

1.

award:  
1 out of  
1.00 point

Use the information in each of the following separate cases to calculate the unknown amount.

- a. Corentine Co. had \$152,000 of accounts payable on September 30 and \$132,500 on October 31. Total purchases on account during October were \$281,000. Determine how much cash was paid on accounts payable during October.

Accounts Payable							
Payments on account	✓	300,500	✓	Beginning balance	✓	152,000	✓
				Purchases on account	✓	281,000	✓
				Ending balance		132,500	

\*Red text indicates no response was expected in a cell or a formula-based calculation is incorrect; no points deducted.

- b. On September 30, Valerian Co. had a \$102,500 balance in Accounts Receivable. During October, the company collected \$102,890 from its credit customers. The October 31 balance in Accounts Receivable was \$89,000. Determine the amount of sales on account that occurred in October.

Accounts Receivable							
Beginning balance	✓	102,500	✓	Cash receipts on account	✓	102,890	✓
Sales on account	✓	89,390	✓				
Ending balance		89,000					

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- c. During October, Alameda Company had \$102,500 of cash receipts and \$103,150 of cash disbursements. The October 31 Cash balance was \$18,600. Determine how much cash the company had at the close of business on September 30.

Cash							
Cash receipts	✓	102,500	✓	Cash disbursements	✓	103,150	✓
Beginning balance	✓	19,250	✓				
Ending balance		18,600					

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2.

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Following are the transactions of a new company called Pose for Pics.

- Aug. 1 Madison Harris, the owner, invested \$12,250 cash and \$52,675 of photography equipment in the company.  
 2 The company paid \$3,500 cash for an insurance policy covering the next 24 months.  
 5 The company purchased office supplies for \$2,328 cash.  
 20 The company received \$3,900 cash in photography fees earned.  
 31 The company paid \$877 cash for August utilities.

Prepare general journal entries for the above transactions.

Date	General Journal	Debit	Credit
Aug. 1	Cash ✓	12,250 ✓	
	Photography equipment ✓	52,675 ✓	
	M. Harris, Capital ✓		64,925 ✓
Aug. 2	Prepaid insurance ✓	3,500 ✓	
	Cash ✓		3,500 ✓
Aug. 5	Office supplies ✓	2,328 ✓	
	Cash ✓		2,328 ✓
Aug. 20	Cash ✓	3,900 ✓	
	Photography fees earned ✓		3,900 ✓
Aug. 31	Utilities expense ✓	877 ✓	
	Cash ✓		877 ✓

3.

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0.98 out of  
1.00 point

The transactions of Dexter Company:"

- Kacy Spade, owner, invested \$14,750 cash in the company.
- The company purchased office supplies for \$428 cash.
- The company purchased \$8,157 of office equipment on credit.
- The company received \$1,740 cash as fees for services provided to a customer.
- The company paid \$8,157 cash to settle the payable for the office equipment purchased in transaction c.
- The company billed a customer \$3,127 as fees for services provided.
- The company paid \$530 cash for the monthly rent.
- The company collected \$1,313 cash as partial payment for the account receivable created in transaction f.
- Kacy Spade withdrew \$900 cash from the company for personal use.

Prepare general journal entries to record the transactions above for Spade Company by using the following accounts: Cash; Accounts Receivable; Office Supplies; Office Equipment; Accounts Payable; K. Spade, Capital; K. Spade, Withdrawals; Fees Earned; and Rent Expense. Use the letters beside each transaction to identify entries.

Date	General Journal	Debit	Credit
a.	Cash ✓	14,750 ✓	
	K. Spade, Capital ✓		14,750 ✓
b.	Office supplies ✓	428 ✓	
	Cash ✓		428 ✓
c.	Office equipment ✓	8,157 ✓	
	Accounts payable ✓		8,157 ✓
d.	Cash ✓	1,740 ✓	
	Fees earned ✓		1,740 ✓
e.	Accounts payable ✓	8,157 ✓	
	Cash ✓		8,157 ✓
f.	Accounts receivable ✓	3,127 ✓	
	Fees earned ✓		3,127 ✓
g.	Rent expense ✓	530 ✓	
	Cash ✓		530 ✓
h.	Cash ✓	1,313 ✓	
	Accounts receivable ✓		1,313 ✓
i.	K. Spade, Withdrawals ✓	900 ✓	
	Cash ✓		900 ✓

Post the above journal entries to T-accounts, which serves as the general ledger for this assignment. Determine the ending balance of each T-account.

