V- Each of the following events describes acquiring an asset that requires a year-end adjusting entry.

1. Paid $7,000 cash on January 1 to purchase printers to be used for administrative purposes. The useful life is estimated of three years and a $1,000 salvage value.
2. Paid $7,000 cash on January 1 to purchase manufacturing equipment. The useful life its three years and $1,000 salvage value.
3. Paid $6,000 cash in advance on May 1 for one-year rental contract on administrative offices.
4. Paid $6,000 cash in advance on May 1 for one-year rental on manufacturing facilities.
5. Paid $1,000 cash to purchase supplies to be used by the marketing department. At the end of the year, $200 of supplies were still on hand.
6. Paid $1,000 cash to purchase supplies to be used in manufacturing process. A the end of the year,$200 supplies were still on hand.

Required

Explain how acquiring the assets and making the adjusting entry affect the amount of net income and the cash flow reported on the end financial statement. Also in the cash flow, indicate whether the cash flow is for operation activities (OA), investing activities (IA), financial activities (FA).Use (NA) for no effect. Assume that any products that have been made have not sold.

a. assets = equity

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| Event # | Cash+ | Inventory+ | Office furn. | Com.  Stk. | Rent.  Earn. | Rev - | Exp. = | Net inc. | Cash flow |
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IV- The company present the cost and production data for two recent month included the following.

January February

Production (units) 90 230

Rent $1,500 $1,500

Utilities $ 450 $1,150

Required

1. Separately calculate the rental cost per unit and the utilities cost per unit for both month.
2. Identify which cost is variable and which cost is fixed. Explain your answer.