

Supplementary Exercise 2-1

Calculate the missing value in each accounting equation.

	Assets	=	Liabilities	+	Owner's Equity
a	34,000.00		14,000.00		20,000.00
b	125,000.00		100,000.00		25,000.00
c	130,000.00		45,000.00		85,000.00
d	45,700.00		11,200.00		34,500.00
e	54,000.00		12,000.00		42,000.00
f	8,490.00		3,090.00		5,400.00
g	3,120.00		1,830.00		1,290.00

Supplementary Exercise 2-2

Complete the following table by filling in the blanks.

Account Name	Dr./Cr.	Increase or Decrease
1. Service Vehicles	Dr.	Increase
2. Accounts Receivable	Cr.	Decrease
3. Equipment Rental Expense	Dr.	Increase
4. Bank or Cash	Cr.	Decrease
5. Property Taxes Payable	Dr.	Decrease
6. Warehouse Supplies Expense	Cr.	Decrease
7. Accounts Payable	Dr.	Decrease
8. Capital, Jenna Mishun	Cr.	Increase
9. Accounts Payable	Dr.	Decrease
10. Plumbing Equipment	Dr.	Increase
11. Merchandise Sales	Cr.	Increase
12. Advertising Expense	Dr.	Increase
13. Office Building & Garage	Dr.	Increase
14. Rent Expense – Office	Cr.	Decrease
15. Rental Revenue – Office	Cr.	Increase
16. Salaries/Wages Expense	Dr.	Increase
17. Legal Fees Payable	Dr.	Decrease
18. Office Supplies Prepaid	Cr.	Decrease
19. Service Expense	Cr.	Decrease
20. Interest Revenue	Dr.	Decrease

Supplementary Exercise 2-3

Analyze these transactions to determine what accounts will be debited and credited.

Date	Transaction	Debit	Credit
May 2	Tonya Jiang began her business by investing \$16,000 cash.	<i>Bank (or Cash)</i>	<i>Capital</i>
2	Bought merchandise, issuing a cheque for \$660.60.	<i>Purchases</i>	<i>Bank</i>
3	Bought shipping supplies for wrapping parcels, \$84. Paid by cheque.	<i>Shipping Supplies Expense</i>	<i>Bank</i>
4	Bought a laptop computer, \$640, from Futurity Shop, on terms of 10 days.	<i>Computer Equipment</i>	<i>Accounts Payable</i>
5	Paid the electricity bill, \$72, by cheque.	<i>Utilities Expense</i>	<i>Bank</i>
6	Cash sales for the week, \$390.44.	<i>Bank</i>	<i>Sales</i>
9	Sold merchandise to Vin Vahrah, \$247. Payment is due in 10 days.	<i>Accounts Receivable</i>	<i>Sales</i>
10	Negotiated a bank loan, \$10,000.	<i>Bank</i>	<i>Bank Loan Payable</i>
11	Bought merchandise from Canadiana Wholesalers on terms of net 60 days, \$827.70.	<i>Purchases</i>	<i>Accounts Payable</i>
12	Cash sales for the week, \$741.60.	<i>Bank</i>	<i>Sales</i>
12	Vin Vahrah paid \$75 toward his invoice dated the 9th.	<i>Bank</i>	<i>Accounts Receivable</i>
14	Paid Futurity Shop for the balance owing. (see May 4)	<i>Accounts Payable</i>	<i>Bank</i>
15	Sold merchandise on account to Andre Cavrier, \$34.75.	<i>Accounts Receivable</i>	<i>Sales</i>
19	Received the final payment from Vin Vahrah. (see May 9 and May 12)	<i>Bank</i>	<i>Accounts Receivable</i>
31	Bought a desk and chair, \$470.70. Paid by cheque.	<i>Furniture</i>	<i>Bank</i>

Supplementary Exercise 2-4

Record the General Journal entries for these transactions.

	Accounts & Description	Debit	Credit
April 3	Bank (or Cash)	20,000.00	
	Capital		20,000.00
	Alice Kinno started her business with \$20,000 cash.		
3	Rent Expense	845.00	
	Bank		845.00
	Paid for office rent, \$845. Cheque #1.		
5	Furniture	780.00	
	Bank		780.00
	Bought tables and chairs for use in the business, \$780. Cheque #2.		
5	Office Supplies Prepaid	234.00	
	Bank		234.00
	Bought supplies for the office, \$234. Cheque #3.		
6	Computer Equipment	4,550.00	
	A/P RAM Electronics Co.		4,550.00
	Bought new computers for the office, \$4,550. Terms n/30 from RAM Electronics Co.		
7	Purchases	12,400.00	
	A/P Excel Supplies Co.		12,400.00
	Bought merchandise from Excel Supplies Co., \$12,400. Terms n/15.		
10	Bank	7,330.00	
	Sales		7,330.00
	Cash sales, \$7,330.		
12	A/R A. Canni	565.00	
	A/R L. Sprint	860.00	
	Sales		1,425.00
	Sales on account to A. Canni, \$565, and L. Sprint, \$860. Terms n/30.		
16	A/P RAM Electronics Co.	4,550.00	
	Bank		4,550.00
	Paid invoice owing to RAM Electronics Co. (See April 6 transaction.)		

20	A/P Excel Supplies Co.	12,400.00	
	Bank		12,400.00

Paid Excel Supplies Co. on account.
 (See April 7 transaction.)

23	A/R R. Chivvon	430.00	
	A/R D. Driver	520.00	
	A/R U. Varit	880.00	
	Sales		1,830.00

Sales on terms n/30 to:
 R. Chivvon, \$430
 D. Driver, \$520
 U. Varit, \$880

Supplementary Exercise 2-5

Record the General Journal entries for these transactions.

	Accounts & Description	Debit	Credit
Aug 2	Bank	30,000.00	
	Equipment	2,500.00	
	Bank Loan Payable		7,500.00
	Capital, J. Delorme		25,000.00
	Jon Delorme started his business with \$30,000 cash, \$2,500 of equipment, and bank loan of \$7,500.		
2	Rent Expense	1,050.00	
	Bank		1,050.00
	Paid the rent, \$1,050. Cheque #1.		
5	Furniture	1,300.00	
	Equipment	760.00	
	Bank		2,060.00
	Bought tables and chairs, \$1,300, and equipment, \$760. Cheque #2.		
6	Purchases	14,230.00	
	A/P Robin Hood Supply Co.		14,230.00
	Bought merchandise on account from Robin Hood Supply Co., \$14,230. Terms n/15.		
10	Bank	8,335.00	
	Sales		8,335.00
	Cash sales, \$8,335.		
12	A/R A. Mulla	650.00	
	A/R R.J. Wickers	1,200.00	
	A/R L. dela Cruz	425.00	
	Sales		2,275.00
	Sold goods on account to: Ahmed Mulla, \$650; R.J. Wickers, \$1,200; and Leah dela Cruz, \$425. Terms n/10.		
20	A/P Robin Hood Supply Co.	14,230.00	
	Bank		14,230.00
	Paid invoice owing to Robin Hood Supply Co. (See Aug 6 transaction.)		
22	Bank	2,275.00	
	A/R A. Mulla		650.00

A/R R.J. Wickers	1,200.00
A/R L. dela Cruz	425.00

Received payments on account from Mulla, Wickers,
and dela Cruz. (See Aug 12 transaction.)

24 Bank	9,560.00	
Sales		9,560.00

Cash sales, \$9,560.