Cash			
a.	✓	14,750 ✓	
b.	✓	428 ✓	
d.	✓	1,740 ✓	
e.	✓	8,157 ✓	
h.	✓	1,313 ✓	
g.	✓	530 ✓	
i.	✓	900 ✓	
Balance		7,788	

Accounts Receivable			
f.	✓	3,127 ✓	
h.	✓	1,313 ✓	
Balance		1,814	

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Office Supplies			
b.	✓	428 ✓	
Balance		428	

Office Equipment			
c.	✓	8,157 ✓	
Balance		8,157	

Accounts Payable			
	✗	✗	
c.	✓	8,157 ✓	
Balance			8,157

K. Spade, Capital			
a.	✓	14,750 ✓	
Balance			14,750

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K. Spade, Withdrawals			
i.	✓	900 ✓	
Balance		900	

Fees Earned			
d.	✓	1,740 ✓	
f.	✓	3,127 ✓	
Balance			4,867

Rent Expense			
g.	✓	530 ✓	
Balance		530	

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4.

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1 out of  
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The transactions of Spade Company:

- Kacy Spade, owner, invested \$10,250 cash in the company.
- The company purchased office supplies for \$297 cash.
- The company purchased \$5,668 of office equipment on credit.
- The company received \$1,210 cash as fees for services provided to a customer.
- The company paid \$5,668 cash to settle the payable for the office equipment purchased in transaction c.
- The company billed a customer \$2,173 as fees for services provided.
- The company paid \$515 cash for the monthly rent.
- The company collected \$913 cash as partial payment for the account receivable created in transaction f.
- Kacy Spade, withdrew \$900 cash from the company for personal use.

Prepare the Trial Balance. (The items in the Trial Balance should be grouped as follows: Assets, Liabilities, Equity, Revenues, and Expenses.)

SPADE COMPANY		
Trial Balance		
May 31, 2013		
	Debit	Credit
Cash ✓	\$ 4,993 ✓	
Office supplies ✓	297 ✓	
Office equipment ✓	5,668 ✓	
Accounts receivable ✓	1,260 ✓	
Accounts payable ✓		
K. Spade, Capital ✓		10,250 ✓
K. Spade, Withdrawals ✓	900 ✓	
Fees earned ✓		3,383 ✓
Rent expense ✓	515 ✓	
Totals	\$ 13,633	\$ 13,633

5.

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Carmen Camry operates a consulting firm called Help Today. On August 31, the company's records show the following accounts and amounts for the month of August. Use this information to prepare an August 31 balance sheet for Help Today.

Cash	\$ 8,490	C. Camry, Withdrawals	\$ 4,200
Accounts receivable	17,900	Consulting fees earned	15,200
Office supplies	3,330	Rent expense	4,690
Land	54,000	Salaries expense	8,140
Office equipment	19,000	Telephone expense	620
Accounts payable	21,790	Miscellaneous expense	420
C. Camry, Capital, July 31	3,800	Owner investment made on August 4	80,000

HELP TODAY			
Balance Sheet			
As of August 31			
<b>Assets:</b>		<b>Liabilities:</b>	
Cash	✓ \$ 8,490 ✓	Accounts payable	✓ \$ 21,790 ✓
Accounts receivable	✓ 17,900 ✓		
Office supplies	✓ 3,330 ✓	<b>Equity:</b>	
Land	✓ 54,000 ✓	C. Camry, Capital	✓ 80,930 ✓
Office equipment	✓ 19,000 ✓		
<b>Total Assets</b>	✓ \$ 102,720 ✓	<b>Total Liabilities and Equity</b>	✓ \$ 102,720 ✓

6.

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1 out of  
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A sole proprietorship had the following assets and liabilities at the beginning and end of this year.

