

1. EX.01-06.ALGO (Algorithmic)

Assets = Liabilities + Stockholders' Equity.Accounting Equation

Determine the missing amount for each of the following:

	The resources owned by a business.Assets	=	The rights of creditors that represent debts of the business.Liabilities	+	The owners' equity in a corporation.Stockholders' Equity
a.	\$	=	\$252,730	+	\$789,780
b.	\$126,360	=	\$	+	\$39,490
c.	\$60,810	=	\$8,690	+	\$

2. EX.01-08

The resources owned by a business.Asset, The rights of creditors that represent debts of the business.liability, and The owners' equity in a corporation.stockholders' equity items

Indicate whether each of the following is identified with (1) an asset, (2) a liability, or (3) stockholders' equity:

- a. Accounts payable
- b. Cash
- c. Fees earned
- d. Land
- e. Supplies
- f. Wages expense

3. EX.01-09

Effect of Transactions on Assets = Liabilities + Stockholders' Equity.Accounting Equation

What is the effect of each of the following transactions on the three elements (assets, liabilities, and stockholders' equity) of the accounting equation?

- a. Invested cash in An organization in which basic resources (inputs), such as materials and labor, are assembled and processed to provide goods or services (outputs) to customers.business.
- b. Paid for utilities used in the business.
- c. Purchased supplies for cash.
- d. Purchased supplies on account.
- e. Received cash for services performed.

4. EX.01-11

Effect of Transactions on The owners' equity in a corporation.Stockholders' Equity

Indicate whether each of the following types of transactions will either (a) increase stockholders' equity or (b) decrease stockholders' equity:

- 1. Expenses
- 2. Issuing common stock in exchange for cash
- 3. Dividends
- 4. Revenues

5. EX.01-16

A list of the assets, liabilities, and stockholders' equity as of a specific date, usually at the close of the last day of a month or a year.Balance Sheet Items

From the following list of selected items taken from the records of Bobcat Appliance Service as of a specific date, identify those that would appear on the balance sheet:

- 1. A claim against the customer created by selling merchandise or services on credit.Accounts Receivable
- 2. Cash
- 3. Common Stock
- 4. Revenue from providing services.Fees Earned
- 5. Land
- 6. Supplies
- 7. Supplies Expense
- 8. Utilities Expense
- 9. Wages Expense
- 10. Wages Payable

6. EX.01-17

A summary of the revenue and expenses for a specific period of time, such as a month or a year.Income Statement Items

From the following list of selected items taken from the records of Bobcat Appliance Service as of a specific date, identify those that would appear on the income statement.

- 1. A claim against the customer created by selling merchandise or services on credit.Accounts Receivable
- 2. Cash
- 3. Common Stock
- 4. Revenue from providing services.Fees Earned
- 5. Land
- 6. Supplies
- 7. Supplies Expense
- 8. Utilities Expense
- 9. Wages Expense
- 10. Wages Payable

7. EX.01-20.ALGO (Algorithmic)

Missing Amounts from A list of the assets, liabilities, and stockholders' equity as of a specific date, usually at the close of the last day of a month or a year. Balance Sheet and A summary of the revenue and expenses for a specific period of time, such as a month or a year. Income Statement Data

One item is omitted in each of the following summaries of balance sheet and income statement data for the following four different A business organized under state or federal statutes as a separate legal taxable entity. corporations.

Enter the missing amounts. (*Hint: First determine the amount of increase or decrease in The owners' equity in a corporation. stockholders' equity during the year.*)

	Freeman	Heyward	Jones	Ramirez
Beginning of the year:				
The resources owned by a business. Assets	\$207,600	\$234,600	\$91,300	
The rights of creditors that represent debts of the business. Liabilities	124,600	122,000	69,400	\$114,900
End of the year:				
Assets	257,400	328,400	82,200	237,400
Liabilities	112,100	103,200	73,000	130,200
During the year:				
Additional issuance of capital stock		46,900	9,100	38,300
Dividends	14,500	14,100		56,200
Increases in assets and equity as a result of selling services or products to customers. Revenue	68,500		105,100	107,200
Assets used up or services consumed in the process of generating revenues. Expenses	37,400	61,000	112,300	122,500

8. PR.01-04.BLANKSHEET.ALGO (Algorithmic)

Transactions; [financial statements](#)

Instructions

On August 1, 2018, Brooke Kline established Western Realty. Brooke completed the following transactions during the month of August.

