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## Financial Accounting Principles

Assignment: 01

### PROBLEM SET A:

#### "Heartland Construction" "Journal Ledger"

Date	Description	Folio	Debit	Credit
Feb 1	Cash Common stock (To record investment in exchange for 25,000 shares of capital stock).		\$ 500,000	\$ 500,000
Brought Forward			Total	\$ 500,000

Carry Forward Total \$500,000

Date	Description	Folio	Debit	Credit
Feb 10	Cash		\$100,000	
	Land (Building)		\$200,000	
	Note Payable			\$60,000
	(To record purchase of office facilities)			\$140,000
Feb 16	Computer Systems		\$12,000	
	Cash			\$12,000
	(To record purchase of computer equipment).			
Feb 18	Office furnishings		\$9,000	
	Account payable			\$8,000
	Cash			\$1,000
	(To record purchase of office furnishings).			

Brought Forward Total \$821,000

Carry Forward      Total      \$ 821,000

Date	Description	Folio	Debit	Credit
Feb 22	Office Supplies Cash (To record purchase of office supplies)		\$ 300	\$ 300
Feb 27	Accounts Payable Cash (To record payment of first installment to Hi-way Furnishings)		\$ 4,000	\$ 4,000
Feb 28	Cash Account Receivable (To record receipt of refund from DrWorld)		\$ 36	\$ 36
			Total	\$ 825,336



b) Here's how each transaction affects the company's assets, liabilities, and owner's equity:

(PROBLEM SET <sup>3.1</sup> ~~4~~)

Transactions	Assets	Liabilities	Owner's Equity
Feb 1	\$ 500,000 (Cash)		\$ 500,000 (Capital Stock)
Feb 10	\$ 200,000 (Office Building)	\$ 140,000 (Note Payable)	\$ 100,000 (Land)
Feb 16	\$ 12,000 (Computer Systems)		
Feb 18	\$ 8,000 (Office Furnishings)	\$ 8,000 (Accounts Payable)	
Feb 22	\$ 300 (Office Supplies)		
Feb 23	\$ 36 (Cash)	\$ 36 (Acc Receivable)	
Feb 27	\$ 4,500 (Accounts Payable)	\$ 4,500 (Cash)	
Feb 28	\$ 36 (Cash)	\$ 36 (Acc Receivable)	

# "PROBLEM SET B"

## "Journal Ledger"

Date	Description	Folio	Debit	Credit
Aug 1	Accounts Receivable Service Revenue (Billed customers for services rendered)		\$2,500	\$2,500
Aug 3	Testing Service Cash Accounts Payable (Penn Chemicals) (purchased testing supplies)		\$3,800	\$800 \$3,000
Aug 5	Accounts Payable Testing Supplies (Returned Testing Supplies)		\$100	\$100
			Brought Forward \$6,400	



Carry Forward \$ 6,400

Date	Description	FLio	Debit	Credit
Aug 17	Cash Common Stock (Issued additional capital stock)		\$20,000	\$20,000
Aug 22	Cash Accounts Receivable (Received payment from customers)		\$ 600	\$ 600
Aug 28	Account Payable Cash (Paid outstanding account payable)		\$3,000	\$ 3,000
Aug 30	Retained Earnings Cash (Declared and paid cash dividend to stockholders)		\$ 6,800	\$6,800

Total \$ 36,800 .8.

# (PROBLEM SET A)

Effect of each transaction:

Transaction	Assets	Liabilities	Owner's Equity
Aug 1	\$2,500 (Acc Receivable)		\$2,500 (Testing Revenue Service)
Aug 3	\$3,800 (Testing Supplies)	\$3,000 (Acc Payable)	\$800 (Cash)
Aug 5	\$100 (Testing Supplies)	\$100 (Acc Payable)	
Aug 17	\$20,000 (Cash)		\$20,000 (Stock)
Aug 22	\$600 (Cash)	\$600 (Acc Receivable)	
Aug 29	\$3,000 (Acc Payable)	\$3,000 (Cash)	
Aug 30	<del>\$6,800</del> \$6,800 (Cash)		\$6,800 (Retained Earnings)

The End