

## Exercises for Chapter 2:

**Exercise 2.1:** Information below is from company A at 31/12/2017

(Currency unit: 1.000 VND)

1. Cash on hand	10.000	13. Prepaid expenses	50.000
2. Cash in banks	180.000	14. Investment in joint ventures and associates	100.000
3. Trade securities	20.000	15. Short-term borrowings	90.000
4. Trade receivables	50.000	16. Trade payables	50.000
5. Other receivables	10.000	17. Taxes and other payables to State Budget	20.000
6. Raw materials	40.000	18. Payables to employees	30.000
7. Tools and supplies	10.000	19. Long-term borrowings	160.000
8. Finished goods	40.000	20. Bonus and welfare fund	20.000
9. Tangible fixed assets	550.000	21. Owner's equity	590.000
10. Financial lease assets	100.000	22. Investment and development fund	30.000
11. Intangible fixed assets	100.000	23. Other equity funds	50.000
12. Depreciation of fixed assets	120.000	24. Undistributed profit after tax	100.000

Required: Classify each account above into 4 groups: Short-term assets, Long-term assets, Liabilities and Equity, then prepare a balance sheet of company A at 31/12/2017

**Exercise 2.2:** Information below is from company B at 31/12/2017

(Currency unit: 1.000 VND)

1. Owner's equity	4.000.000	11. Investment and development fund	20.000
2. Cash on hand	20.000	12. Machinery and equipment	1.000.000
3. Borrowings and financial lease liabilities	50.000	13. Undistributed profit after tax	200.000
4. Trade receivables	195.000	14. Cash in banks	200.000
5. Raw materials	100.000	15. Taxes and other payables to State Budget	32.000
6. Tools and supplies	10.000	16. Other payables	200.000
7. Buildings and structures	2.500.000	17. Land use rights	500.000
8. Trade payables	500.000	18. Finished goods	10.000

9. Transportation and transmission vehicles	1.000.000	19. Bonus fund	23.000
10. Payables to employees	10.000	20. Depreciation of fixed assets	500.000

Required: Classify each account above into 4 groups: Short-term assets, Long-term assets, Liabilities and Equity, then prepare a balance sheet of company B at 31/12/2017

**Exercise 2.3:** Analyze those transactions below (state transactions' effects on company C accounts)

1. The company purchased 50M VND of merchandise goods on credit
2. The company borrowed 5M VND from Vietcombank to repay suppliers
3. The company received 5M VND in cash (cash on hand) from customers who had been billed for services
4. The company deposited 10M VND in bank accounts by cash on hand
5. The company transferred 2M VND cash in banks to repay suppliers

**Exercise 2.4:** Information below is from company D at 31/12/2017 (Currency unit: 1.000 VND)

Cash on hand	100.000
Tangible fixed assets	600.000
Trade receivables	200.000
Cash in banks	500.000
Raw materials	50.000
Trade payables	100.000
Borrowings	300.000
Intangible fixed assets	700.000
Finished goods	150.000
Owner's equity	X

Required: Identify X and prepare a balance sheet of company D at 31/12/2017

**Exercise 2.5:** Information below is from company E at 31/12/2017 (Currency unit: 1.000 VND)

Cash on hand	100.000
Finished goods	196.000
Trade payables	184.800

Fixed assets	5.000.000
Raw materials	58.800
Owner's equity	2.650.000
Mortgage, collaterals and deposits	50.000
Trade receivables	240.000
Undistributed profit after tax	X
Taxes and other payables to State Budget	350.000

Required: Identify X and prepare a balance sheet of company E at 31/12/2017

### Exercise 2.6

The following schedule shows the effects of several transactions on the accounting equation of Maxine Walker and the balance of each item in the equation after each transaction. Write a sentence to explain the nature of each transaction.

Assets							=	Liabilities	+	Equity	
	Cash in banks	+	Accounts Receivable	+	Equipment	+	Office Supplies	=	Accounts Payable	+	Owner's Equity
(1)	+\$20,000										+\$20,000
(2)	-\$7,000				+\$7,000						
(3)	+\$2,000										+\$2,000
(4)			+\$6,000								+\$6,000
(5)							+\$3,000		+\$3,000		
(6)	+\$4,000		-\$4,000								
(7)	-\$8,000										-\$8,000
(8)							-\$2,000				-\$2,000
(9)	-\$3,000								-\$3,000		

### Exercise 2.7:

Company M began operations on 1 August 2017 and completed the following transactions during the first month.

- 1) Mr. Nam (company's owner) deposited \$25,000 of his personal funds in a current company bank account.
- 2) Office equipment was purchased at a cost of \$15,000, of which \$10,000 was paid in cash. A loan payable was given for the remainder of \$5,000.
- 3) The company collected \$3,000 from customers for services performed.
- 4) Rent was paid for the month of August, \$1,2000.

- 5) Supplies amounting to \$1,370 were purchase on credit.
- 6) Wages of \$500 were paid by cash in banks
- 7) The company paid for the supplies purchased in (5) above.
- 8) Supplies used during August amounted to \$640.

Required: Analyze those transactions above (state transactions' effects on company M accounts)

**Exercise 2.8:**

During July 2017, the business of Flora entered into the following transactions:

- 1) Collected \$8,000 of the accounts receivable
- 2) Withdrew cash in banks to pay \$1,800 on accounts payable
- 3) Purchased equipment for \$8,100. Paid \$3,000 in cash (cash in banks) and signed a loan agreement for \$5,100 to pay for the remainder of the equipment.
- 4) Billed customers for services performed, \$6,300.
- 5) Purchased supplies on credit, \$375.
- 6) Paid expenses in cash (cash in banks), \$2,925 (wages, \$1,650; electricity \$825; advertising, \$450)
- 7) Used \$900 of supplies during the period.

Required: Analyze those transactions above (state transactions' effects Flora accounts)