

1. ABC Specialty Auto Dealership purchased an antique car for \$121,000 in 2001. ABC tried to sell the car in 2001, with no success. Finally, in late 2002, ABC was able to sell the car. The terms of the sale were \$60,000 down and the remainder, \$100,000, payable in two equal annual payments, one at the beginning of 2003 and one at the beginning of 2004. What were the revenue from the sale of the car and the cost of sale as an expense that ABC recognized each year, 2001 through 2004? (If the answer is "zero," so indicate.)

2001
2002
2003
2004

Revenue:

Expense

2. XYZ Company had the following transactions during the month of April, 2004:

- 4/11 Paid cash for office expenses amounting to \$3,000.
- 4/16 Earned service fee revenue of \$20,000, of which \$15,000 was collected today and the balance was to be collected in the near future.
- 4/24 Collected the balance of the service fee revenue from the 4/16 transaction.
- 4/28 Repaid a bank loan in cash. The amount paid included \$600 interest. The loan amount was \$30,000. XYZ initially recorded the loan as "Notes Payable" when it was obtained from a local bank.
- 4/30 An operating expense of \$4,000 for the month of April accrued but was not paid.

A. How much did each of the above transactions increase (or decrease) XYZ's assets, liabilities and stockholders' equity, respectively? Show the dollar amount for each transaction. (Use the format provided below. Also, use "+" to indicate an increase and "-" to indicate a decrease.)

	<u>Assets</u>	=	<u>Liabilities</u>	+	<u>Stockholders' Equity</u>
4/11					
4/16					
4/24					
4/28					
4/30					

B. How much did stockholders' equity change due to the income (revenues – expenses) of the month? (Indicate whether the change is an increase or a decrease.)