

Problem 2-1A (90 minutes)

Part 1

April 1	Cash.....101	80,000	
	Office Equipment.....163	26,000	
	K. Tanner, Capital301		106,000
	<i>Owner invested cash and equipment.</i>		
2	Prepaid Rent131	9,000	
	Cash.....101		9,000
	<i>Prepaid twelve months' rent.</i>		
3	Office Equipment.....163	8,000	
	Office Supplies124	3,600	
	Accounts Payable.....201		11,600
	<i>Purchased equip. & supplies on credit.</i>		
6	Cash.....101	4,000	
	Services Revenue403		4,000
	<i>Received cash for services.</i>		
9	Accounts Receivable106	6,000	
	Services Revenue403		6,000
	<i>Billed client for completed work.</i>		
13	Accounts Payable201	11,600	
	Cash.....101		11,600
	<i>Paid balance due on account.</i>		
19	Prepaid Insurance128	2,400	
	Cash.....101		2,400
	<i>Paid premium for insurance.</i>		
22	Cash.....101	4,400	
	Accounts Receivable106		4,400
	<i>Collected part of amount owed by client.</i>		
25	Accounts Receivable106	2,890	
	Services Revenue403		2,890
	<i>Billed client for completed work.</i>		
28	K. Tanner, Withdrawals.....302	5,500	
	Cash.....101		5,500
	<i>Owner withdrew cash for personal use.</i>		
29	Office Supplies124	600	
	Accounts Payable.....201		600
	<i>Purchased supplies on account.</i>		
30	Utilities Expense.....690	435	
	Cash.....101		435
	<i>Paid monthly utility bill.</i>		

Problem 2-1A (Continued)
Part 2

Cash				Acct. No. 101	
Date	Explanation	PR	Debit	Credit	Balance
April 1		G1	80,000		80,000
2		G1		9,000	71,000
6		G1	4,000		75,000
13		G1		11,600	63,400
19		G1		2,400	61,000
22		G1	4,400		65,400
28		G1		5,500	59,900
30		G1		435	59,465

Accounts Receivable				Acct. No. 106	
Date	Explanation	PR	Debit	Credit	Balance
April 9		G1	6,000		6,000
22		G1		4,400	1,600
25		G1	2,890		4,490

Office Supplies				Acct. No. 124	
Date	Explanation	PR	Debit	Credit	Balance
April 3		G1	3,600		3,600
29		G1	600		4,200

Prepaid Insurance				Acct. No. 128	
Date	Explanation	PR	Debit	Credit	Balance
April 19		G1	2,400		2,400

Prepaid Rent				Acct. No. 131	
Date	Explanation	PR	Debit	Credit	Balance
April 2		G1	9,000		9,000

Office Equipment				Acct. No. 163	
Date	Explanation	PR	Debit	Credit	Balance
April 1		G1	26,000		26,000
3		G1	8,000		34,000

Problem 2-1A (Continued)

Accounts Payable				Acct. No. 201	
Date	Explanation	PR	Debit	Credit	Balance
April 3		G1		11,600	11,600
13		G1	11,600		0
29		G1		600	600

K. Tanner, Capital				Acct. No. 301	
Date	Explanation	PR	Debit	Credit	Balance
April 1		G1		106,000	106,000

K. Tanner, Withdrawals				Acct. No. 302	
Date	Explanation	PR	Debit	Credit	Balance
April 28		G1	5,500		5,500

Services Revenue				Acct. No. 403	
Date	Explanation	PR	Debit	Credit	Balance
April 6		G1		4,000	4,000
9		G1		6,000	10,000
25		G1		2,890	12,890

Utilities Expense				Acct. No. 690	
Date	Explanation	PR	Debit	Credit	Balance
April 30		G1	435		435

Problem 2-1A (Continued)
Part 3

LINKWORKS Trial Balance April 30			Debit	Credit
Cash.....	\$	59,465		
Accounts receivable		4,490		
Office supplies.....		4,200		
Prepaid insurance		2,400		
Prepaid rent		9,000		
Office equipment		34,000		
Accounts payable.....				\$ 600
K. Tanner, Capital.....				106,000
K. Tanner, Withdrawals.....		5,500		
Services revenue.....				12,890
Utilities expense		435		
Total		<u>\$119,490</u>		<u>\$119,490</u>

