</i>	<i>Accounts Payable</i> 16,000
<i>Cash</i>	<i>Asset</i>	↓	<i>Cr.</i>	<i>Cash</i> 2,000

EXERCISE 2-3.

<i>ACCOUNT</i>	<i>CATEGORY</i>	↑	↓	<i>FINANCIAL</i>
<i>Supplies</i>	<i>Asset</i>	<i>Dr.</i>	<i>Cr.</i>	<i>Balance Sheet</i>
<i>Legal Fees Earned</i>	<i>Revenue</i>	<i>Cr.</i>	<i>Dr.</i>	<i>Income Statement</i>
<i>P. Rey, Withdrawals</i>	<i>Owner's Equity (Withdrawals)</i>	<i>Dr.</i>	<i>Cr.</i>	<i>Statement of Owner's Equity</i>
<i>Accounts Payable</i>	<i>Liability</i>	<i>Cr.</i>	<i>Dr.</i>	<i>Balance Sheet</i>
<i>Salaries Expense</i>	<i>Expense</i>	<i>Dr.</i>	<i>Cr.</i>	<i>Income Statement</i>
<i>Auto</i>	<i>Asset</i>	<i>Dr.</i>	<i>Cr.</i>	<i>Balance Sheet</i>

EXERCISE 2-5.

HALL'S CLEANERS

INCOME STATEMENT

FOR THE MONTH ENDED JULY 31, 2012

Revenue:											
<i>Cleaning Fees</i>						\$	4	5	8	0	0
Operating Expenses:											
<i>Salaries Expense</i>	\$	1	6	0	0						
<i>Utilities Expense</i>		1	1	3	0						
<i>Total Operating Expenses</i>							2	7	3	0	0
Net Income						\$	1	8	5	0	0

HALL'S CLEANERS

STATEMENT OF OWNER'S EQUITY

FOR THE MONTH ENDED JULY 31, 2012

<i>J. Hall, Capital, July 1, 2012</i>						\$	8	0	0	0	0
<i>Net Income for July</i>	\$	1	8	5	0						
<i>Less: Withdrawals for July</i>		1	9	8	0						
<i>Decrease in Capital</i>								1	3	0	0
<i>J. Hall, Capital, July 31, 2012</i>						\$	7	8	7	0	0

HALL'S CLEANERS

BALANCE SHEET

JULY 31, 2012

ASSETS

LIABILITIES AND OWNER'S EQUITY

<i>Cash</i>	\$	5	5	0	0	<i>Liabilities:</i>					
<i>Equipment</i>		6	9	2	0	<i>Accounts Payable</i>	\$	4	5	5	0
						<i>Owner's Equity</i>					
						<i>J. Hall, Capital</i>		7	8	7	0
						<i>Total Liabilities and</i>					
Total Assets	\$	1	2	4	2	<i>Owner's Equity</i>	\$	1	2	4	2

PROBLEM 2A-1.

<i>Accounts Affected</i>	<i>Category</i>	<i>Inc.</i> ↓	<i>Dec.</i> ↓	<i>Rules</i>	<i>T-Account Update</i>											
<i>a. Cash</i> <i>MayBell Lee, Capital</i>	<i>Asset</i> <i>Owner's Equity</i>		↓	<i>Dr.</i> <i>Cr.</i>	<table border="0"> <tr> <td></td> <td style="text-align: right;"><i>MayBell Lee, Capital</i></td> </tr> <tr> <td style="text-align: right;"><i>Cash</i></td> <td></td> </tr> <tr> <td style="border-top: 1px solid black; border-right: 1px solid black; border-bottom: 1px solid black;">19,000</td> <td style="border-top: 1px solid black; border-right: 1px solid black; border-bottom: 1px solid black;">19,000</td> </tr> </table>			<i>MayBell Lee, Capital</i>	<i>Cash</i>		19,000	19,000				
	<i>MayBell Lee, Capital</i>															
<i>Cash</i>																
19,000	19,000															
<i>b. Van</i> <i>Accounts Payable</i>	<i>Asset</i> <i>Liability</i>		↓	<i>Dr.</i> <i>Cr.</i>	<table border="0"> <tr> <td></td> <td style="text-align: right;"><i>Accounts Payable</i></td> </tr> <tr> <td style="text-align: right;"><i>Van</i></td> <td></td> </tr> <tr> <td style="border-top: 1px solid black; border-right: 1px solid black; border-bottom: 1px solid black;">7,000</td> <td style="border-top: 1px solid black; border-right: 1px solid black; border-bottom: 1px solid black;">7,000</td> </tr> </table>			<i>Accounts Payable</i>	<i>Van</i>		7,000	7,000				
	<i>Accounts Payable</i>															
<i>Van</i>																
7,000	7,000															
<i>c. Rent Expense</i> <i>Accounts Payable</i>	<i>Expense</i> <i>Liability</i>		↓	<i>Dr.</i> <i>Cr.</i>	<table border="0"> <tr> <td></td> <td style="text-align: right;"><i>Accounts Payable</i></td> </tr> <tr> <td style="text-align: right;"><i>Rent Expense</i></td> <td></td> </tr> <tr> <td style="border-top: 1px solid black; border-right: 1px solid black; border-bottom: 1px solid black;">700</td> <td style="border-top: 1px solid black; border-right: 1px solid black; border-bottom: 1px solid black;">700</td> </tr> </table>			<i>Accounts Payable</i>	<i>Rent Expense</i>		700	700				
	<i>Accounts Payable</i>															
<i>Rent Expense</i>																
700	700															
<i>d. Cash</i> <i>Fees Earned</i>	<i>Asset</i> <i>Revenue</i>		↓	<i>Dr.</i> <i>Cr.</i>	<table border="0"> <tr> <td></td> <td style="text-align: right;"><i>Fees Earned</i></td> </tr> <tr> <td style="text-align: right;"><i>Cash</i></td> <td></td> </tr> <tr> <td style="border-top: 1px solid black; border-right: 1px solid black; border-bottom: 1px solid black;">19,000</td> <td style="border-top: 1px solid black; border-right: 1px solid black; border-bottom: 1px solid black;">1,200</td> </tr> <tr> <td style="border-bottom: 1px solid black;">1,200</td> <td style="border-bottom: 1px solid black;"></td> </tr> </table>			<i>Fees Earned</i>	<i>Cash</i>		19,000	1,200	1,200			
	<i>Fees Earned</i>															
<i>Cash</i>																
19,000	1,200															
1,200																
<i>e. Accounts Receivable</i> <i>Fees Earned</i>	<i>Asset</i> <i>Revenue</i>		↓	<i>Dr.</i> <i>Cr.</i>	<table border="0"> <tr> <td></td> <td style="text-align: right;"><i>Fees Earned</i></td> </tr> <tr> <td style="text-align: right;"><i>Accounts Receivable</i></td> <td></td> </tr> <tr> <td style="border-top: 1px solid black; border-right: 1px solid black; border-bottom: 1px solid black;">75</td> <td style="border-top: 1px solid black; border-right: 1px solid black; border-bottom: 1px solid black;">1,200</td> </tr> <tr> <td style="border-bottom: 1px solid black;"></td> <td style="border-bottom: 1px solid black;">75</td> </tr> </table>			<i>Fees Earned</i>	<i>Accounts Receivable</i>		75	1,200		75		
	<i>Fees Earned</i>															
<i>Accounts Receivable</i>																
75	1,200															
	75															
<i>f. MayBell Lee, Withdrawals</i> <i>Cash</i>	<i>Owner's Equity (Withdrawals)</i> <i>Asset</i>		↓	<i>Dr.</i> <i>Cr.</i>	<table border="0"> <tr> <td></td> <td style="text-align: right;"><i>Cash</i></td> </tr> <tr> <td style="text-align: right;"><i>MayBell Lee, Withdrawals</i></td> <td></td> </tr> <tr> <td style="border-top: 1px solid black; border-right: 1px solid black; border-bottom: 1px solid black;">300</td> <td style="border-top: 1px solid black; border-right: 1px solid black; border-bottom: 1px solid black;">19,000</td> </tr> <tr> <td style="border-bottom: 1px solid black;"></td> <td style="border-bottom: 1px solid black;">1,200</td> </tr> <tr> <td style="border-bottom: 1px solid black;"></td> <td style="border-bottom: 1px solid black;">300</td> </tr> </table>			<i>Cash</i>	<i>MayBell Lee, Withdrawals</i>		300	19,000		1,200		300
	<i>Cash</i>															
<i>MayBell Lee, Withdrawals</i>																
300	19,000															
	1,200															
	300															