- Opened a [business](#) bank account with a deposit of \$23,000 in exchange for common stock.
- Purchased office supplies on account, \$2,000.
- Paid creditor on account, \$1,100.
- Earned [sales](#) commissions, receiving cash, \$39,500.
- Paid rent on office and equipment for the month, \$3,100.
- Paid dividends, \$3,400.
- Paid automobile [expenses](#) (including rental charge) for month, \$3,200, and miscellaneous expenses, \$1,600.
- Paid office salaries, \$4,000.
- Determined that the cost of supplies on hand was \$950; therefore, the cost of supplies used was \$1,050.

Required:

- Indicate the effect of each transaction and the balances after each transaction, using the tabular headings in the exhibit below. In each transaction row (rows indicated by a letter), you must indicate the math sign (+ or -) in columns affected by the transaction. You will not need to enter math signs in the balance rows (rows indicated by Bal.). Entries of 0 (zero) are not required and will be cleared if entered.

Assets		= Liabilities +	Stockholders' Equity							
		Accounts	Common		Sales	Salaries	Rent	Auto	Supplies	Miscellaneous
Cash	+	= Payable	+ Stock	-	+	-	-	-	-	-
Supplies			Dividends		Commissions	Expense	Expense	Expense	Expense	- Expense

- Prepare an income statement for August. If a net loss has been incurred, enter that amount as a negative number using a minus sign. Refer to the list of Labels, [Accounts](#) and Amount Descriptions for the exact wording of the answer choices for text entries. Be sure to complete the statement heading. You will not need to enter colons (:) on the income statement.
- Prepare a [retained earnings statement](#) for August. Refer to the list of Labels, [Accounts](#) and Amount Descriptions for the exact wording of the answer choices for text entries. Be sure to complete the statement heading. If a net loss is incurred or dividends were paid, enter that amount as a negative number using a minus sign. The word "Less" or "Add" is not needed in the Retained Earnings Statement. If an amount is zero, enter "0".
- Prepare a [balance sheet](#) as of August 31. Refer to the list of Labels, [Accounts](#) and Amount Descriptions for the exact wording of the answer choices for text entries. Be sure to complete the statement heading.

Labels, Accounts and Amount Descriptions

[Labels](#)

Expenses

For the Month Ended August 31, 2018

August 31, 2018

[Accounts](#)

Accounts payable

Auto expense

Cash

Common stock

Dividends

Miscellaneous expense

Rent expense

Retained earnings

Salaries expense

Sales commissions

Supplies

Supplies expense

[Amount Descriptions](#)

Change in retained earnings

Net income

Net loss

Retained earnings, August 1, 2018

Retained earnings, August 31, 2018

Total assets

Total expenses

Total liabilities and stockholders' equity

Total stockholders' equity

Accounting Equation Grid

1. Indicate the effect of each transaction and the balances after each transaction, using the tabular headings in the exhibit below. In each transaction row (rows indicated by a letter), you must indicate th

	Assets		= Liabilities +			
			Accounts		Common	
	Cash	+ Supplies	= Payable		+ Stock	- Div
a.						
b.						
Bal.						
c.						
Bal.						
d.						
Bal.						
e.						
Bal.						
f.						
Bal.						
g.						
Bal.						
h.						
Bal.						
i.						
Bal.						

Income Statement

2. a. Prepare an [income statement](#) for August 31. If a net loss has been incurred, enter that amount as a negative number using a minus sign. Refer to the list of Labels, [Accounts](#) and Amount Descriptions for the exact wording of the answer choices for text entries. Be sure to complete the statement heading. You will not need to enter colons (:) on the income statement.

Western Realty		
Income Statement		
(Label)		
1		
2	(Label)	
3		
4		
5		
6		
7		
8		
9		

Retained Earnings Statement

2.b. Prepare a [retained earnings statement](#) for the month ended August 31, 2018. Refer to the list of Labels, [Accounts](#) and Amount Descriptions for the exact wording of the answer choices for text entries. Be sure to complete the statement heading. If a net loss is incurred or dividends were paid, enter that amount as a negative number using a minus sign. The word "Less" or "Add" is not needed in the Retained Earnings Statement. If an amount is zero, enter "0".

Western Realty		
Retained Earnings Statement		
(Label)		
1		
2		
3		
4		
5		

Balance Sheet

2. c. Prepare a [balance sheet](#) as of August 31. Refer to the list of Labels, [Accounts](#) and Amount Descriptions for the exact wording of the answer choices for text entries. Be sure to complete the statement heading.

Western Realty		
Balance Sheet		
(Label)		
1	Assets	
2		
3		
4		
5	Liabilities	
6		
7	Stockholders' Equity	
8		
9		

10		
11		