

P1 - 2A

Assets

= Liabilities + Owner's equity

Cash + Acc. + Supp. + Equip. = Acct Note + Cap. + draw + Rev. + Expense
Rec. Pay. Pay. ^{bal}

$$9000 + 1700 + 600 + 6000 = 3600 \quad + 12700$$

① -2900 -2900

② 1300 -1300

③ -800 2100 1300

④ 2500 5300 7800

⑤ -1100 -1100

⑥ -1700 -1700
-900 -900
-450 -450

⑦ 170 -170

⑧ 10000 10000

$$\underline{14950} + \underline{5700} + \underline{600} + \underline{8100} = \underline{2170} + \underline{10000} + \underline{13700} - \underline{1100} + \underline{7800} - \underline{3220}$$

$\$29350 \quad \29350

Ramona Castro
Income Statement

For the month ended September 30

Revenues

Service revenues \$ 7800

Expenses

Salaries \$ 1700

Rent \$ 900

Advertise \$ 450

Utilities \$ 170

Total expenses \$ 3220

Net income \$ 4580

Ramona Castro
Owner's equity statement

For the month ended September 30

Owner's capital, September 1	\$ 13700
Add: Net Income	\$ 4580
Less: Drawings	\$ 1100
Owner's Capital, September 30	<u>\$ 17180</u>

Ramona Castro

Balance Sheet

September 30

Assets

Cash	\$ 14950
Accounts receivable	\$ 5700
Supplies	\$ 600
Equipment	\$ 8100
Total Assets	<u>\$ 29350</u>

Liabilities and owner's equity

Liabilities

Accounts payable \$ 2170

Notes payable \$ 10000

Owner's equity

Owner's capital \$ 17180

Total liabilities and owner's equity \$ 29350

P1 - 3A (a)

AJ Flying School

Income statement

For the month ended May 31, 2012

Revenues

Service Revenue \$ 8100

Expenses

Advertising \$ 600

Rent \$ 1200

Maintenance \$ 400

Gasoline \$ 2500

Insurance \$ 400

Total Expenses \$ 5100

Net Income \$ 3000

AJ Flying School

Owner's equity statement

For the month ended May 31

Owner's capital, May 1	\$0
Add:	
Investments	\$40000
Net Income	<u>\$3000</u> <u>43000</u>
	<u>\$43000</u>
Less: Drawings	1500
Owner's capital, May 31	<u><u>\$41500</u></u>

PJ - 3A(2)

AJ Flying School

Balance Sheet

May 31, 2012

Assets

Cash	\$3400
Accounts receivable	4900
Equipment	64000
Total Assets	<u>\$ 72300</u>

Liabilities and owner's equity

Liabilities

Notes Payable	\$30000
Accounts payable	800
Owner's equity	
Owner's capital	41500

Total Liabilities and owner's equity \$72300

(b)

AJ Flying School

Income statement

For the month ended May 31

Revenues

Service revenue \$9000

Expenses

Advertising 600

Rent 1200

Maintenance 400

Gasoline 2500

Incurred gasoline 1500

Insurance 400

Total expenses \$6600

Net Income \$2400

AJ Flying School

Owner's equity statement

For the month ended May 31

Owner's capital, May 1 \$ 0

Add! Investments \$ 40000

Net income 2400 42400
\$ 42400

Less! Drawings 1500

Owner's capital, May 31 \$ 40900

P2 - 2A (a)

General journal

Date	Account title & explanation	Ref.	Debit	Credit
May 1	Cash	101	20000	
	Owner's capital	301		20000
3	Supplies	126	2500	
	Accounts payable	201		2500
7	Rent Expense	729	900	
	Cash	101		900
11	Account Receivable	112	3200	
	Service revenue	400		3200
12	Cash	101	3500	
	Unearned service revenue	209		3500
17	Cash	101	1200	
	Service revenue	400		1200
31	Salaries & wages expense	726	2000	
	Cash	101		2000
31	Accounts payable	201	1500	
	Cash	101		1500