PROBLEM 2A-2.

<i>Cash</i>	<i>111</i>
<i>(a) 18,000</i>	<i>75 (d)</i>
<i>(c) 800</i>	<i>600 (e)</i>
	<i>900 (g)</i>

<i>Jill Jay, Withdrawals</i>	<i>312</i>
<i>(d) 75</i>	

<i>Office Equipment</i>	<i>121</i>
<i>(b) 3,000</i>	

<i>Consulting Fees Earned</i>	<i>411</i>
	<i>800 (c)</i>

<i>Accounts Payable</i>	<i>211</i>
<i>(g) 900</i>	<i>3,000 (b)</i>
	<i>1,200 (f)</i>

<i>Advertising Expense</i>	<i>511</i>
<i>(e) 600</i>	

<i>Jill Jay, Capital</i>	<i>311</i>
	<i>18,000 (a)</i>

<i>Rent Expense</i>	<i>512</i>
<i>(f) 1,200</i>	

PROBLEM 2A-3.

(a)

<u>Cash</u> 111		<u>Accounts Payable</u> 211		<u>Fees Earned</u> 411	
(A) 5,000	100 (D)	(D) 100	1,300 (C)		6,500 (B)
(G) 3,500	200 (E)		1,200		
	400 (F)				
8,500	200 (H)				
	900 (I)				
	1,800				
6,700					
<u>Accounts Receivable</u> 112		<u>Mike Frank, Capital</u> 311		<u>Rent Expense</u> 511	
(B) 6,500	3,500 (G)		5,000 (A)	(F) 400	
3,000					
<u>Office Equipment</u> 121		<u>Mike Frank, Withdrawals</u> 312		<u>Utilities Expense</u> 512	
(C) 1,300		(I) 900		(E) 200	
(H) 200					
1,500					

(b)

MIKE'S WINDOW WASHING SERVICE

TRIAL BALANCE

MAY 31, 2010

	Dr.	Cr.
Cash	6 7 0 0 0 0	
Accounts Receivable	3 0 0 0 0 0	
Office Equipment	1 5 0 0 0 0	
Accounts Payable		1 2 0 0 0 0
Mike Frank, Capital		5 0 0 0 0 0
Mike Frank, Withdrawals	9 0 0 0 0 0	
Fees Earned		6 5 0 0 0 0
Rent Expense	4 0 0 0 0 0	
Utilities Expense	2 0 0 0 0 0	
Totals	1 2 7 0 0 0 0 0	1 2 7 0 0 0 0 0

PROBLEM 2A-4.

(a)

GRACE LANTZ
BARRISTER AND SOLICITOR
INCOME STATEMENT
FOR THE MONTH ENDED MAY 31, 2011

Revenue:														
Revenue from Legal Fees									\$2	3	5	0	0	0
Operating Expenses:														
Utilities Expense	\$	3	0	0	0	0								
Rent Expense			4	5	0	0	0							
Salaries Expense			1	1	5	0	0	0						
Total Operating Expenses										1	9	0	0	0
Net Income										\$	4	5	0	0

(b)

GRACE LANTZ
BARRISTER AND SOLICITOR
STATEMENT OF OWNER'S EQUITY
FOR THE MONTH ENDED MAY 31, 2011

Grace Lantz, Capital, May 1, 2011										\$1	2	7	5	0
Net Income for May	\$	4	5	0	0	0								
Less: Withdrawals for May			3	0	0	0	0							
Increase in Capital											1	5	0	0
Grace Lantz, Capital, May 31, 2011										\$1	4	2	5	0

PROBLEM 2A-4., Cont.