	Assets	Liabilities
Beginning of the year	\$ 66,500	\$ 28,509
End of the year	106,500	43,133

Determine the net income earned or net loss incurred by the business during the year for each of the following separate cases

- Owner made no investments in the business and no withdrawals were made during the year.
- Owner made no investments in the business but withdrew \$700 cash per month for personal use.
- Owner made no withdrawals during the year but did invest an additional \$45,000 cash.
- Owner withdrew \$700 cash per month for personal use and invested an additional \$25,000 cash  
**(Decreases in equity should be indicated with a minus sign.)**

	a.	b.	c.	d.
Beginning of the year—Equity	\$ 37,991 ✓	\$ 37,991	\$ 37,991	\$ 37,991
Owner investments	0	0	45,000 ✓	25,000 ✓
Withdrawals by owner	0	(8,400) ✓	0	(8,400) ✓
Net income (loss)	25,376 ✓	33,776 ✓	(19,624) ✓	8,776 ✓
End of the year—Equity	\$ 63,367 ✓	\$ 63,367	\$ 63,367	\$ 63,367

7.

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1.00 point

Compute the missing amount for each of the following separate companies a through d. (Losses and amounts to be deducted should be indicated with a minus sign.)

	(a)	(b)	(c)	(d)
Equity, December 31, 2012	\$ 0	\$ 0	\$ 0	\$ 0
Owner investments during the year	99,000	106,000 ✓	90,255	208,878
Owner withdrawals during the year	(93,000) ✓	(53,000)	(11,000)	(55,000)
Net income (loss) for the year	95,000	44,970	(3,000)	(45,000) ✓
Equity, December 31, 2013	\$ 101,000	\$ 97,970	\$ 76,255 ✓	\$ 108,878

[The following information applies to the questions displayed below.]

For each of the posting errors under parts (b) to (g), complete the following:

1. Enter the amount of the difference between trial balance columns (debit and credit) due to the error.
2. Identify the trial balance column (debit or credit) with the larger amount if they are not equal.
3. Identify the account(s) affected by the error.
4. Indicate the amount by which the account(s) question (3) is under- or overstated.

Item (a) is completed as an example.

a. \$1,270 debit to Rent Expense is posted as a \$1,720 debit.

- (1) Difference between Debit and Credit Columns  
\$ 450
- (2) Column with the Larger Total  
Debit
- (3) Identify account(s) incorrectly stated  
Rent Expense
- (4) Amount that account(s) is overstated or understated  
Rent Expense is overstated by \$450

8.

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1 out of  
1.00 point

b. \$2,540 credit to Cash is posted twice as two credits to Cash.

- (1) What is the difference between Debit and Credit Columns

Difference \$ 2,540 ✓

- (2) Identify the column with the larger total

- Credit  
 Debit  
 None

- (3) Identify that account that is incorrectly stated

- Cash  
 Revenue  
 Cash and Revenue

- (4) Which of the accounts are overstated or understated and by what amount. (You may select more than one answer. Click the box with a check mark for correct answers and click to empty the box for the wrong answers.)

- Cash is Understated by \$2,540  
 Cash is Overstated by \$2,540  
 Revenue is understated by \$2,540  
 Revenue is overstated by \$2,540  
 None



9.

1 out of  
1.00 point

c. \$5,080 debit to the Withdrawals account is debited to Owner's Capital.

(1) What is the difference between Debit and Credit Columns

Difference	\$	0
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(2) Identify the column with the larger total

- Debit
- Credit
- None

(3) Identify that account that is incorrectly stated

- Owner's Capital & Withdrawals
- Common Stock
- Withdrawals

(4) Which of the accounts are overstated or understated and by what amount. **(You may select more than one answer. Click the box with a check mark for correct answers and click to empty the box for the wrong answers.)**

- Owner's capital account is understated by \$5,080
- Withdrawals account is understated by \$5,080
- None
- Owner's capital account is overstated by \$5,080
- Withdrawals account is overstated by \$5,080

10. 1 out of 1.00 point

d. \$1,120 debit to Prepaid Insurance is posted as a debit to Insurance Expense.