Problem 2-4A (90 minutes)**Part 1**

a.	Cash.....	101	60,000	
	Office Equipment.....	163	25,000	
	H. Venedict, Capital.....	301		85,000
	<i>Owner invested cash and equipment.</i>			
b.	Land.....	172	40,000	
	Building.....	170	160,000	
	Cash.....	101		30,000
	Notes Payable.....	250		170,000
	<i>Purchased land and building with cash and note payable.</i>			
c.	Office Supplies.....	108	2,000	
	Accounts Payable.....	201		2,000
	<i>Purchased office supplies on account.</i>			
d.	Automobiles.....	164	16,500	
	H. Venedict, Capital.....	301		16,500
	<i>Owner contributed automobile to business.</i>			
e.	Office Equipment.....	163	5,600	
	Accounts Payable.....	201		5,600
	<i>Purchased office equipment on account.</i>			
f.	Salaries Expense.....	601	1,800	
	Cash.....	101		1,800
	<i>Paid assistant's salary.</i>			
g.	Cash.....	101	8,000	
	Fees Earned.....	402		8,000
	<i>Provided services for cash.</i>			
h.	Utilities Expense.....	602	635	
	Cash.....	101		635
	<i>Paid cash for utilities.</i>			

Problem 2-4A (Part 1 Continued)

i.	Accounts Payable	201	2,000	
	Cash	101		2,000
	<i>Paid cash on account.</i>			
j.	Office Equipment.....	163	20,300	
	Cash	101		20,300
	<i>Purchased new equipment with cash.</i>			
k.	Accounts Receivable	106	6,250	
	Fees Earned.....	402		6,250
	<i>Provided services on account.</i>			
l.	Salaries Expense	601	1,800	
	Cash	101		1,800
	<i>Paid assistant's salary.</i>			
m.	Cash.....	101	4,000	
	Accounts Receivable.....	106		4,000
	<i>Received cash due on account.</i>			
n.	H. Venedict, Withdrawals.....	302	2,800	
	Cash	101		2,800
	<i>Owner withdrew cash for personal use.</i>			

Problem 2-4A (Continued)
Part 2

Cash No. 101				
Date	PR	Debit	Credit	Balance
(a)		60,000		60,000
(b)			30,000	30,000
(f)			1,800	28,200
(g)		8,000		36,200
(h)			635	35,565
(i)			2,000	33,565
(j)			20,300	13,265
(l)			1,800	11,465
(m)		4,000		15,465
(n)			2,800	12,665

Accounts Receivable No. 106				
Date	PR	Debit	Credit	Balance
(k)		6,250		6,250
(m)			4,000	2,250

Office Supplies No. 108				
Date	PR	Debit	Credit	Balance
(c)		2,000		2,000

Office Equipment No. 163				
Date	PR	Debit	Credit	Balance
(a)		25,000		25,000
(e)		5,600		30,600
(j)		20,300		50,900

Automobiles No. 164				
Date	PR	Debit	Credit	Balance
(d)		16,500		16,500

Building No. 170				
Date	PR	Debit	Credit	Balance
(b)		160,000		160,000

Land No. 172				
Date	PR	Debit	Credit	Balance
(b)		40,000		40,000

Accounts Payable No. 201				
Date	PR	Debit	Credit	Balance
(c)			2,000	2,000
(e)			5,600	7,600
(i)		2,000		5,600

Notes Payable No. 250				
Date	PR	Debit	Credit	Balance
(b)			170,000	170,000

H. Venedict, Capital No. 301				
Date	PR	Debit	Credit	Balance
(a)			85,000	85,000
(d)			16,500	101,500

H. Venedict, Withdrawals No. 302				
Date	PR	Debit	Credit	Balance
(n)		2,800		2,800

Fees Earned No. 402				
Date	PR	Debit	Credit	Balance
(g)			8,000	8,000
(k)			6,250	14,250

Salaries Expense No. 601				
Date	PR	Debit	Credit	Balance
(f)		1,800		1,800
(l)		1,800		3,600

Utilities Expense No. 602				
Date	PR	Debit	Credit	Balance
(h)		635		635

Problem 2-4A (Concluded)
Part 3

HV CONSULTING Trial Balance September 30			Debit	Credit
Cash	\$	12,665		
Accounts receivable		2,250		
Office supplies.....		2,000		
Office equipment.....		50,900		
Automobiles.....		16,500		
Building		160,000		
Land.....		40,000		
Accounts payable.....				\$ 5,600
Notes payable				170,000
H. Venedict, Capital				101,500
H. Venedict, Withdrawals.....		2,800		
Fees earned				14,250
Salaries expense		3,600		
Utilities expense		<u>635</u>		
Total		<u>\$291,350</u>		<u>\$291,350</u>