(c)

GRACE LANTZ

BARRISTER AND SOLICITOR

BALANCE SHEET

MAY 31, 2011

ASSETS

LIABILITIES AND OWNER'S EQUITY

<i>Assets:</i>						<i>Liabilities:</i>									
<i>Cash</i>	\$	5	0	0	0 0	<i>Accounts Payable</i>	\$	4	3	0	0 0 0 0				
<i>Accounts Receivable</i>			6	5	0 0 0	<i>Salaries Payable</i>			6	7	5	0 0			
<i>Office Equipment</i>			7	5	0 0 0	<i>Total Liabilities</i>							\$	4	9 7 5 0 0
						<i>Owner's Equity</i>									
						<i>Grace Lantz, Capital</i>								1	4 2 5 0 0
						<i>Total Liabilities and</i>									
<i>Total Assets</i>	\$	6	4	0	0 0 0 0	<i>Owner's Equity</i>							\$	6	4 0 0 0 0

PROBLEM 2A-5.

1., 2., 3.

<i>Cash</i> 111	
(A) 16,000	600 (C)
(E) 2,600	250 (D)
(J) 300	900 (F)
	1,200 (G)
	300 (K)
18,900	3,250
15,650	

<i>Accounts Payable</i> 211	
	18,000 (B)
	700 (I)
	18,700
<i>Alice Angel, Capital</i> 311	
	16,000 (A)

<i>Advertising Expense</i> 511	
(D) 250	
<i>Gas Expense</i> 512	
(G) 1,200	

<i>Accounts Receivable</i> 112	
(H) 800	300 (J)
500	

<i>Alice Angel, Withdrawals</i> 312	
(K) 300	

<i>Salaries Expense</i> 513	
(F) 900	

<i>Office Equipment</i> 121	
(C) 600	

<i>Delivery Fees Earned</i> 411	
	2,600 (E)
	800 (H)
	3,400

<i>Telephone Expense</i> 514	
(I) 700	

<i>Delivery Trucks</i> 122	
(B) 18,000	

4.

ANGEL'S DELIVERY SERVICE

TRIAL BALANCE

MARCH 31, 2010

	Dr.					Cr.				
<i>Cash</i>	1	5	6	5	0	0	0	0	0	0
<i>Accounts Receivable</i>			5	0	0	0	0	0	0	0
<i>Office Equipment</i>			6	0	0	0	0	0	0	0
<i>Delivery Trucks</i>	1	8	0	0	0	0	0	0	0	0
<i>Accounts Payable</i>						1	8	7	0	0
<i>Alice Angel, Capital</i>						1	6	0	0	0
<i>Alice Angel, Withdrawals</i>			3	0	0	0	0	0	0	0
<i>Delivery Fees Earned</i>						3	4	0	0	0
<i>Advertising Expense</i>			2	5	0	0	0	0	0	0
<i>Gas Expense</i>			1	2	0	0	0	0	0	0
<i>Salaries Expense</i>			9	0	0	0	0	0	0	0
<i>Telephone Expense</i>			7	0	0	0	0	0	0	0
Totals	3	8	1	0	0	3	8	1	0	0

PROBLEM 2A-5, Cont.

5.(a)

ANGEL'S DELIVERY SERVICE

INCOME STATEMENT

FOR THE MONTH ENDED MARCH 31, 2010

Revenue:											
<i>Delivery Fees Earned</i>						\$3	4	0	0	0	0
Operating Expenses:											
<i>Advertising Expense</i>	\$	2	5	0	0	0	0	0	0	0	0
<i>Gas Expense</i>		1	2	0	0	0	0	0	0	0	0
<i>Salaries Expense</i>		9	0	0	0	0	0	0	0	0	0
<i>Telephone Expense</i>		7	0	0	0	0	0	0	0	0	0
Total Operating Expenses						3	0	5	0	0	0
Net Income						\$	3	5	0	0	0

5.(b)

ANGEL'S DELIVERY SERVICE

STATEMENT OF OWNER'S EQUITY

FOR THE MONTH ENDED MARCH 31, 2010

<i>A. Angel, Capital, March 1, 2010</i>						\$1	6	0	0	0	0
<i>Net Income for March</i>	\$	3	5	0	0	0	0	0	0	0	0
<i>Less: Withdrawals for March</i>		3	0	0	0	0	0	0	0	0	0
Increase in Capital								5	0	0	0
A. Angel, Capital, March 31, 2010						\$1	6	0	5	0	0

5.(c)

ANGEL'S DELIVERY SERVICE

BALANCE SHEET

MARCH 31, 2010

ASSETS

LIABILITIES AND OWNER'S EQUITY

Assets:											
<i>Cash</i>	\$1	5	6	5	0	0	0	0	0	0	0
<i>Accounts Receivable</i>			5	0	0	0	0	0	0	0	0
<i>Office Equipment</i>			6	0	0	0	0	0	0	0	0
<i>Delivery Trucks</i>	1	8	0	0	0	0	0	0	0	0	0
Total Assets	\$	3	4	7	5	0	0	0	0	0	0
Liabilities:											
<i>Accounts Payable</i>	\$1	8	7	0	0	0	0	0	0	0	0
Owner's Equity:											
<i>A. Angel, Capital</i>	1	6	0	5	0	0	0	0	0	0	0
Total Liabilities and Owner's Equity	\$	3	4	7	5	0	0	0	0	0	0

PROBLEM 2B-1.