(1) What is the difference between Debit and Credit Columns

Difference	\$	0
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(2) Identify the column with the larger total

- Credit
- None
- Debit

(3) Identify that account that is incorrectly stated

- Prepaid insurance
- Prepaid insurance and Insurance expense
- Insurance expense

(4) Which of the accounts are overstated or understated and by what amount. **(You may select more than one answer. Click the box with a check mark for correct answers and click to empty the box for the wrong answers.)**

- Insurance expense is overstated by \$1,120
- Prepaid insurance is understated by \$1,120
- None
- Insurance expense is understated by \$1,120
- Prepaid insurance is overstated by \$1,120

11.

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e. \$22,225 debit to Machinery is posted as a debit to Accounts Payable.

(1) What is the difference between Debit and Credit Columns

Difference	\$	0
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(2) Identify the column with the larger total

- None
- Debit
- Credit

(3) Identify that account that is incorrectly stated

- Machinery
- Accounts Payable
- Machinery and Accounts Payable

(4) Which of the accounts are overstated or understated and by what amount. **(You may select more than one answer. Click the box with a check mark for correct answers and click to empty the box for the wrong answers.)**

- Accounts payable is understated by \$22,225
- Machinery is understated by \$22,225
- Machinery is overstated by \$22,225
- Accounts payable is overstated by \$22,225
- None

12.

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1.00 point

f. \$3,440 credit to Services Revenue is posted as a \$344 credit.

(1) What is the difference between Debit and Credit Columns

Difference	\$	3,096	✓
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(2) Identify the column with the larger total

- None
- Credit
- Debit

(3) Identify that account that is incorrectly stated

- Cash
- Services Revenue
- Services Revenue and Cash

(4) Which of the accounts are overstated or understated and by what amount. **(You may select more than one answer. Click the box with a check mark for correct answers and click to empty the box for the wrong answers.)**

- Services revenue is overstated by \$3,096
- Services revenue is understated by \$3,096
- Cash is overstated by \$3,096
- Cash is understated by \$3,096
- None

13.

award:  
1 out of  
1.00 point

g. \$310 debit to Store Supplies is not posted.

(1) What is the difference between Debit and Credit Columns

Difference	\$	310	✓
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(2) Identify the column with the larger total

- None
- Debit
- Credit

(3) Identify that account that is incorrectly stated

- Store Supplies
- Store Supplies and Cash
- Cash

(4) Which of the accounts are overstated or understated and by what amount. **(You may select more than one answer. Click the box with a check mark for correct answers and click to empty the box for the wrong answers.)**

- Store supplies is understated by \$310
- Store supplies is overstated by \$310
- Cash is overstated by \$310
- Cash is understated by \$310
- None

[The following information applies to the questions displayed below.]

You are told the column totals in a trial balance are not equal. After careful analysis, you discover only one error. Specifically, a correctly journalized credit purchase of a computer for \$8,500 is posted from the journal to the ledger with a \$8,500 debit to Office Equipment and another \$8,500 debit to Accounts Payable. The Office Equipment account has a debit balance of \$20,145 on the trial balance. Answer each of the following questions and compute the dollar amount of any misstatement.

14.

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1 out of  
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**Part (a through d):**

For each of the following statements:

1. Select the appropriate choice from the 'Account Status' column
2. In cases where the amount is understated or overstated, use the 'Amount' column to fill in the amount by which the account or trial balance total is understated or overstated.

**(Enter the amounts understated with a minus sign.)**

	Statements	Account Status	Amount
a.	The debit column total of the trial balance	Overstated ✓	\$ 8,500 ✓
b.	The credit column total of the trial balance	Understated ✓	\$ (8,500) ✓
c.	The balance of the office equipment account in the trial balance	Correctly stated ✓	\$ 0
d.	The balance of the accounts payable account in the trial balance	Understated ✓	\$ (17,000) ✓

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1.00 point

- e. If the debit column total of the trial balance is \$178,500 before correcting the error, what is the total of the credit column before correction?

Total of the credit column \$ 161,500 ✓