

Print by: Khristine Jackson
FINANCIAL ACCT / Take-Home 1

Matching, Question 222

Match the items below by entering the appropriate code letter in the space provided.

Income from operations

Periodic inventory system

Freight-out

Gross profit

Purchase invoice

FOB shipping point

Net Sales

FOB destination

Operating expenses

Sales discounts

1. Expenses incurred in the process of earning sales revenue.
2. Sales less sales returns and allowances and sales discounts.
3. Net sales less cost of goods sold.
4. Requires a physical count of goods on hand to compute cost of goods sold.
5. An incentive to encourage customers to pay their accounts early.
6. Freight terms that require the seller to pay the freight cost.
7. Gross profit less total operating expenses.
8. A document that supports each credit purchase.
9. Freight terms that require the buyer to pay the freight cost.
10. Freight cost to deliver goods to customers reported as a selling expense.

Question Attempts: 0 of 2 used

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Matching, Question 217

Match the items below by entering the appropriate code letter in the space provided.

Accrued expenses

Accrued revenues

Revenue recognition principle

Accumulated depreciation

Expense recognition principle

Depreciation

Time period assumption

Book value

Prepaid expenses

Fiscal year

1. Expenses paid before they are incurred
2. Divides the economic life of a business into artificial time periods
3. A contra asset account
4. Revenues earned but not yet received
5. A twelve month accounting period
6. Cost less accumulated depreciation
7. Expenses incurred but not yet paid
8. Efforts are related to accomplishments
9. A cost allocation process
10. Revenue is recognized in the accounting period in which it is earned

Question Attempts: 0 of 2 used

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*AP4-3A

The completed financial statement columns of the worksheet for Woods Company are shown below.

WOODS COMPANY					
Worksheet					
For the Year Ended December 31, 2011					
Acc. No.	Account Titles	Income Statement		Balance Sheet	
		Dr.	Cr.	Dr.	Cr.
101	Cash			8,500	
112	Accounts Receivable			7,800	
130	Prepaid Insurance			2,100	
157	Equipment			28,300	
167	Accumulated Depreciation				8,900
201	Accounts Payable				12,000
212	Salaries Payable				3,300
311	Common Stock				20,000
320	Retained Earnings				14,300
332	Dividends			7,500	
400	Service Revenue		44,300		
622	Repair Expense	5,250			
711	Depreciation Expense	2,800			
722	Insurance Expense	1,500			
726	Salaries Expense	34,900			
732	Utilities Expense	4,150			
	Totals	48,600	44,300	54,200	58,500
	Net Loss		4,300	4,300	
		48,600	48,600	58,500	58,500

Prepare an income statement, a retained earnings statement, and a classified balance sheet. *(List amounts from largest to smallest e.g. 10, 5, 3, 2. If there is a net loss, use either a negative sign preceding the number, e.g. -45 or parenthesis, e.g. (45) in Income Statement. Enter all other amounts as positive amounts and subtract where necessary. List assets in order of liquidity and liabilities from largest to smallest e.g. 10, 5, 3, 2.)*

WOODS COMPANY
Income Statement
For the Year Ended December 31, 2011

Revenues

		\$	
Expenses			
	\$		
Total expenses			
Net income (loss)		\$	

WOODS COMPANY
Retained Earnings Statement
For the Year Ended December 31, 2011

		\$	
Less:	\$		
		\$	

WOODS COMPANY
Balance Sheet
December 31, 2011

Assets			
Current Assets		\$	
	\$		
Total current assets		\$	
Property, plant and equipment			
	\$		
Less:			
Total assets		\$	

Liabilities and Stockholders' Equity

Current liabilities

	\$		
Total current liabilities		\$	
Stockholders' Equity			
Total stockholders' equity			
Total liabilities and stockholders' equity		\$	

Prepare the closing entries. *(For multiple debit/credit entries, list amounts from largest to smallest e.g. 10, 5, 3, 2.)*

Date	Description/Account	Debit	Credit
Dec. 31			
	(To close revenue account.)		
Dec. 31			
	(To close expense accounts.)		
Dec. 31			
	(To close net income to retained earnings.)		
Dec. 31			
	(To close dividends to capital.)		

Post the closing entries and rule and balance the accounts. Use T accounts. Income Summary is account No. 350.

Retained Earnings		Repair Expense	
12/31		12/31 Bal.	

12/31			
	12/31 Bal.		
Dividends		Depreciation Expense	
12/31 Bal.		12/31 Bal.	
	12/31	12/31	
Income Summary		Insurance Expense	
12/31		12/31 Bal.	
	12/31	12/31	
Service Revenue		Salaries Expense	
12/31		12/31 Bal.	
	12/31 Bal.	12/31	
Utilities Expense			
		12/31 Bal.	
		12/31	

Prepare a post-closing trial balance. *(If answer is zero, please enter 0. Do not leave any fields blank.)*

WOODS COMPANY
Post-Closing Trial Balance
December 31, 2011

<u>Account Titles</u>	<u>Trial Balance</u>	
	Dr.	Cr.
Cash	\$	\$
Accounts Receivable		
Prepaid Insurance		
Equipment		
Accumulated Depreciation		
Accounts Payable		
Salaries Payable		
Common Stock		
Retained Earnings		
	\$	\$

Question Attempts: 0 of 2 used

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***AE5-4**

On June 10, Meredith Company purchased \$8,200 of merchandise from Leinert Company FOB shipping point, terms 2/10, n/30. Meredith pays the freight costs of \$367 on June 11. Damaged goods totaling \$300 are returned to Leinert for credit on June 12. The scrap value of these goods is \$196. On June 19, Meredith pays Leinert Company in full, less the purchase discount. Both companies use a perpetual inventory system.