P2 - 2A (b)

Cash No. 101

Debit	Credit
5/1 20000	5/1 900
5/12 3500	5/31 2000
5/17 1200	5/31 1500
5/31 Bal. 20300	

Owner's Capital No. 301

Debit	Credit
	5/1 20000
	5/31 Bal. 20000

Supplies No. 126

Debit	Credit
5/3 2500	
5/31 Bal. 2500	

Rent Expense 729

Debit	Credit
5/1 900	
5/31 Bal. 900	

Accounts payable 201

Debit	Credit
5/31 1500	5/31 2500
	5/31 Bal. 1000

Account Receivable 112

Debit	Credit
5/1 3200	
5/31 Bal. 3200	

Salaries & Wage expense

Debit	Credit
5/31 2000	
5/31 Bal. 2000	

Service Revenue 900

<u>Debit</u>	<u>Credit</u>
5/11	3200
5/17	1200
<u>5/31</u>	<u>Bal. 4400</u>

Unearned Service Rev.

<u>Debit</u>	<u>Credit</u>
	5/12 3500
	<u>5/31 Bal. 3500</u>

P2-2A(c)

Trial Balance

May 31, 2012

	<u>Debit</u>	<u>Credit</u>
Cash	\$ 20300	
Supplies	2500	
Rent expense	900	
Salary expense	2000	
Owner's capital		\$ 20000
Accounts payable		1000
Accounts receivable	3200	
Service Rev.		4400
Unearned service rev.		3500
		<u>\$ 28900</u>

P2 - 3A (a)

Dr. Cash Cr.

8000	
	→
<u>8000</u>	

Dr. Accounts Receiv. Cr.

15000	
	→
<u>15000</u>	

Dr. Supplies Cr.

13000	
	→
<u>13000</u>	

Dr. Equipment Cr.

20000	
	→
<u>20000</u>	

Dr. Owner's Capital Cr.

40000	
	→
<u>40000</u>	

Dr. Prepaid Rent Cr.

3000	
	→
<u>3000</u>	

Dr. Accounts payable Cr.

19000	
	→
<u>19000</u>	

P2 - 3A (b)

General Journal

Date	No.	Account title & explanation	Ref	Debit	Credit
Jan 2012	1.	Advertising expense Cash		1000	1000
	2	Supplies Accounts payable		4200	4200
	3	Miscellaneous expense Cash		2000	2000
	4	Cash Accounts receivable		14000	14000
	5	Accounts payable Cash		15000	15000
	6	Supplies expense Supplies		4000	4000
	7	Cash Account receivable Service revenue		6000 9000	15000
	8	Wage expense Cash		3500	3500
	9.	Owner's drawings Cash		3000	3000

P2 - 3A(c)

Cash

Debit	Credit
Dec 20/11 8000	Jan 12 1000
Jan 12 14000	2000
6000	15000
	3500
	3000
<u>3500</u>	

Supplies

Debit	Credit
Dec 11 13000	Jan 12 4000
Jan 12 4200	
<u>13200</u>	

Accounts Payable

Debit	Credit
Jan 12 15000	Dec 11 19000
	Jan 12 4200
	<u>8200</u>

Service Revenue

Debit	Credit
	15000
	<u>15000</u>

Advertising expense

Debit	Credit
Jan 12 1000	
<u>1000</u>	

Wage expense

Debit	Credit
Jan 12 3500	
<u>3500</u>	

Accounts receivable

Debit	Credit
Dec 11 15000	Jan 12 14000
Jan 12 9000	
<u>10000</u>	

Miscellaneous expense

Debit	Credit
2000	
<u>2000</u>	

Owner's Drawings

Debit	Credit
3000	
<u>3000</u>	

Supplies expense

Debit	Credit
4000	
4000	
	<u>4000</u>

Equipment

Debit	Credit
20000	
<u>20000</u>	

Owner's Capital

Debit	Credit
	40000
	<u>40000</u>

Prepaid Rent

Debit	Credit
3000	
<u>3000</u>	

P2 - 3A (d)