<i>Accounts Affected</i>	<i>Category</i>	<i>Inc.</i> ↑	<i>Dec.</i> ↓	<i>Rules</i>	<i>T-Account Update</i>	
<i>A. Cash</i>	<i>Asset</i>		↑	<i>Dr.</i>	<i>MayBell Lee, Capital</i>	
<i>MayBell Lee, Capital</i>	<i>Owner's Equity</i>		↑	<i>Cr.</i>	<u><i>Cash</i></u>	<u><i>Capital</i></u>
					2,500	2,500
<i>B. Van</i>	<i>Asset</i>		↑	<i>Dr.</i>	<i>Accounts Payable</i>	
<i>Accounts Payable</i>	<i>Liability</i>		↑	<i>Cr.</i>	<u><i>Van</i></u>	<u><i>Accounts Payable</i></u>
					900	900
<i>C. Rent Expense</i>	<i>Expense</i>		↑	<i>Dr.</i>	<i>Accounts Payable</i>	
<i>Accounts Payable</i>	<i>Liability</i>		↑	<i>Cr.</i>	<u><i>Rent Expense</i></u>	<u><i>Accounts Payable</i></u>
					250	900
						250
<i>D. Cash</i>	<i>Asset</i>		↑	<i>Dr.</i>	<i>Fees Earned</i>	
<i>Fees Earned</i>	<i>Revenue</i>		↑	<i>Cr.</i>	<u><i>Cash</i></u>	<u><i>Fees Earned</i></u>
					2,500	1,200
					1,200	
<i>E. Accounts Receivable</i>	<i>Asset</i>		↑	<i>Dr.</i>	<i>Fees Earned</i>	
<i>Fees Earned</i>	<i>Revenue</i>		↑	<i>Cr.</i>	<u><i>Accounts Receivable</i></u>	<u><i>Fees Earned</i></u>
					700	1,200
						700
<i>F. MayBell Lee, Withdrawals</i>	<i>Owner's Equity (Withdrawals)</i>		↑	<i>Dr.</i>	<i>Cash</i>	
<i>Cash</i>	<i>Asset</i>		↓	<i>Cr.</i>	<u><i>MayBell Lee, Withdrawals</i></u>	<u><i>Cash</i></u>
					275	2,500
						1,200

PROBLEM 2B-2.

<u><i>Cash</i></u>	<u>111</u>
(A) 20,000	200 (D)
(C) 1,200	600 (E)
	400 (G)
<u><i>Office Equipment</i></u>	<u>121</u>
(B) 6,000	
<u><i>Accounts Payable</i></u>	<u>211</u>
(G) 400	6,000 (B)
	500 (F)
<u><i>Jill Jay, Capital</i></u>	<u>311</u>
	20,000 (A)

<u><i>Jill Jay, Withdrawals</i></u>	<u>312</u>
(D) 200	
<u><i>Consulting Fees Earned</i></u>	<u>411</u>
	1,200 (C)
<u><i>Advertising Expense</i></u>	<u>511</u>
(E) 600	
<u><i>Rent Expense</i></u>	<u>512</u>
(F) 500	

PROBLEM 2B-3.

(a)

<u>Cash</u> 111	<u>Accounts Payable</u> 211	<u>Fees Earned</u> 411	
(A) 10,000 4,000 (C)	2,000 (B)	4,000 (F)	
(F) 4,000 310 (D)		4,000 (G)	
(G) 2,000 50 (E)		8,000	
16,000 600 (H)			
11,040 4,960			
<u>Accounts Receivable</u> 112	<u>Mike Frank, Capital</u> 311	<u>Rent Expense</u> 511	
(G) 2,000	10,000 (A)	(D) 310	
<u>Office Equipment</u> 121	<u>Mike Frank, Withdrawals</u> 312	<u>Utilities Expense</u> 512	
(B) 2,000	(H) 600	(E) 50	
(C) 4,000			
6,000			

(b)

MIKE'S WINDOW WASHING SERVICE

TRIAL BALANCE

MAY 31, 2010

	Dr.					Cr.							
Cash	1	1	0	4	0	0	0	0	0				
Accounts Receivable	2	0	0	0	0	0	0	0	0				
Office Equipment	6	0	0	0	0	0	0	0	0				
Accounts Payable										2	0	0	0
Mike Frank, Capital										1	0	0	0
Mike Frank, Withdrawals			6	0	0	0	0	0	0				
Fees Earned										8	0	0	0
Rent Expense			3	1	0	0	0	0	0				
Utilities Expense			5	0	0	0	0	0	0				
Totals	2	0	0	0	0	0	0	0	0	2	0	0	0

PROBLEM 2B-4.

(a)

GRACE LANTZ
BARRISTER AND SOLICITOR
INCOME STATEMENT
FOR THE MONTH ENDED MAY 31, 2011

Revenue:													
Revenue from Legal Fees								\$9	8	0	0	0	0
Operating Expenses:													
Utilities Expense	\$	1	0	0	0	0							
Rent Expense			3	0	0	0							
Salaries Expense		1	4	0	0	0							
Total Operating Expenses								1	8	0	0	0	0
Net Income								\$8	0	0	0	0	0

(b)

GRACE LANTZ
BARRISTER AND SOLICITOR
STATEMENT OF OWNER'S EQUITY
FOR THE MONTH ENDED MAY 31, 2011

Grace Lantz, Capital, May 1, 2011								\$4	0	0	0	0	0
Net Income for May	\$8	0	0	0	0	0							
Less: Withdrawals for May	2	0	0	0	0	0							
Increase in Capital								6	0	0	0	0	0
Grace Lantz, Capital, May 31, 2011								\$10	0	0	0	0	0

PROBLEM 2B-4., Cont.

(c)

GRACE LANTZ

BARRISTER AND SOLICITOR

BALANCE SHEET

MAY 31, 2011

ASSETS

LIABILITIES AND OWNER'S EQUITY

ASSETS						LIABILITIES AND OWNER'S EQUITY					
<i>Assets:</i>						<i>Liabilities:</i>					
<i>Cash</i>	\$	6	0	0	0	<i>Accounts Payable</i>	\$	2	0	0	0
<i>Accounts Receivable</i>		2	4	0	0	<i>Salaries Payable</i>		6	0	0	0
<i>Office Equipment</i>		2	4	0	0	<i>Total Liabilities</i>					
						<i>Owner's Equity</i>					
						<i>Grace Lantz, Capital</i>					
						<i>Total Liabilities and</i>					
<i>Total Assets</i>	\$	1	0	8	0	<i>Owner's Equity</i>	\$	1	0	8	0

PROBLEM 2B-5.

