



Arcadium

BAF3M Review: Mini-Case

You are the accountant for a small video arcade called 'Arcadium.' The owner's name is Flip Fantino.

Required: Using the following accounts and their account numbers, you are to journalize the transactions at Arcadium and post the entries to the general ledger. When you have completed this task, there are some questions at the end.

10 Bank	22 HST Payable
11 Accounts Receivable	30 Flip Fantino, Capital
12 HST Recoverable	31 Flip Fantino, Drawings
13 Arcade Machines	40 Wages Expense
20 Bank Loan	50 Arcade Revenue
21 Accounts Payable	

The opening balance sheet is as follows: (make sure you do an opening entry.)

Arcadium Balance Sheet Jan 1, 20--			
<u>Assets</u>		<u>Liabilities</u>	
Bank	4,800	Bank Loan	10,000
Arcade Machines	16,000		
		<u>Owner's Equity</u>	
		F. Fantino, Capital	10,800
Total Assets	<u>20,800</u>	Total Liabilities & Equity	<u>20,800</u>

Transactions

Jan 1: Cash Sales Slip; No 101
Cash sales for the day are \$480.00 plus HST.

Jan 2: Cheque Copy; No 501
To an employee for wages. \$225.00

Jan 3: Purchase Invoice; No 301
\$2100 plus tax for two new machines from Video Games Inc.

Jan 4: Memo
\$250 was withdrawn by Flip, for his own use.

Jan 5: Sales Invoice; No 201
\$300 plus tax to the owner's of the local Subway restaurant, after they had a company party at Arcadium.

Jan 6: Cash Sales Slip; No 102
Cash sales for the day are \$590.00 plus HST.

Jan 7: Cash Receipt
In full payment of Subway's Sales Invoice (No. 201) from Jan 5.

Jan 8: Cash Sales Slip
Sold an arcade machine for \$500 that was worth \$1100. (This sale is not taxable.)

Jan 9: Cheque Copy; No. 502
To Video Games Inc, on account, for \$600.

Jan 10: Cheque Copy; No. 503
The bank loan is paid down by \$3,200.

Questions:

How much HST will have to be **remitted** to the government? _____

How do you figure this out?

How much revenue was there? _____

How much were total expenses? _____

What is the net income? _____