(a) Prepare separate entries for each transaction on the books of Meredith Company. *(For multiple debit/credit entries, list amounts from largest to smallest eg 10, 5, 3, 2. Round answers to 0 decimal places, e.g. 125.)*

Date	Account / Description	Debit	Credit
June 10			
June 11			
June 12			
June 19			

(b) Prepare separate entries for each transaction for Leinert Company. The merchandise purchased by Meredith on June 10 had cost Leinert \$4,796. *(For multiple debit/credit entries, list amounts from largest to smallest eg 10, 5, 3, 2. Round answers to 0 decimal places, e.g. 125.)*

Date	Account / Description	Debit	Credit
June 10			
	(To record the sale)		
	(To record cost of merchandise sold)		

June 12	<input type="text"/>	<input type="text"/>	
	<input type="text"/>		<input type="text"/>
	(To record the return)		
	<input type="text"/>	<input type="text"/>	
	<input type="text"/>		<input type="text"/>
	(To record cost of merchandise returned)		
June 19	<input type="text"/>	<input type="text"/>	
	<input type="text"/>	<input type="text"/>	
	<input type="text"/>		<input type="text"/>

Question Attempts: 0 of 2 used

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*AP2-3A

Jack Shellenkamp owns and manages a computer repair service, which had the following trial balance on December 31, 2010 (the end of its fiscal year).

BYTE REPAIR SERVICE, INC.		
Trial Balance		
December 31, 2010		
Cash	\$7,250	
Accounts Receivable	15,400	
Parts Inventory	13,150	
Prepaid Rent	3,110	
Shop Equipment	20,260	
Accounts Payable		\$19,910
Common Stock		30,650
Retained Earnings		8,610
	<u>\$59,170</u>	<u>\$59,170</u>

Summarized transactions for January 2011 were as follows:

1. Advertising costs, paid in cash, \$1,700.
2. Additional repair parts inventory acquired on account \$4,450.
3. Miscellaneous expenses, paid in cash, \$1,950.
4. Cash collected from customers in payment of accounts receivable \$16,480.
5. Cash paid to creditors for accounts payable due \$15,560.
6. Repair parts used during January \$3,730. (Hint: Debit this to Repair Parts Expense.)
7. Repair services performed during January: for cash \$5,600; on account \$9,140.
8. Wages for January, paid in cash, \$3,200.
9. Dividends paid in January were \$3,500.

(a) Prepare journal entries to record each of the January transactions. *(For multiple debit/credit entries, list amounts from largest to smallest eg 10, 5, 3, 2.)*

	Account/Description	Debit	Credit
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			

(b) Open T accounts for each of the accounts listed in the trial balance, and enter the opening balances for 2011. Post the journal entries to the accounts in the ledger.

Cash		Common Stock	
Bal.		Bal.	
	(1)		

		(3)	<input type="text"/>		
(4)	<input type="text"/>			Retained Earnings	
		(5)	<input type="text"/>		Bal. <input type="text"/>
(7)	<input type="text"/>				<input type="text"/>
		(8)	<input type="text"/>		
		(9)	<input type="text"/>	Dividends	
	<input type="text"/>			(9)	<input type="text"/>
					<input type="text"/>
	Accounts Receivable				
Bal.	<input type="text"/>			Repair Services Revenue	
		(4)	<input type="text"/>		(7) <input type="text"/>
(7)	<input type="text"/>				<input type="text"/>
	<input type="text"/>				
	Parts Inventory				
Bal.	<input type="text"/>			(1)	<input type="text"/>
(2)	<input type="text"/>				<input type="text"/>
		(6)	<input type="text"/>		
	<input type="text"/>				
	Prepaid Rent				
Bal.	<input type="text"/>			Miscellaneous Expense	
	<input type="text"/>			(3)	<input type="text"/>
					<input type="text"/>
	Shop Equipment				
Bal.	<input type="text"/>			Repairs Parts Expense	
	<input type="text"/>			(6)	<input type="text"/>
					<input type="text"/>
	Accounts Payable				
		Bal.	<input type="text"/>	Wage Expense	
		(2)	<input type="text"/>	(8)	<input type="text"/>
					<input type="text"/>

(5)

(c) Prepare a trial balance as of January 31, 2011. *(If answer is zero, please enter 0. Do not leave any fields blank.)*

BYTE REPAIR SERVICE, INC.
Trial Balance
January 31, 2011

Cash	\$ <input type="text"/>	\$ <input type="text"/>
Accounts Receivable	<input type="text"/>	<input type="text"/>
Parts Inventory	<input type="text"/>	<input type="text"/>
Prepaid Rent	<input type="text"/>	<input type="text"/>
Shop Equipment	<input type="text"/>	<input type="text"/>
Accounts Payable	<input type="text"/>	<input type="text"/>
Common Stock	<input type="text"/>	<input type="text"/>
Retained Earnings	<input type="text"/>	<input type="text"/>
Dividends	<input type="text"/>	<input type="text"/>
Repair Services Revenue	<input type="text"/>	<input type="text"/>
Advertising Expense	<input type="text"/>	<input type="text"/>
Miscellaneous Expense	<input type="text"/>	<input type="text"/>
Repair Parts Expense	<input type="text"/>	<input type="text"/>
Wage Expense	<input type="text"/>	<input type="text"/>
	<hr/>	<hr/>
	\$ <input type="text"/>	\$ <input type="text"/>

Question Attempts: 0 of 2 used