1., 2., 3.

<i>Cash</i> 111	
(A) 40,000	2,500 (D)
(E) 13,000	1,850 (F)
(J) 1,600	750 (G)
	400 (I)
	88 (K)
54,600	5,588
49,012	

<i>Accounts Payable</i> 211	
	25,000 (B)
	800 (C)
	25,800
<i>Alice Angel, Capital</i> 311	
	40,000 (A)

<i>Advertising Expense</i> 511	
(C) 800	
<i>Gas Expense</i> 512	
(G) 750	

<i>Accounts Receivable</i> 112	
(H) 5,500	1,600 (J)
3,900	

<i>Alice Angel, Withdrawals</i> 312	
(K) 88	

<i>Salaries Expense</i> 513	
(F) 1,850	

<i>Office Equipment</i> 121	
(D) 2,500	

<i>Delivery Fees Earned</i> 411	
	13,000 (E)
	5,500 (H)
	18,500

<i>Telephone Expense</i> 514	
(I) 400	

<i>Delivery Trucks</i> 122	
(B) 25,000	

4.

ANGEL'S DELIVERY SERVICE

TRIAL BALANCE

MARCH 31, 2010

	Dr.					Cr.				
<i>Cash</i>	4	9	0	1	2	0	0	0	0	0
<i>Accounts Receivable</i>	3	9	0	0	0	0	0	0	0	0
<i>Office Equipment</i>	2	5	0	0	0	0	0	0	0	0
<i>Delivery Trucks</i>	2	5	0	0	0	0	0	0	0	0
<i>Accounts Payable</i>						2	5	8	0	0
<i>Alice Angel, Capital</i>						4	0	0	0	0
<i>Alice Angel, Withdrawals</i>			8	8	0	0	0	0	0	0
<i>Delivery Fees Earned</i>						1	8	5	0	0
<i>Advertising Expense</i>			8	0	0	0	0	0	0	0
<i>Gas Expense</i>			7	5	0	0	0	0	0	0
<i>Salaries Expense</i>			1	8	5	0	0	0	0	0
<i>Telephone Expense</i>			4	0	0	0	0	0	0	0
Totals	8	4	3	0	0	8	4	3	0	0

PROBLEM 2B-5., Cont.

5.(a)

ANGEL'S DELIVERY SERVICE

INCOME STATEMENT

FOR THE MONTH ENDED MARCH 31, 2010

Revenue:											
<i>Delivery Fees Earned</i>						\$18	5	0	0	0	0
Operating Expenses:											
<i>Advertising Expense</i>	\$	8	0	0	0	0					
<i>Gas Expense</i>		7	5	0	0	0					
<i>Salaries Expense</i>		1	8	5	0	0	0				
<i>Telephone Expense</i>		4	0	0	0	0					
Total Operating Expenses							3	8	0	0	0
Net Income							\$14	7	0	0	0

5.(b)

ANGEL'S DELIVERY SERVICE

STATEMENT OF OWNER'S EQUITY

FOR THE MONTH ENDED MARCH 31, 2010

<i>A. Angel, Capital, March 1, 2010</i>						\$40	0	0	0	0	0
<i>Net Income for March</i>	\$14	7	0	0	0	0					
<i>Less: Withdrawals for March</i>		8	8	0	0						
Increase in Capital							1	4	6	1	2
<i>A. Angel, Capital, March 31, 2010</i>							\$54	6	1	2	0

5.(c)

ANGEL'S DELIVERY SERVICE

BALANCE SHEET

MARCH 31, 2010

ASSETS

LIABILITIES AND OWNER'S EQUITY

Assets:											
<i>Cash</i>	\$49	0	1	2	0	0					
<i>Accounts Receivable</i>	3	9	0	0	0	0					
<i>Office Equipment</i>	2	5	0	0	0	0					
<i>Delivery Trucks</i>	2	5	0	0	0	0					
Total Assets	\$80	4	1	2	0	0					
Liabilities:											
<i>Accounts Payable</i>	\$25	8	0	0	0	0					
Owner's Equity:											
<i>A. Angel, Capital</i>	54	6	1	2	0	0					
Total Liabilities and Owner's Equity	\$80	4	1	2	0	0					

PROBLEM 2C-1.

<i>Accounts Affected</i>	<i>Category</i>	<i>Inc.</i> ↑	<i>Dec.</i> ↓	<i>Rules</i>	<i>T-Account Update</i>	
<i>A. Cash</i>	<i>Asset</i>		↑	<i>Dr.</i>	<i>Cash</i>	
<i>Dana Williams, Capital</i>	<i>Owner's Equity</i>	4,000		<i>Cr.</i>		<i>Dana Williams, Capital</i> 4,000
<i>B. Office Equipment</i>	<i>Asset</i>		↑	<i>Dr.</i>	<i>Office Equipment</i>	
<i>Accounts Payable</i>	<i>Liability</i>	2,600		<i>Cr.</i>		<i>Accounts Payable</i> 2,600
<i>C. Rent Expense</i>	<i>Expense</i>		↑	<i>Dr.</i>	<i>Rent Expense</i>	
<i>Accounts Payable</i>	<i>Liability</i>	400		<i>Cr.</i>		<i>Accounts Payable</i> 2,600 400
<i>D. Cash</i>	<i>Asset</i>		↑	<i>Dr.</i>	<i>Cash</i>	
<i>Editing Fees Earned</i>	<i>Revenue</i>	4,000 3,200		<i>Cr.</i>		<i>Editing Fees Earned</i> 3,200
<i>E. Accounts Receivable</i>	<i>Asset</i>		↑	<i>Dr.</i>	<i>Accounts Receivable</i>	
<i>Editing Fees Earned</i>	<i>Revenue</i>	1,230		<i>Cr.</i>		<i>Editing Fees Earned</i> 3,200 1,230
<i>F. Dana Williams, Withdrawals</i>	<i>Owner's Equity (Withdrawals)</i>		↑	<i>Dr.</i>	<i>Dana Williams, Withdr.</i>	
<i>Cash</i>	<i>Asset</i>	104		<i>Cr.</i>		<i>Cash</i> 4,000 3,200 104

PROBLEM 2C-2.

