

Classifying accounts

1	2	3	4	5	6	7	8
Account Title	Account Classification					Financial Statement	
	Asset	Liab.	Capital	Revenue	Expense	Income Statement	Balance Sheet
1. Cash	✓						✓
2. Alicia Moby, Capital			✓				✓
3. Alicia Moby, Drawing			✓				✓
4. Advertising Expense					✓	✓	
5. Calin Company		✓					✓
6. Insurance Expense					✓	✓	
7. Miscellaneous Expense					✓	✓	
8. Moncal Supply Company		✓					✓
9. Prepaid Insurance	✓						✓
10. Rent Expense					✓	✓	
11. Sales				✓		✓	
12. Supplies	✓						✓
13. Supplies Expense					✓	✓	

Figuring net income or net loss [1-3]

Company	1		2		3		4		5		6		7		8		9	
	Total Assets	Total Liabilities	Balance of Capital	Balance of Drawing	Total Revenue	Total Expenses	Net Income	Net Loss	Ending Capital									
A	\$3 750.00	\$1 350.00	\$1 575.00	\$ 75.00	\$1 500.00	\$ 600.00	\$ 900.00		\$2 400.00									
B	4 875.00	1 755.00	1 897.00	97.00	2 100.00	780.00	1 320.00		3 120.00									
C	7 170.00	2 160.00	3 690.00	120.00	2 400.00	960.00	1 440.00		5 010.00									
D	6 375.00	1 890.00	3 330.00	105.00	2 100.00	840.00	1 260.00		4 485.00									
E	7 125.00	2 565.00	2 692.00	142.00	3 150.00	1 140.00	2 010.00		4 560.00									
F	9 680.00	3 845.00	7 000.00	215.00	4 925.00	5 875.00		\$ 950.00	5 835.00									
G	9 080.00	3 270.00	3 280.00	180.00	4 170.00	1 460.00	2 710.00		5 810.00									
H	9 550.00	5 250.00	9 648.00	280.00	6 670.00	11 738.00		5 068.00	4 300.00									

Use the space below for your calculations.

B: [1] Revenue, \$2 100.00, minus expenses, \$780.00, equals net income, \$1 320.00 [2] Capital, \$1 897.00, plus net income, \$1 320.00, minus drawing, \$97.00, equals ending capital, \$3 120.00 [3] Assets, \$4 875.00, equals liabilities, \$1 755.00, plus ending capital, \$3 120.00
C: [1] Revenue, \$2 400.00, minus expenses, \$960.00, equals net income, \$1 440.00 [2] Capital, \$3 690.00, plus net income, \$1 440.00, minus drawing, \$120.00, equals ending capital, \$5 010.00 [3] Assets, \$7 170.00, equals liabilities, \$2 160.00, plus ending capital, \$5 010.00
D: [1] Revenue, \$2 100.00, minus expenses, \$840.00, equals net income, \$1 260.00 [2] Capital, \$3 330.00, plus net income, \$1 260.00, minus drawing, \$105.00, equals ending capital, \$4 485.00 [3] Assets, \$6 375.00, equals liabilities, \$1 890.00, plus ending capital, \$4 485.00
E: [1] Revenue, \$3 150.00, minus expenses, \$1 140.00, equals net income, \$2 010.00 [2] Capital, \$2 692.00, plus net income, \$2 010.00, minus drawing, \$142.00, equals ending capital, \$4 560.00 [3] Assets, \$7 125.00, equals liabilities, \$2 565.00, plus ending capital, \$4 560.00
F: [1] Revenue, \$4 925.00, minus expenses, \$5 875.00, equals net loss, \$950.00 [2] Capital, \$7 000.00, minus net loss, \$950.00, minus drawing, \$215.00, equals ending capital, \$5 835.00 [3] Assets, \$9 680.00, equals liabilities, \$3 845.00, plus ending capital, \$5 835.00
G: [1] Revenue, \$4 170.00, minus expenses, \$1 460.00, equals net income, \$2 710.00 [2] Capital, \$3 280.00, plus net income, \$2 710.00, minus drawing, \$180.00, equals ending capital, \$5 810.00 [3] Assets, \$9 080.00, equals liabilities, \$3 270.00, plus ending capital, \$5 810.00
H: [1] Revenue, \$6 670.00, minus expenses, \$11 738.00, equals net loss, \$5 068.00 [2] Capital, \$9 648.00, minus net loss, \$5 068.00, minus drawing, \$280.00, equals ending capital, \$4 300.00 [3] Assets, \$9 550.00, equals liabilities, \$5 250.00, plus ending capital, \$4 300.00

