

Principles of Accounting__Quiz 1__Solution

(Chapter 1 and 2, close book)

Solution for Question 1 (6 points)

(L)1. Accounts payable

(SE)2. Common stock

(A)3. Supplies

(SE)4. Retained earnings

(A)5. Land

(A)6. Prepaid expenses

(A)7. Accounts receivable

(L)8. Long-term debt

(A)9. Merchandise inventory

(L)10. Notes payable

(L)11. Expenses payable

(A)12. Equipment

Solution for Question 2 (8 points)

Transactions	Assets	=	Liabilities	+	Stockholders' equity
(1)	+		NE		+
(2)	-		NE		-
(3)	+		+		NE
(4)	+		NE		+
(5)	-		NE		-
(6)	+, -或 NE		NE		NE
(7)	NE		+		-
(8)	+, -或 NE		NE		NE
(9)	+		NE		+

Solution for Question 3 (13 points)

(a) Camping fee revenues.	\$140,000
General store revenues.	47,000
Total revenue.	187,000
Expenses.	150,000
Net income.	\$37,000

(b)

M company
Balance Sheet
December 31, 2022

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Assets		
Cash	\$20,000	
Supplies	<u>2,500</u>	
Equipment	<u>105,500</u>	
Total assets		\$128,000
Liabilities		
Notes payable	\$60,000	
Accounts payable	<u>11,000</u>	
Total liabilities		<u>\$71,000</u>
Stockholders' equity		
Common stock	<u>20,000</u>	
Retained earnings	<u>37,000</u>	
Total liabilities and stockholders' equity		\$128,000
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