<i>Cash</i>	<i>111</i>
<i>(A) 16,000</i>	<i>504 (D)</i>
<i>(C) 3,750</i>	<i>650 (E)</i>
	<i>3,800 (G)</i>
<i>19,750</i>	<i>4,954</i>
<i>14,796</i>	

<i>Bob Levin, Withdrawals</i>	<i>312</i>
<i>(D) 504</i>	

<i>Office Equipment</i>	<i>121</i>
<i>(B) 7,600</i>	

<i>Graphics Fees Earned</i>	<i>411</i>
<i>3,750 (C)</i>	

<i>Accounts Payable</i>	<i>211</i>
<i>(G) 3,800</i>	<i>7,600 (B)</i>
	<i>675 (F)</i>
	<i>8,275</i>
	<i>4,475</i>

<i>Advertising Expense</i>	<i>511</i>
<i>(E) 650</i>	

<i>Bob Levin, Capital</i>	<i>311</i>
<i>16,000 (A)</i>	

<i>Rent Expense</i>	<i>512</i>
<i>(F) 675</i>	

PROBLEM 2C-3.

(a)

Cash 111	Accounts Receivable 112	Equipment 121																				
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; padding-right: 10px;">(A) 8,000</td> <td style="width: 50%; padding-left: 10px;">4,000 (B)</td> </tr> <tr> <td>(F) 4,000</td> <td>340 (D)</td> </tr> <tr> <td>(G) 3,000</td> <td>150 (E)</td> </tr> <tr> <td></td> <td>750 (H)</td> </tr> <tr> <td style="text-align: right;">15,000</td> <td>5,240</td> </tr> <tr> <td style="text-align: right;">9,760</td> <td></td> </tr> </table>	(A) 8,000	4,000 (B)	(F) 4,000	340 (D)	(G) 3,000	150 (E)		750 (H)	15,000	5,240	9,760		<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; padding-right: 10px;">(G) 1,000</td> <td style="width: 50%;"></td> </tr> </table>	(G) 1,000		<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; padding-right: 10px;">(B) 4,000</td> <td style="width: 50%;"></td> </tr> <tr> <td>(C) 2,000</td> <td></td> </tr> <tr> <td style="text-align: right;">6,000</td> <td></td> </tr> </table>	(B) 4,000		(C) 2,000		6,000	
(A) 8,000	4,000 (B)																					
(F) 4,000	340 (D)																					
(G) 3,000	150 (E)																					
	750 (H)																					
15,000	5,240																					
9,760																						
(G) 1,000																						
(B) 4,000																						
(C) 2,000																						
6,000																						
Accounts Payable 211	Ricky Cheung, Capital 311	Ricky Cheung, Withdrawals 312																				
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; padding-right: 10px;">2,000 (C)</td> <td style="width: 50%;"></td> </tr> </table>	2,000 (C)		<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; padding-right: 10px;">8,000 (A)</td> <td style="width: 50%;"></td> </tr> </table>	8,000 (A)		<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; padding-right: 10px;">(H) 750</td> <td style="width: 50%;"></td> </tr> </table>	(H) 750															
2,000 (C)																						
8,000 (A)																						
(H) 750																						
Fees Earned 411	Rent Expense 511	Utilities Expense 512																				
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; padding-right: 10px;">4,000 (F)</td> <td style="width: 50%; padding-left: 10px;">(D) 340</td> </tr> <tr> <td>4,000 (G)</td> <td></td> </tr> <tr> <td style="text-align: right;">8,000</td> <td></td> </tr> </table>	4,000 (F)	(D) 340	4,000 (G)		8,000		<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; padding-right: 10px;">(E) 150</td> <td style="width: 50%;"></td> </tr> </table>	(E) 150														
4,000 (F)	(D) 340																					
4,000 (G)																						
8,000																						
(E) 150																						

(b)

RICKY'S SMALL ENGINE REPAIR SERVICE

TRIAL BALANCE

OCTOBER 31, 2011

	Dr.					Cr.				
Cash	9	7	6	0	00					
Accounts Receivable	1	0	0	0	00					
Equipment	6	0	0	0	00					
Accounts Payable						2	0	0	0	00
Ricky Cheung, Capital						8	0	0	0	00
Ricky Cheung, Withdrawals		7	5	0	00					
Fees Earned						8	0	0	0	00
Rent Expense		3	4	0	00					
Utilities Expense		1	5	0	00					
Totals	1	8	0	0	00	1	8	0	0	00

PROBLEM 2C-4.

(a)

GLEND A SHAVER, ARCHITECT

INCOME STATEMENT

FOR THE MONTH ENDED JUNE 30, 2011

Revenue:											
<i>Fees Earned</i>						\$6	7	1	5	0	0
Operating Expenses:											
<i>Rent Expense</i>	\$1	2	0	0	0						
<i>Advertising Expense</i>		4	8	0	0						
<i>Utilities Expense</i>		5	6	5	0						
<i>Total Operating Expenses</i>						2	2	4	5	0	0
<i>Net Income</i>						\$4	4	7	0	0	0

(b)

GLEND A SHAVER, ARCHITECT

STATEMENT OF OWNER'S EQUITY

FOR THE MONTH ENDED JUNE 30, 2011

<i>Glenda Shaver, Capital, June 1, 2011</i>						\$5	6	0	0	0	0
<i>Net Income for June</i>	\$4	4	7	0	0						
<i>Less: Withdrawals for June</i>		9	5	0	0						
<i>Increase in Capital</i>						3	5	2	0	0	0
<i>Glenda Shaver, Capital, June 30, 2011</i>						\$9	1	2	0	0	0

(c)

GLEND A SHAVER, ARCHITECT

BALANCE SHEET

JUNE 30, 2011

ASSETS

LIABILITIES AND OWNER'S EQUITY

Assets:						Liabilities:					
<i>Cash in Bank</i>	\$2	2	0	0	0	<i>Accounts Payable</i>	\$	6	2	0	0
<i>Accounts Receivable</i>	1	0	7	5	0						
<i>Supplies</i>		2	6	5	0	Owner's Equity:					
<i>Equipment</i>	6	2	0	0	0	<i>Glenda Shaver, Capital</i>	9	1	2	0	0
						<i>Total Liabilities and</i>					
<i>Total Assets</i>	\$9	7	4	0	0	<i>Owner's Equity</i>	\$9	7	4	0	0

PROBLEM 2C-5.

