

SECTION 8.2 EXERCISES (page 288)

Exercise 1, p. 288

A.

ACCOUNTS	TRIAL BALANCE		ADJUSTMENTS		INCOME STATEMENT		BALANCE SHEET	
	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr
	Bank	1 900 -						1 900 -
Accounts Receivable	19 500 -						19 500 -	
Supplies	1 000 -		① 300 -				700 -	
Prepaid Insurance	1 668 -		② 695 -				973 -	
Equipment	22 000 -						22 000 -	
Automobile	21 000 -						21 000 -	
Accounts Payable		4 360 -		③ 475 -				4 835 -
Bank Loan		5 000 -						5 000 -
HST Payable		2 325 -						2 325 -
HST Recoverable	950 -						950 -	
P. Tang, Capital		54 058 -						54 058 -
P. Tang, Drawings	15 000 -						15 000 -	
Fees Earned		69 925 -				69 925 -		
Car Expense	3 800 -		③ 275 -		4 075 -			
General Expense	2 950 -		③ 200 -		3 150 -			
Miscellaneous Expense	700 -				700 -			
Rent Expense	17 200 -				17 200 -			
Wages Expense	28 000 -				28 000 -			
	135 668 -	135 668 -						
<i>Supplies Expense</i>			① 300 -		300 -			
<i>Insurance Expense</i>			② 695 -		695 -			
			1 470 -	1 470 -	54 120 -	69 925 -	82 023 -	66 218 -
<i>Net Income</i>					15 805 -			15 805 -
					69 925 -	69 925 -	82 023 -	82 023 -

SECTION 8.2 EXERCISES (continued)

Exercise 2, p. 289

A.

ACCOUNTS	TRIAL BALANCE		ADJUSTMENTS		INCOME STATEMENT		BALANCE SHEET	
	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr
	Bank	2 490 -						2 490 -
Accounts Receivable	21 600 -						21 600 -	
Supplies	4 250 -		① 330 0 -				950 -	
Prepaid Insurance	1 254 -		② 574 -				680 -	
Equipment	69 200 -						69 200 -	
Automobile	44 200 -						44 200 -	
Accounts Payable		6 565 -	④ 515 -					7 080 -
HST Payable		7 80 -						7 80 -
HST Recoverable	5 10 -						5 10 -	
C. Ans, Capital		151 275 -						151 275 -
C. Ans, Drawings	20 000 -						20 000 -	
Fees Earned		135 700 -	③ 200 0 -			133 700 -		
Car Expense	13 214 -		④ 150 -		13 364 -			
Miscellaneous Expense	1 563 -		④ 50 -		1 613 -			
Rent Expense	18 000 -				18 000 -			
Utilities Expense	2 800 -		④ 315 -		3 115 -			
Wages Expense	95 239 -				95 239 -			
	294 320 -	294 320 -						
Supplies Expense			① 330 0 -		330 0 -			
Insurance Expense			② 574 -		574 -			
Unearned Revenue			③ 200 0 -				200 0 -	
			6 389 -	6 389 -	135 205 -	133 700 -	159 630 -	161 135 -
Net Loss						1 505 -	1 505 -	
					135 205 -	135 205 -	161 135 -	161 135 -

SECTION 8.2 EXERCISES (continued)

Exercise 2, p. 289 (continued)

B.

MISSION MARKETING

INCOME STATEMENT

YEAR ENDED DECEMBER 31, 20-3

<i>REVENUE</i>										
<i>Fees Earned</i>						\$133	7	0	0	-
<i>OPERATING EXPENSES</i>										
<i>Car Expense</i>	\$13	3	6	4	-					
<i>Miscellaneous Expense</i>	1	6	1	3	-					
<i>Insurance Expense</i>		5	7	4	-					
<i>Rent Expense</i>	18	0	0	0	-					
<i>Utilities Expense</i>	3	1	1	5	-					
<i>Supplies Expense</i>	3	3	0	0	-					
<i>Wages Expense</i>	95	2	3	9	-					
<i>Total Expenses</i>						135	2	0	5	-
<i>NET LOSS</i>						\$	(1	5	0	5 -)

SECTION 8.2 EXERCISES (continued)**Exercise 2, p. 289** (continued)

B. (continued)

*MISSION MARKETING**BALANCE SHEET**DECEMBER 31, 20-3*

<i>ASSETS</i>																				
<i>Current Assets</i>																				
<i>Bank</i>																				
<i>Accounts Receivable</i>																				
<i>Supplies</i>																				
<i>Prepaid Insurance</i>																				
<i>Total Current Assets</i>																				
<i>Long-Term Assets</i>																				
<i>Equipment</i>																				
<i>Automobile</i>																				
<i>Total Long-Term Assets</i>																				
<i>Total Assets</i>																				
<i>LIABILITIES</i>																				
<i>Accounts Payable</i>																				
<i>Unearned Revenue</i>																				
<i>HST Payable</i>																				
<i>Less: HST Recoverable</i>																				
<i>HST Owed</i>																				
<i>Total Liabilities</i>																				
<i>OWNER'S EQUITY</i>																				
<i>C. Ans, Capital</i>																				
<i>Balance January 1</i>																				
<i>Net Loss</i>																				
<i>Less: Drawings</i>																				
<i>Decrease in Capital</i>																				
<i>Balance December 31</i>																				
<i>Total Liabilities and Equity</i>																				