**Accounting Principles Assignment**

1. Assignment # 1 – due to March 21, 2022, 09:59AM (10 pts)

Let’s assume that you are the head of accounting department of ABC Inc. The following are transactions of ABC Inc. Please make general entries on each transaction.

(Tr#1)

ABC Inc. issued stocks. The **capital stock** was increased by **$1,000**. The company received **$1,000 of cash** for this.

(Tr#2)

ABC Inc. purchased **supplies. $500 was paid by cash**, and **$300 will be paid next month.**

(Tr#3)

ABC Inc. **borrowed money** from a bank. The loan was **$200,000**.

(Tr#4)

ABC Inc. provides consulting service. It delivered consulting service to his customers. The customer agreed to pay the **consulting fees**. ABC Inc. was paid by **$500 of cash**.

(Tr#5)

ABC Inc. paid **salaries** to its employees. **$1,000** was paid by **cash**.

(Tr#6)

ABC Inc. paid **dividend** to its shareholders. **$800** was paid by **cash**.

(Tr#7)

ABC Inc. paid its accounts **payable**. **$300** was paid by **cash** to its suppliers.

(Tr#8)

Today is the end of this month. ABC Inc. paid the **rent fee** to the landlord. The monthly rent fee is $300 and **$900 was paid**. **$300** is for **this month**. The $600 is for the rent fee of the next month and the following month.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Debit (LEFT) | | Credit (RIGHT) | |
| Tr#1 | Cash | $1,000 | Capital stock | $1,000 |
|  | | | | |
| Tr#2 | Supplies | $800 | Cash | $500 |
|  |  | Notes payable | $300 |
|  | | | | |
| Tr#3 | Cash | $200,000 | Bank loan | $200,000 |
|  | | | | |
| Tr#4 | Cash | $500 | Consulting fee | $500 |
|  | | | | |
| Tr#5 | Salary Expense | $1,000 | Cash | $1,000 |
|  | | | | |
| Tr#6 | Dividend | $800 | Cash | $800 |
|  | | | | |
| Tr#7 | Notes payable | $300 | Cash | $300 |
|  | | | | |
| Tr#8 | Pre-paid rent fee | $900 | Cash | $900 |
| Rent expense | $300 | Pre-paid rent fee | $300 |