1., 2., 3.

<i>Cash</i> 111	
(A) 33,000	3,300 (D)
(E) 5,900	1,720 (F)
(J) 2,000	320 (G)
	150 (I)
	66 (K)
	700 (L)
40,900	6,256
34,644	

<i>Accounts Payable</i> 211	
(L) 700	14,000 (B)
	1,150 (C)
700	15,150
	14,450
<i>Clara Benson, Capital</i> 311	
	33,000 (A)

<i>Advertising Expense</i> 511	
(C) 1,150	
<i>Repair Expense</i> 512	
(G) 320	

<i>Accounts Receivable</i> 112	
(H) 4,300	2,000 (J)
2,300	

<i>Clara Benson, Withdrawals</i> 312	
(K) 66	

<i>Salaries Expense</i> 513	
(F) 1,720	

<i>Office Equipment</i> 121	
(D) 3,300	

<i>Design Fees Earned</i> 411	
	5,900 (E)
	4,300 (H)
	10,200

<i>Telephone Expense</i> 514	
(I) 150	

<i>Design Equipment</i> 122	
(B) 14,000	

4.

CLARA'S DESIGN SERVICE

TRIAL BALANCE

MARCH 31, 2011

	Dr.				Cr.					
<i>Cash</i>	3	4	6	4	4	0	0	0	0	
<i>Accounts Receivable</i>	2	3	0	0	0	0	0	0	0	
<i>Office Equipment</i>	3	3	0	0	0	0	0	0	0	
<i>Design Equipment</i>	1	4	0	0	0	0	0	0	0	
<i>Accounts Payable</i>					1	4	4	5	0	0
<i>Clara Benson, Capital</i>					3	3	0	0	0	0
<i>Clara Benson, Withdrawals</i>			6	6	0	0	0	0	0	
<i>Design Fees Earned</i>					1	0	2	0	0	0
<i>Advertising Expense</i>	1	1	5	0	0	0	0	0	0	
<i>Repair Expense</i>			3	2	0	0	0	0	0	
<i>Salaries Expense</i>	1	7	2	0	0	0	0	0	0	
<i>Telephone Expense</i>			1	5	0	0	0	0	0	
Totals	5	7	6	5	0	0	0	0	0	

PROBLEM 2C-5., Cont.

5.(a)

CLARA'S DESIGN SERVICE

INCOME STATEMENT

FOR THE MONTH ENDED MARCH 31, 2011

Revenue:										
<i>Design Fees Earned</i>									\$10	20000
Operating Expenses:										
<i>Advertising Expense</i>	\$1	1	5	0	00					
<i>Repair Expense</i>			3	2	00					
<i>Salaries Expense</i>		1	7	2	00					
<i>Telephone Expense</i>			1	5	00					
<i>Total Operating Expenses</i>									33	4000
<i>Net Income</i>									\$6	8600

5.(b)

CLARA'S DESIGN SERVICE

STATEMENT OF OWNER'S EQUITY

FOR THE MONTH ENDED MARCH 31, 2011

<i>Clara Benson, Capital, March 1, 2011</i>									\$33	00000
<i>Net Income for March</i>	\$6	8	6	0	00					
<i>Less: Withdrawals for March</i>			6	6	00					
<i>Increase in Capital</i>									67	9400
<i>Clara Benson, Capital, March 31, 2011</i>									\$39	79400

5.(c)

CLARA'S DESIGN SERVICE

BALANCE SHEET

MARCH 31, 2011

ASSETS

LIABILITIES AND OWNER'S EQUITY

Assets:						Liabilities:					
<i>Cash</i>	\$3	4	6	4	00	<i>Accounts Payable</i>	\$1	4	4	5	00
<i>Accounts Receivable</i>		2	3	0	00						
<i>Office Equipment</i>		3	3	0	00	Owner's Equity:					
<i>Design Equipment</i>		1	4	0	00	<i>Clara Benson, Capital</i>		3	9	7	94
											00
						Total Liabilities and					
Total Assets	\$5	4	2	4	00	Owner's Equity	\$5	4	2	4	00

SOLUTIONS TO ON-THE-JOB TRAINING, #T-1.

RANCH COMPANY

TRIAL BALANCE

JUNE 30, 2011

	<i>Dr.</i>				<i>Cr.</i>				
<i>Cash</i>		4	9	0	0				
<i>Accounts Receivable</i>		6	2	0	0				
<i>Office Equipment</i>		3	6	5	0				
<i>Accounts Payable</i>						1	1	5	0
<i>Wages Payable</i>							1	0	0
<i>H. Clo, Capital</i>						6	3	5	0
<i>H. Clo, Withdrawals</i>	1	4	4	0	0				
<i>Professional Fees</i>						2	4	2	0
<i>Rent Expense</i>		2	4	0	0				
<i>Advertising Expense</i>			2	5	0				
Totals	3	1	8	0	0	3	1	8	0

To avoid this problem, Ranch Co. might insist that Andy take a course in accounting at a local college. He obviously needs more experience/training before he can be trusted to handle the company's books. Better supervision may help somewhat, but the real solution is in getting a bookkeeper who is accurate and well trained.

SOLUTIONS TO ON-THE-JOB TRAINING, #T-2.

