

LATIHAN PEKAN 1

E1-5 Robinson Cleaners AG has the following statement of financial position items.

Accounts payable	Accounts receivable
Cash	Notes payable
Equipment	Salaries and wages payable
Supplies	Share capital—ordinary

Instructions

Classify each item as an asset, liability, or equity.

E1-7 Collins Computer Timeshare Company SA entered into the following transactions during May 2017.

Analyze the effect of transactions on assets, liabilities, and equity.

(LO 7)

1. Purchased computer terminals for R\$20,000 from Digital Equipment on account.
2. Paid R\$3,000 cash for May rent on storage space.
3. Received R\$14,000 cash from customers for contracts billed in April.
4. Performed computer services for Schmidt Construction Company for R\$2,400 cash.
5. Paid Central States Power Co. R\$11,000 cash for energy usage in May.
6. Shareholders invested an additional R\$32,000 in the business.
7. Paid Digital Equipment for the terminals purchased in (1) above.
8. Incurred advertising expense for May of R\$1,100 on account.

Instructions

Indicate with the appropriate letter whether each of the transactions above results in:

- (a) An increase in assets and a decrease in assets.
- (b) An increase in assets and an increase in equity.
- (c) An increase in assets and an increase in liabilities.
- (d) A decrease in assets and a decrease in equity.
- (e) A decrease in assets and a decrease in liabilities.
- (f) An increase in liabilities and a decrease in equity.
- (g) An increase in equity and a decrease in liabilities.

P1-4A Matt Stiner started a delivery service, Stiner Deliveries Ltd., on June 1, 2017. The following transactions occurred during the month of June.

Analyze transactions and prepare financial statements.

- June 1 Shareholders invested £10,000 cash in the business in exchange for ordinary shares. (LO 6, 7, 8)
- 2 Purchased a used van for deliveries for £14,000. Matt paid £2,000 cash and signed a note payable for the remaining balance.
- 3 Paid £500 for office rent for the month.
- 5 Performed services worth £4,800 on account.
- 9 Declared and paid £300 in cash dividends.
- 12 Purchased supplies for £150 on account.
- 15 Received a cash payment of £1,250 for services performed on June 5.
- 17 Purchased gasoline for £100 on account.
- 20 Received a cash payment of £1,500 for services performed.
- 23 Made a cash payment of £500 on the note payable.
- 26 Paid £250 for utilities.
- 29 Paid for the gasoline purchased on account on June 17.
- 30 Paid £1,000 for employee salaries.

Instructions

- (a) Total assets £25,800 (a) Show the effects of the previous transactions on the accounting equation using the following format.

Assets					=	Liabilities		+	Equity						
Date	Cash	+	Accounts Receivable	+	Supplies	+	Equipment	=	Notes Payable	+	Accounts Payable	+	Share Capital	+	Retained Earnings
															Rev. - Exp. - Div.

Include margin explanations for any changes in the Retained Earnings account in your analysis.

- (b) Net income £4,450 (b) Prepare an income statement for the month of June.
- (c) Cash £8,100 (c) Prepare a statement of financial position at June 30, 2017.