

ACCT 215 Quiz #1 25 minutes

- Enter the following transactions for the first month of activity for XYZ Company, Inc.
  in the appropriate account in the accounting equation below. (1 point each)
  - 1. The owners gave \$30,000 to the corporation in exchange for common stock.
  - 2. The company borrowed \$5,000 from the bank on a five-year note payable.
  - 3. The company purchased merchandise inventory for \$10,000.
  - 4. The company purchased office equipment for \$4,000.
  - 5. The company sold \$6,000 of merchandise inventory for \$12,000 on account.
  - 6. The company paid \$3,000 for rent expense.
  - 7. The company paid a \$2,000 dividend to the stockholders.

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ASSETS		7	= LIABILITIES		OWNERS' EQUITY
Cash + Accts Rec.	+ Inv.	<ul> <li>Equip.</li> </ul>	<ul><li>Notes Pay.</li></ul>	+	Common Stk + R/E
$\partial \omega' \langle \chi \rangle$ (1)		٠			30,0∞
(2) 5,000			5,000		
(3)-10,000	10,000				
(4)-4,000		4,000			
(B) -3,000 (B) -3,000	-6,000	<del>Ryjjstini</del>			-6,000 -6,000 -3,000
<sup>(7)</sup> -2,6∞					-2,000

If. Prepare an income statement (2 points), statement of retained earnings (2 points), balance sheet (4 points) and a statement of cash flows (for 2 bonus points!!) from the information in Part I.

XYZ Company, Inc.
Income Statement
FME 9/30/99

Revenue
12,000
Operating Expenses
Net Income

3,000

XYZ Company, Inc.
Statement of Retained Earnings
FME 9/30/99
Beg Balance R/E
Net Income
Dividends Paid
Ending Balance R/E

XYZ Company, Inc. **Balance Sheet** As of 9/30/99 Assets Liabilities & Owners' Equity Cash Note Payable 5,000 Accounts Rec. 30,000 Common Stock Inventory Retained Earnings Equipment **Total Assets** Total Liabilities & OE

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XYZ Company, Inc. Statement of Cash Flows For Month Ended 9/30/99	
Operating Activities	
6 Cice component	
	- 1/0
rent experse	-3,000
muentanj	-10,000
Net increase/decrease from operating activities	1=2
Investing Activities	-13,000
	/ .\
CONTRACTOR OF THE PROPERTY OF	
office equipment	-4 000
Net increase/decrease from investing activities	-41 <b>(100</b> 0)
Financing Activities	
borrow from book dridend	
borrow from book	30,000`
duidend	5,000
	-2,000
	-10
Net increase/decrease from financing activities	+33,000
Net increase/decrease in cash balance	+16,000
Beginning cash balance	710,000
Ending cash balance	+11-000