

2-1 WORK TOGETHER, p. 29

Determining how transactions change an accounting equation

Trans. No.	Assets				=	Liabilities	+	Owner's Equity			
	Cash	+	Accts. Rec.— Bowman Co.	+	Supplies	+	Prepaid Insurance	=	Accts. Pay.— Maxwell Co.	+	Susan Sanders, Capital
1.											
2.											
3.											
4.											

Extra form

Trans. No.	Assets				=	Liabilities	+	Owner's Equity
	Cash	+	Supplies	+	Prepaid Insurance	=		+
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								

2-1 ON YOUR OWN, p. 29

Determining how transactions change an accounting equation

Trans. No.	Assets				=	Liabilities	+	Owner's Equity
	Cash	Accts. Rec.— + O'Leary Co.	Supplies	Prepaid Insurance	=	Accts. Pay.— Barrett Co.	+	Sue Marist, Capital
1.								
2.								
3.								
4.								

Extra form

Trans. No.	Assets				=	Liabilities	+	Owner's Equity
	Cash	+	Supplies	Prepaid Insurance	=		+	
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								

2-1 APPLICATION PROBLEM, p. 33

Determining how revenue, expense, and withdrawal transactions change an accounting equation

Trans. No.	Assets				=	Liabilities	+	Owner's Equity			
	Cash	+	Accts. Rec.— Lisa Lee	+	Supplies	+	Prepaid Insurance	=	Accts. Pay.— Kline Co.	+	Peter Smith, Capital
Beg. Bal. 1.	625 -300		-0-		375		300		200		1,100 -300 (expense)
New Bal. 2.	325		-0-		375		300		200		800
New Bal. 3.											
New Bal. 4.											
New Bal. 5.											
New Bal. 6.											
New Bal. 7.											
New Bal. 8.											
New Bal.											

Extra form

Trans. No.	Assets				=	Liabilities	+	Owner's Equity
	Cash	+	Supplies	+	Prepaid Insurance	=		+
Beg. Bal. 1.								
New Bal. 2.								
New Bal. 3.								
New Bal. 4.								
New Bal. 5.								
New Bal. 6.								
New Bal.								

2-2 APPLICATION PROBLEM, p. 34

Determining how transactions change an accounting equation

Trans. No.	Assets				=	Liabilities	+	Owner's Equity			
	Cash	+	Accts. Rec.— Suburban Rental	+	Supplies	+	Prepaid Insurance	=	Accts. Pay.— Teale Co.	+	Doris Becker, Capital
Beg. Bal. 1.	500 -50		-0-		260		300		100		960 -50 (expense)
New Bal. 2.	450		-0-		260		300		100		910
New Bal. 3.											
New Bal. 4.											
New Bal. 5.											
New Bal. 6.											
New Bal. 7.											
New Bal. 8.											
New Bal. 9.											
New Bal. 10.											
New Bal. 11.											
New Bal. 12.											
New Bal.											