Merge Repair ServiceTrial balanceJanuary 31, 2012

	Debit	Credit
Cash	\$ 3500	
Supplies	13200	
Acc. Payable		\$ 8200
Service Rev.		15000
Advertise Expense	1000	
Wage expense	3500	
Acc. Receivable	10000	

Miscellaneous expense	2000
Owner's drawings	3000
Supplies expense	4000
Owner's capital	40000
Equipment	20000
Prepaid rent	3000
	<hr/>
	\$63200
	<hr/>
	\$63200

P4 - 3 A

(a)

CARLOS COMPANY

Income Statement

For the year ended December 31, 2012

Revenues:

Service Revenue \$46 000

Expenses:

Maintenance & repair \$4400

Depreciation expense 2800

Insurance expense 1200

Salaries and wages 35200

Utilities expense 4000

Total expense 41600

Net loss 1600

CARLOS COMPANY

Owner's equity statement

for the month ended December 31, 2012

Owner's capital, January 01, 2012 30000

Add: Investment 4000

34000

Loss: Owner's drawings 7200

Net loss 1600
3800

Owner's capital, December 31, 2012

25200

CARLOS COMPANY

Balance sheet

December 31, 2012Assets

Current Assets:

Cash

\$
\$ 6200

Acc. receivable

7500

Prepaid insurance

1800

Total current assets

\$ 15500

Property, plant, equipment:

Equipment

33000

Less: Accumulated
depreciation

8600

24400Liabilities & owners equity39900

Current Liabilities

11700

Account payable

Salaries and wages pay.

3600

Total

14700

Owner's Equity

Owner's Capital

25200

Total Liabilities and owner's equity

39900

(b)
General Journal

Date	Account details	Ref.	Debit	Credit
Dec 31	Service Revenue	400	46000	
	Income Summary	350		46000
Dec 31	Income Summary	350	47800	
	Maintenance & repair expense	622		4460
	Depreciation expense	711		2800
	Insurance expense	722		1200
	Salaries and wages expense	726		35200
	Utilities expense	732		4060
Dec 31	Owner's capital	350	1600	
	Income Summary	350		1600
Dec 31	Owner's Capital	301	7206	
	Owner's drawing	306		7206

52

Service revenue

Drc	Crc
<u>46000</u>	<u>46000</u>

Utilities expense

Drc.	Crc.
<u>4000</u>	<u>4000</u>

Maintenance & repair
expense

Drc	Crc
<u>4400</u>	<u>4400</u>

Income summary

Drc.	Crc.
<u>47600</u>	<u>46000</u>
	<u>1600</u>
<u>47600</u>	<u>47600</u>

Depreciation expense

Drc	Crc
<u>2800</u>	<u>2800</u>

Owner's capital

Drc.	Crc.
<u>12600</u>	<u>34000</u>
<u>7200</u>	
	<u>\$25800</u>

Insurance expense

Drc	Crc
<u>1200</u>	<u>1200</u>

Owner's drawing

Drc.	Crc.
<u>7200</u>	<u>7200</u>
<u>=</u>	<u>=</u>

Salaries and wages expense

Drc	Crc
<u>35200</u>	<u>35200</u>

(d)

CARLOS COMPANY
Post-closing trial balance
December 31, 2012

	debit	credit
Cash	\$ 6200	
Accounts receivable	7500	
Prepaid insurance	1800	
Equipment	33000	
Accumulated depreciation - equip.		\$ 8600
		11700
Accounts payable		3000
Salaries & wages payable		25200
Owner's capital		<u><u>\$ 48500</u></u>
	<u><u>\$ 48500</u></u>	