

Practice Answers for Chap 1,2 Acctg 1

Multiple Choice

1 A	12 C
2 D	13 A
3 A	14 C
4 D	15 B
5 E	16 C
6 B	17 B
7 B	18 D
8 B	19 A
9 B	20 D
10 D	21 D
11 D	22 A

Problem #1

1-Jun	Cash	12,000	
	Capital (Quark)		12,000
3-Jun	Equipment	1,800	
	A/P		1,800
4-Jun	Prepaid Insurance	360	
	Cash		360
6-Jun	Office Supplies	300	
	Cash		300
9-Jun	Computer	7,500	
	Cash	1,500	
	A/P	6,000	
10-Jun	A/R	40	
	Revenue		40
14-Jun	A/P	1,800	
	Cash		1,800
25-Jun	Cash	35	
	Revenue		35
30-Jun	Cash	40	
	A/R		40
30-Jun	Withdrawals	500	
	Cash		500

Problem #2

Merry Mowers
Trial Balance
May 31, xx

	<u>DR</u>	<u>CR</u>
Cash	9,440	
Office Supplies	500	
Equipment	3,000	
A/P		500
N/P		2,000
Capital (M.Sanchez)		8,000
Withdrawals (M.Sanchez)	550	
Lawncare revenue		3,200
Gas and Oil expense	210	
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TOTAL	13,700	13,700

Problem #3

PC Partners Income Statement For month ended 9-30-04		
Revenue:		
Installation Revenue	15,600	
Repair Revenue	8,650	
Misc Revenue	<u>800</u>	
Total Revenue		25,050
Expense:		
Rent Expense	1,300	
Entertainment Expense	600	
Photocopying Expense	150	
Advertising Expense	<u>420</u>	
		<u>2,470</u>
Net Income		22,580

PC Partners
 Stmt of Equity
 For month ended 9-30-04

Capital, Ed Connor at 8/31/04 56,000

ADD:

Net Income 22,580

LESS:

Withdrawals (Ed Connor) -7,000

Capital, Ed Connor at 9/30/04 71,580

PC Partners
 Balance Sheet
 9/30/2004

Assets:

Cash	35,460
A/R	8,480
Equipment	15,700
Supplies	8,400
Truck	<u>8,500</u>
TOTAL ASSETS	76,540

Liabilities:

A/P	4,200
Unearned Revenue	<u>760</u>
TOTAL Liabilities	4,960
Equity:	
Capital (Ed Connor)	<u>71,580</u>
TOTAL Equity	<u>71,580</u>

Total Liabilities and Equity 76,540