



Accounting

CLASS WEBSITE

<http://chssgrade11accounting.weebly.com/>

EXEMPLARS

<http://chssgrade11accounting.weebly.com/exemplars.html>

MARKS

<http://chssgrade11accounting.weebly.com/marks.html>

YOUR FIRST TEST

- **Test:** Friday!
- **Test Review:** Thursday.

Learning Goals for Today...

- – assess the effects that transactions have on the accounts and financial statements of a **service business**;
- – record transactions using the journals and **ledgers** of a service business;
- – prepare a **trial balance** and the financial statements for a service business;

Balance Sheet



Ledger



YOUR HOMEWORK WAS...

- Page 102, Exercise 2
- Page 111, Comprehensive Exercise 5

Exercise 2, p. 102

C. Hernandez

Trial Balance

June 30, 20—

| ACCOUNTS | DEBIT | | CREDIT | |
|-----------------------|----------|---|----------|---|
| | | | | |
| Bank | 5 0 0 0 | - | | |
| A/R—R. Onno | 8 5 0 | - | | |
| A/R—G. Slaughter | 1 1 2 4 | - | | |
| A/R—R. Tamo | 3 5 0 0 | - | | |
| Supplies | 1 5 8 5 | - | | |
| Equipment | 25 3 5 0 | - | | |
| Automobiles | 22 8 0 0 | - | | |
| A/P—J. Batt | | | 7 8 5 | - |
| A/P—W. Parker | | | 1 0 0 0 | - |
| A/P—H. White | | | 1 2 0 0 | - |
| Bank Loan | | | 25 0 0 0 | - |
| C. Hernandez, Capital | | | 32 2 2 4 | - |
| | 60 2 0 9 | - | 60 2 0 9 | - |

A look at transaction 4...

- We sell a desk (that is part of the 'Office Furniture' amount for \$250. It was originally worth \$450. We are given \$100 cash, and the rest is on G.Brand's account.

| | |
|------------------|----------------------|
| Bank | A/R-G.Brand |
| Office Furniture | A. Hoystead, Capital |
| 5,090 | |

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| Bank | | A/R-G.Brand | |
|------------------|-----|----------------------|--|
| | | | |
| Office Furniture | | A. Hoystead, Capital | |
| 5,090 | 450 | | |

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- We sell a desk (that is part of the 'Office Furniture' amount for \$250. It was originally worth \$450. We are given \$100 cash, and the rest is on G.Brand's account.

| | |
|------------------|----------------------|
| Bank | A/R-G.Brand |
| 100 | 150 |
| Office Furniture | A. Hoystead, Capital |
| 5,090 | 450 |

A look at transaction 4...

- We sell a desk (that is part of the 'Office Furniture' amount for \$250. It was originally worth \$450. We are given \$100 cash, and the rest is on G.Brand's account.

| Bank | | A/R-G.Brand | |
|------------------|-----|----------------------|--|
| 100 | | 150 | |
| Office Furniture | | A. Hoystead, Capital | |
| 5,090 | 450 | | |

How do we decrease capital?

A look at transaction 4...

- We sell a desk (that is part of the 'Office Furniture' amount for \$250. It was originally worth \$450. We are given \$100 cash, and the rest is on G.Brand's account.

| Bank | | A/R-G.Brand | |
|------------------|-----|----------------------|--|
| 100 | | 150 | |
| Office Furniture | | A. Hoystead, Capital | |
| 5,090 | 450 | 200 | |

How do we decrease capital?

Exercise 5, p. 111 Comprehensive Exercise

A., B.

| | | |
|--------------|--------------------------|-----------------------|
| Bank | A/R — G. Anderson | A/R — G. Brand |
| 2 216 | 500 (2) | (4) 150 |
| (1) 200 | 1 000 (5) | |
| (3) 402 | 500 (6) | |
| (4) 100 | 875 (7) | |
| <u>2 918</u> | <u>2 875</u> | |
| (43) | | |

| | | |
|---------------------------|------------------------|--------------------------|
| A/R — N. Ostrowski | Office Supplies | Painting Supplies |
| 402 | 402 (8) | 4 120 |
| | <u>2 980</u> | |

| | | |
|-------------------------|-------------------|------------------|
| Office Furniture | Automobile | Bank Loan |
| 5 090 | 450 (4) | (5) 1 000 |
| (4) 640 | 20 000 | (6) 500 |
| | | <u>1 500</u> |
| | | (5 000) |

| | | | |
|--------------------------------|---------------------------------|---------------------------------|----------------------------|
| A/P — Consumer's Supply | A/P — Nu-Style Furniture | Loan Payable, M. Hoysted | A. Hoysted, Capital |
| (2) 500 | | (1) 980 | (4) 200 |
| (7) 875 | 2 951 | | |
| <u>1 375</u> | | | |
| | | | <u>2 359</u> |
| | | | 200 (1) |
| | | | <u>12 559</u> |
| | | | (12 359) |

C. A. Hoysted

Trial Balance

—date—

| ACCOUNTS | DEBIT | | CREDIT |
|--------------------------|-------|----|--------|
| | | | |
| Bank | | 43 | |
| A/R—G. Anderson | 357 | | |
| A/R—G. Brand | 150 | | |
| Office Supplies | 2980 | | |
| Painting Supplies | 4120 | | |
| Office Furniture | 4640 | | |
| Automobile | 20000 | | |
| A/P—Nu-Style Furniture | | | 2951 |
| Bank Loan | | | 5000 |
| Loan Payable, M. Hoysted | | | 1980 |
| A. Hoysted, Capital | | | 22359 |
| | 32290 | | 32290 |

To Do: Comprehensive Exercise

- Page 111, Exercise 6
- Do it... then check your work!!
- Problems? Ask!

