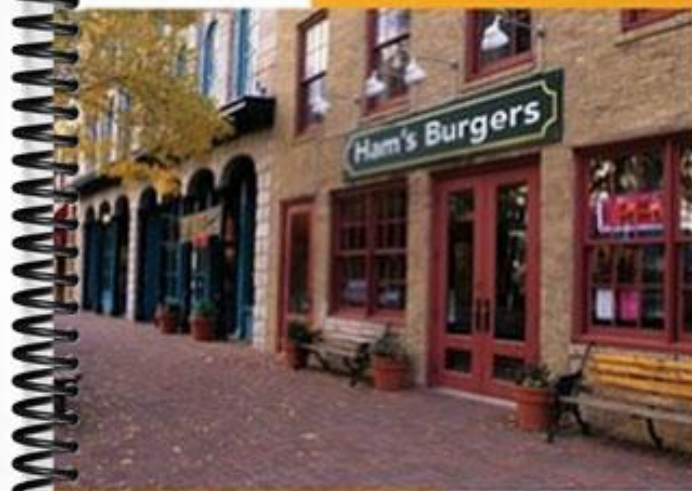


SOLUTIONS MANUAL

COLLEGE Accounting



McQuaig • Bille • Nobles
CHAPTERS 1-26 • 10E

Answers to Study Guide Questions

CHAPTER 1

PART 1 True/False

- | | | |
|------|------|-------|
| 1. T | 5. T | 9. T |
| 2. F | 6. T | 10. T |
| 3. F | 7. T | |
| 4. T | 8. T | |

PART 2 Completion—Accounting Language

- | | |
|------------------------------------|-------------------------|
| 1. sole proprietorship | 8. chart of accounts |
| 2. liabilities | 9. equity |
| 3. creditor | 10. Revenue |
| 4. accounts | 11. withdrawal |
| 5. transaction | 12. Accounts Receivable |
| 6. capital | 13. Expenses |
| 7. fundamental accounting equation | |

PART 3 Classifying Accounts

Assets

- Office Equipment
- Building
- Cash
- Land
- Prepaid Insurance
- Neon Sign

Liabilities

- Accounts Payable
- Mortgage Payable

Owner's Equity

- T. Acosta, Capital
- T. Acosta, Drawing

Revenue

- Income from Services

Expenses

- Supplies Expense
- Rent Expense
- Wages Expense

PART 4 Analyzing Transactions

Here are some typical transactions of Bartlett Insect Control Service. For each transaction, indicate the increase (+) or the decrease (–) in Assets (A), Liabilities (L), Owner's Equity (OE), Revenue (R), or Expenses (E) by placing the appropriate sign(s) in the appropriate column(s). A column can have a (+) and a (–) for the same transaction. The first transaction is given as an example.

0. *Example: Owner invested cash*
1. Payment of rent
 2. Sales of services for cash
 3. Investment of equipment by owner
 4. Payment of insurance premium for two years
 5. Payment of wages
 6. Sales of services on account
 7. Withdrawal of cash by owner
 8. Purchase of supplies on account
 9. Collection from charge customer previously billed
 10. Payment made to creditor on account

A	L	OE	R	E
+		+		
–				+
+			+	
+		+		
+ –				
–				+
+			+	
–		–		
	+			+
+ –				
–	–			