Preparing financial statements

[1]

Midalling Company

Income Statement

For Month Ended October 31, 19--

Revenue:									
Sales									1 4 0 0 0 0
Expenses:									
Advertising Expense									1 6 0 0
Insurance Expense									8 0 0 0
Miscellaneous Expense									3 6 0 0
Rent Expense									4 7 5 0 0
Supplies Expense									2 0 0 0 0
Total Expenses									8 0 7 0 0
Net Income									5 9 3 0 0

[2]

Midalling Company

Balance Sheet

October 31, 19--

Assets						Liabilities					
Cash						Finch Supply Company					3 4 0 0 0
Supplies						Mills Company					1 3 0 0 0
Prepaid Insurance						Total Liabilities					4 7 0 0 0
						Capital					
						John Vinings, Capital					3 3 3 0 0
Total Assets						Total Liab. and Capital					3 8 0 0 0

Information Service

Income Statement

For Month Ended December 31, 19--

Revenue:														
Sales								2	1	8	0	00		
Expenses:														
Advertising Expense						2	0	8	00					
Insurance Expense						1	0	0	00					
Miscellaneous Expense								8	2	00				
Rent Expense						2	0	0	0	00				
Supplies Expense						1	1	3	00					
Total Expenses										2	5	0	3	00
Net Loss										3	2	3	00	

[2]

Information Service

Balance Sheet

December 31, 19--

Assets					Liabilities									
Cash	3	1	5	3	00	Addison Company	2	4	7	6	00			
Supplies	4	1	0	0	00	Rider Supply Company				7	3	0	00	
Prepaid Insurance	1	4	0	0	00	Total Liabilities				3	2	0	6	00
						Capital								
						Clara Shell, Capital				5	4	4	7	00
Total Assets	8	6	5	3	00	Total Liab. and Capital				8	6	5	3	00

[1]

Preparing financial statements

Westside Lawncare

Income Statement

For Three Months Ended October 31, 19--

Revenue:									
Sales									6 5 0 0 0 0
Expenses:									
Advertising Expense									2 4 0 0 0 0
Equipment Repair Expense									3 5 0 0 0 0
Insurance Expense									3 0 0 0 0 0
Miscellaneous Expense									9 5 0 0 0 0
Rent Expense									1 0 0 0 0 0
Supplies Expense									4 0 0 0 0 0
Utilities Expense									3 8 0 0 0 0
Total Expenses									2 7 6 5 0 0
Net Income									3 7 3 5 0 0

[2]

Westside Lawncare

Balance Sheet

October 31, 19--

Assets				Liabilities			
Cash			3 6 0 0 0 0	Best-One Company			1 2 0 0 0 0
Supplies			4 4 0 0 0 0	Halls Service			5 0 0 0 0 0
Prepaid Insurance			6 0 0 0 0 0	Total Liabilities			1 7 0 0 0 0
				Capital			
				Paula Drake, Capital			6 9 0 0 0 0
Total Assets			8 6 0 0 0 0	Total Liab. and Capital			8 6 0 0 0 0

Preparing a work sheet and financial statements [2]

Fallon Company
Work Sheet

For Month Ended December 31, 19..

ACCOUNT TITLE	1		2		3		4		5		6		7		8	
	TRIAL BALANCE		ADJUSTMENTS		INCOME STATEMENT		BALANCE SHEET		INCOME STATEMENT		BALANCE SHEET		INCOME STATEMENT		BALANCE SHEET	
	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
1 Cash	310 00													310 00		
2 Supplies	250 00			(a) 50 00										200 00		
3 Prepaid Insurance	115 00			(b) 15 00										100 00		
4 Andover Company		440 00													440 00	
5 Hill Supply Company		200 00													200 00	
6 Betty Matthews, Capital		1510 00													1510 00	
7 Betty Matthews, Drawing	650 00													650 00		
8 Income Summary																
9 Sales		1600 00	(b) 15 00							1600 00						
10 Insurance Expense									15 00							
11 Miscellaneous Expense	370 00								370 00							
12 Rent Expense	900 00								900 00							
13 Supplies Expense			(a) 50 00						50 00							
14 Utilities Expense	75 00								75 00							
15	7710 00	7710 00	515 00	515 00	1860 00	1600 00	1600 00	585 00	6110 00							
16 Net Loss										260 00				260 00		
17					1860 00	1860 00	6110 00	6110 00								
18																
19																
20																
21																
22																
23																
24																
25																
26																

