

TEST I

The following information pertains to Nova Company for the month of September 2013.

1	Borrowed money from a bank (Notes Payable) , P120,000.
2	Bought supplies on open account (Accounts Payable) , P5,000.
3	Received cash from customers on payment of account, P10,000 (Accounts Receivable)
4	Purchased equipments issuing 30-day promissory note, P30,000 (Notes Payable) .
5	Paid Meralco for the electric bill for the month, P5,000 (Utilities Expense) .
6	The owner withdrew P10,000 for his personal use. (Cash)
7	Bought furniture on credit, P6,000. (Accounts Payable)
8	Paid P20,000 as partial payment of account with a bank. (Notes Payable)
9	Paid P15,000 as rental for the office space (Rent Expense) .
10	A customer was billed P8,500, and he issued 3—day promissory note. (Notes Receivable)
11	Collected in full the note issued by a customer, P15,000 (Notes Receivable) .
12	Recorded the office supplies consumed during the month, P1,500. (Office Supplies)
13	Recorded salaries for the month, net of P5,000 withholding taxes deductions, P50,000. (Withholding Taxes Payable)
14	The owner withdrew P20,000 in payment of his son's tuition fee, P10,000. (Cash)
15	Rendered services to a client P100,000, receiving cash for the 50% and a 30-day note for the balance. (Notes Receivable)
16	Issued a 30-day note in full settlement of an open account with a supplier for Transaction No. 2. (Accounts Payable)
17	A customer deposited P10,000 as guarantee for future delivery of services (Customer's Deposit) .
18	Sent a bill to customer for services rendered, P200,000 (Service Income) .
19	Partial collection of accounts receivable from customer, P150,000 (Accounts Receivable) .
20	Received from customer a promissory note of P50,000 to settle accounts receivable (Notes Receivable) .

Required:

- Determine whether the account named in parenthesis is to be **DEBITED OR CREDITED**.
- Prepare journal entries and use the sample format as shown below:

DATE	ACCOUNT TITLE	DEBIT	CREDIT
9-1	Cash	500,000	
	Nova Capital		500,000

Test 2

Presented below is the adjusted trial balance of Sison Company for the year 2014.

	Debit	Credit
Petty cash fund	5,000	
Cash in bank	146,400	
Accounts receivable	163,000	
Unused supplies	4,000	
Prepaid insurance	1,800	
Rental deposit	150,000	
Office equipment	66,500	
Laboratory equipment	95,000	
Accounts payable		7,000
Loan payable		65,000
Withholding taxes payable		100,000
SSS premiums payable		14,500
Pag-ibig contribution payable		4,000
Philhealth premium payable		6,000
P. Sison Capital		500,000
P. Sison Drawing	250,000	
Service income		620,000
Rent expense	50,000	
Salaries and wages	212,000	
Employees benefits	9,100	
Office supplies expense	500	
Laboratory supplies	131,000	
Utilities expense	14,500	
Insurance expense	200	
Bad debts expense	12,000	
Transportation expense	1,400	
Repairs and maintenance	1,400	
Taxes and licenses	1,000	
Representation expense	700	
Interest expense	1,000	
	<u>1,316,500</u>	<u>1,316,500</u>

Required: Prepare the following:

1. Income Statement
2. Statement of Changes in Owner's Equity
3. Balance Sheet