

ELOs:1.2,1.3,1.5

Unit 1 Review Assignment

Instructions

Copy and paste the following questions into a Microsoft Word document. Answer each question with a minimum of **two to three (2-3) sentences**. Some questions will require substantially more than that to fully respond to the prompt. Be thorough when addressing each item and make sure you answer each part of the prompt. **You should use only your textbook to support this activity.** Please do not use an Internet search engine.

1. Define the following terms: assets, liabilities, and equity.
2. Provide two examples of each of the following terms: assets, liabilities, and equity.
3. Provide two examples of expenses a business might incur.
4. Read the items below and indicate whether the account type is **increased** with a debt or credit.

- _____ a. Asset
- _____ b. **Liabilities**
- _____ c. **Equity**
- _____ d. **Revenue**
- _____ e. **Expenses**

5. Classify each of the following items as assets (A), liabilities (L), equity (EQ), revenue (R), or expense (E)

- _____ a. Land
- _____ b. Owner, capital
- _____ c. Fees earned
- _____ d. Equipment
- _____ e. Telephone bill
- _____ f. Accounts payable
- _____ g. Unearned revenue
- _____ h. Accounts receivable
- _____ i. Supplies
- _____ j. Rent

6. Following are the transactions of a new company called Pose-for-Pics.

Aug.1	Madison Harris, the owner, invested \$6,500 cash and \$33,500 of photography equipment in the company.
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Aug.1	Paid \$2,100 for August rent
Aug.5	The company purchased office supplies for \$880 cash.
Aug.20	The company received \$3,331 cash in photography fees earned.
Aug.31	The company paid \$675 cash for August utilities.

Please complete the guided practice activities **before** you complete this review assignment. Refer to exhibit 2.4 in Chapter 2 to review a partial chart of accounts. (To view the complete chart of accounts, refer to the section CA at the end of the book.) In the General Journal below, record at least one debit and at least one credit for each of the transactions in the table above. (Some transactions may require more than one debit or credit to balance). Include a description for each transaction in the note. To view an example of a General Journal, refer to exhibit 2.10 in Chapter 2.

GENERAL JOURNAL

Date	Account Titles and Explanation	Debit	Credit
1-Aug			
	<i>NOTE:</i>		
1-Aug			
	<i>NOTE:</i>		
5-Aug			
	<i>NOTE:</i>		
20-Aug			
	<i>NOTE:</i>		
31-Aug			
	<i>NOTE:</i>		

7. Apply the accounting equation to the following problems.
- a. Total assets of Charter Company equal \$700,000 and its equity is \$420,000. What is the amount of its liabilities?
 - b. Total assets of Martin Marine equal \$500,000 and its liabilities and equity amounts are equal to each other. What is the amount of its liabilities? What is the amount of its equity?

Marking Guide

Question 1 - 6 points
Question 2 – 9 points
Question 3 - 8 points
Question 4 -10 points
Question 5 -20 points
Question 6 -27 points
Question 7 - 20 points

Save and name your file using the following file naming convention: U1_Review_YourFirst_LastName.
Submit your assignment using the instructions below.