<i>Situation</i>	<i>Total of Trial Balance</i>	<i>Effects on Accounts</i>
<i>1</i>	<i>Will balance, but be understated by \$765.</i>	<i>Cash overstated by \$765 and equipment understated by \$765.</i>
<i>2</i>	<i>Will not balance.</i>	<i>Cash overstated by \$200.</i>
<i>3</i>	<i>Will balance but be overstated by \$400.</i>	<i>Capital and Accounts Receivable overstated by \$400.</i>
<i>4</i>	<i>Will balance but be overstated by \$360.</i>	<i>Accounts Payable overstated by \$360 and Cash overstated by \$400. Supplies understated by \$40.</i>
<i>5</i>	<i>Trial Balance will balance with the correct amount.</i>	<i>Supplies overstated and Equipment understated by \$800.</i>
<i>6</i>	<i>Trial Balance will not balance.</i>	<i>Cash overstated by \$36.</i>

Mistakes can be avoided in the future by carefully checking entries.

CONTINUING PROBLEM

1., 2., 3.

<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Cash</td> <td style="width: 50%; text-align: right;">1000</td> </tr> <tr> <td>3,850</td> <td style="text-align: right;">150 (l)</td> </tr> <tr> <td>(p) 900</td> <td style="text-align: right;">200 (m)</td> </tr> <tr> <td></td> <td style="text-align: right;">1,400 (n)</td> </tr> <tr> <td></td> <td style="text-align: right;">85 (q)</td> </tr> <tr> <td></td> <td style="text-align: right;">50 (r)</td> </tr> <tr> <td>4,750</td> <td style="text-align: right;">1,885</td> </tr> <tr> <td>2,865</td> <td></td> </tr> <tr> <td>Accounts Receivable</td> <td style="text-align: right;">1020</td> </tr> <tr> <td>(o) 850</td> <td></td> </tr> <tr> <td>Supplies</td> <td style="text-align: right;">1030</td> </tr> <tr> <td>250</td> <td></td> </tr> <tr> <td>(s) 200</td> <td></td> </tr> <tr> <td>450</td> <td></td> </tr> <tr> <td>Computer Shop Equipment</td> <td style="text-align: right;">1080</td> </tr> <tr> <td>1,200</td> <td></td> </tr> <tr> <td>Office Equipment</td> <td style="text-align: right;">1090</td> </tr> <tr> <td>600</td> <td></td> </tr> </table>	Cash	1000	3,850	150 (l)	(p) 900	200 (m)		1,400 (n)		85 (q)		50 (r)	4,750	1,885	2,865		Accounts Receivable	1020	(o) 850		Supplies	1030	250		(s) 200		450		Computer Shop Equipment	1080	1,200		Office Equipment	1090	600		<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Accounts Payable</td> <td style="width: 50%; text-align: right;">2000</td> </tr> <tr> <td>(m) 200</td> <td style="text-align: right;">335</td> </tr> <tr> <td>(q) 85</td> <td style="text-align: right;">155 (k)</td> </tr> <tr> <td></td> <td style="text-align: right;">200 (s)</td> </tr> <tr> <td>285</td> <td style="text-align: right;">690</td> </tr> <tr> <td></td> <td style="text-align: right;">405</td> </tr> <tr> <td>T. Freedman, Capital</td> <td style="text-align: right;">3000</td> </tr> <tr> <td></td> <td style="text-align: right;">4,500</td> </tr> <tr> <td>T. Freedman, Withdrawals</td> <td style="text-align: right;">3010</td> </tr> <tr> <td>100</td> <td></td> </tr> <tr> <td>Service Revenue</td> <td style="text-align: right;">4000</td> </tr> <tr> <td></td> <td style="text-align: right;">1,650</td> </tr> <tr> <td></td> <td style="text-align: right;">850 (o)</td> </tr> <tr> <td></td> <td style="text-align: right;">900 (p)</td> </tr> <tr> <td></td> <td style="text-align: right;">3,400</td> </tr> </table>	Accounts Payable	2000	(m) 200	335	(q) 85	155 (k)		200 (s)	285	690		405	T. Freedman, Capital	3000		4,500	T. Freedman, Withdrawals	3010	100		Service Revenue	4000		1,650		850 (o)		900 (p)		3,400	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Advertising Expense</td> <td style="width: 50%; text-align: right;">5010</td> </tr> <tr> <td>(n) 1,400</td> <td></td> </tr> <tr> <td>Rent Expense</td> <td style="text-align: right;">5020</td> </tr> <tr> <td>400</td> <td></td> </tr> <tr> <td>Utilities Expense</td> <td style="text-align: right;">5030</td> </tr> <tr> <td>85</td> <td></td> </tr> <tr> <td>Phone Expense</td> <td style="text-align: right;">5040</td> </tr> <tr> <td>(k) 155</td> <td></td> </tr> <tr> <td>Supplies Expense</td> <td style="text-align: right;">5050</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>Insurance Expense</td> <td style="text-align: right;">5060</td> </tr> <tr> <td>(l) 150</td> <td></td> </tr> <tr> <td>Postage Expense</td> <td style="text-align: right;">5070</td> </tr> <tr> <td>(r) 50</td> <td></td> </tr> </table>	Advertising Expense	5010	(n) 1,400		Rent Expense	5020	400		Utilities Expense	5030	85		Phone Expense	5040	(k) 155		Supplies Expense	5050			Insurance Expense	5060	(l) 150		Postage Expense	5070	(r) 50	
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4.

PRECISION COMPUTER CENTRE

TRIAL BALANCE

AUGUST 31, 2010

Cash	2	8	6	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accounts Receivable		8	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Supplies		4	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Computer Shop Equipment		1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Office Equipment		6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accounts Payable																			4 0 5 0 0
T. Freedman, Capital																			4 5 0 0 0
T. Freedman, Withdrawals		1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Service Revenue																			3 4 0 0 0
Advertising Expense		1	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rent Expense			4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utilities Expense				8	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Phone Expense			1	5	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance Expense			1	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Postage Expense				5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		8	3	0	5	0	0	0	0	8	3	0	5	0	0	0	0	0	0