- 6** Rainbow Real Estate is a business owned by Cathy Geraci. The accounts of the business are as follows:

| | | | |
|-------------------------|----------|-----------------------|-----------|
| Assets | | Liabilities | |
| Bank | \$ 1 056 | Bank Loan | \$ 19 000 |
| Accounts Receivable | | Accounts Payable | |
| D. Murray | 1 351 | Tuck Corporation | 1 520 |
| A. Niemi | 2 516 | | |
| Office Supplies | 1 115 | | |
| Furniture and Equipment | 11 916 | | |
| Properties Owned | 18 042 | | |
| Automobile | 27 965 | | |
| | | Equity | |
| | | Cathy Geraci, Capital | |

The financial position of Rainbow Real Estate is set up in T-accounts in the Workbook. For the transactions listed on the following page, record the accounting entries in the T-accounts. Use a transaction analysis sheet if necessary. Calculate and record the balances in the accounts and take off a trial balance.

TRANSACTIONS

- a. Received \$516 cash from A. Niemi.
- b. Sold a home for V. Morris. For this service, Morris owes \$4 150 to Rainbow Real Estate.
- c. Paid \$95 cash for office supplies.
- d. Received \$20 000 cash for sale of a property. (The property is included in the Properties Owned figure at \$5 000.)
- e. Paid \$15 000 cash to the bank to reduce the amount of the bank loan.
- f. Paid \$520 cash to Tuck Corporation.
- g. Paid \$40 cash for a new headlight for the automobile.
- h. Received \$800 cash from D. Murray.
- i. The owner withdrew \$500 cash for her personal use.
- j. Received \$2 000 cash from V. Morris.
- k. Paid the balance of the debt to Tuck Corporation in cash.
- l. Purchased a new office desk at a cost of \$600 from Pioneer Furniture but did not pay cash for it.
- m. Sold a home for A. McIntosh. McIntosh paid Rainbow Real Estate \$5 100 cash for the service.

Exercise 6, p. 111

Comprehensive Exercise

| Bank | A/R — V. Morris | A/R — D. Murray | A/R — A. Niemi |
|---------------|-----------------|-----------------|----------------|
| 1 056 | 2 000 (j) | 1 351 | 2 516 |
| 95 (c) | 4 150 (b) | 800 (b) | 516 (c) |
| 15 000 (e) | 2 150 (b) | | 2 000 (b) |
| 520 (f) | | | |
| 40 (g) | | | |
| 500 (i) | | | |
| 1 000 (k) | | | |
| <u>29 472</u> | | | |
| 12 317 | | | |

| Office Supplies | Furniture and Equipment | Properties Owned | Automobile |
|-----------------|-------------------------|------------------|------------|
| 1 115 | 11 916 | 18 042 | 27 965 |
| 95 (c) | 600 (l) | 5 000 (a) | |
| <u>1 210</u> | 12 516 (b) | 18 042 (b) | |

| Bank Loan | A/P — Pioneer Furniture | A/P — Tuck Corporation | Cathy Geraci, Capital |
|------------|-------------------------|------------------------|-----------------------|
| 15 000 (c) | 600 (l) | 520 (r) | 40 (g) |
| 19 000 | | 1 000 (k) | 500 (i) |
| 4 000 (b) | | 1 580 | 15 000 (d) |
| | | | 5 100 (m) |
| | | | <u>67 691</u> |
| | | | 67 151 |

* Calculate opening capital

Rainbow Real Estate

Trial Balance

—date—

| ACCOUNTS | DEBIT | | | CREDIT |
|-------------------------|-------|----|---|--------|
| | | | | |
| Bank | 12 | 31 | 7 | - |
| A/R—Y. Morris | 2 | 15 | 0 | - |
| A/R—D. Murray | | 55 | 1 | - |
| A/R—A. Niemi | 2 | 00 | 0 | - |
| Office Supplies | 1 | 21 | 0 | - |
| Furniture and Equipment | 12 | 51 | 6 | - |
| Properties Owned | 13 | 04 | 2 | - |
| Automobile | 27 | 96 | 5 | - |
| Bank Loan | | | | 4000 |
| A/P—Pioneer Furniture | | | | 600 |
| Cathy Geraci, Capital | | | | 67151 |
| | 71 | 75 | 1 | - |
| | | | | 71751 |

Review: part 1

- Develop **five** review questions from the course material....
- (One from each of the following areas.)

GAAP - Balance Sheet - Transactions – DR & CR - Trial Balance

- Each question must be in multiple choice format.
- You will receive a mark **for each** well developed question.
- (*That's the first five marks of your test!!*)