

Exam 2 – college essay



**ASSIGN
BUSTER**

Acct 328 ® Exam 2 Part 1 – 60% Name of Company – Each student can make up a company name Type of business – service company •sole proprietorship Chart of Accounts – see below. The numbers correspond to dates in the month of February (Use journal entries only) 1. Initial capital of \$100, 000 2. Prepaid rent – \$19, 200 for 2 years 3. Prepaid insurance – \$24, 000 for 2 years 4. Purchased a desk on account for \$500 5. Purchased office supplies for \$950 6. Sold 20 bicycles @ \$350 each 7. Sold 3 bicycle parts for a total of \$450 on account 8. Used \$250 worth of office supplies 9. Purchased repair supplies for \$600 on account 10.

Received \$250 in cash from transaction on 2/7/2011 11. Paid cash for transaction on 2/4/11 12. Paid \$12, 000 for vehicle with a service life of 5 years 13. Purchased \$100 worth of office supplies 14. Paid \$12, 000 in employee salaries 15. Received \$850 cash for services in April 16. Paid \$400 cash for repair supplies purchased 2/9/11 February 28, 2011 * Office supplies on hand at month end- \$150 * Rent expense for February – refer to transaction #2 above * Insurance expense for February – refer to transaction #3 above * Depreciation expense on vehicle for February – refer to transaction #12 * Repair supplies on hand – \$80 Acct. No. Assets 101Cash 102Accounts Receivable 103Prepaid Rent 104Prepaid Insurance 105Office Supplies 106Repairs Supplies 107Vehicle 108 Office Equipment 111 Accumulated Depreciation Liabilities 201Accounts Payable 203Salaries Payable 205Unearned Revenue Revenue 401 Service Revenue Expenses 501Salaries Expense 502Rent Expense 504 Supplies Expense 505Repairs Supplies Expense 506 Vehicle Expense 514Miscellaneous Expense 616 Depreciation Expense – Vehicle 617 Depreciation Expense – Office

Equipment Run the following reports: 1. chart of accounts 2. eneral journal 3. general ledger 4. GL trial balance 5. income statement 6. balance sheet Part

2 - 40% Multiple Choice - Highlight answer and submit this file. 1. A post-closing trial balance will show a. zero balances for all accounts. b. zero balances for balance sheet accounts. c. only balance sheet accounts. d. only income statement accounts 2. The income statement for the year 2010 of Poole Co. contains the following information: Revenues\$70, 000 Expenses: Wages Expense\$45, 000 Rent Expense12, 000 Advertising Expense6, 000 Supplies Expense6, 000 Utilities Expense2, 500

Insurance Expense 2, 000 Total expenses 73, 500 Net income (loss)\$(3, 500)

After all closing entries have been posted, the revenue account will have a balance of a. \$0. b. \$70, 000 credit. c. \$70, 000 debit. d. \$3, 500 credit. 3.

Which of the following would not result in unearned revenue? a. Rent collected in advance from tenants b. Services performed on account c. Sale of season tickets to football games d. Sale of two-year magazine subscriptions 4. The following is selected information from Alpha-Beta-Gamma Corporation for the fiscal year ending October 31, 2010.

Cash received from customers\$300, 000 Revenue earned350, 000 Cash paid for expenses170, 000 Cash paid for computers on November 1, 2009 that will be used for 3 years (annual depreciation is \$16, 000)48, 000 Expenses incurred, not including any depreciation200, 000 Proceeds from a bank loan, part of which was used to pay for the computers100, 000 Based on the accrual basis of accounting, what is Alpha-Beta-Gamma Corporation's net income for the year ending October 31, 2010? a. \$114, 000 b. \$134, 000 c. \$82, 000 d. \$150, 000 5.

Bee-In-The-Bonnet Company purchased office supplies costing \$6,000 and debited Office Supplies for the full amount. At the end of the accounting period, a physical count of office supplies revealed \$2,400 still on hand. The appropriate adjusting journal entry to be made at the end of the period would be a. Debit Office Supplies Expense, \$2,400; Credit Office Supplies, \$2,400. b. Debit Office Supplies, \$3,600; Credit Office Supplies Expense, \$3,600. c. Debit Office Supplies Expense, \$3,600; Credit Office Supplies, \$3,600. d. Debit Office Supplies, \$2,400; Credit Office Supplies Expense, \$2,400.

Hercules Company purchased a computer for \$4,800 on December 1. It is estimated that annual depreciation on the computer will be \$960. If financial statements are to be prepared on December 31, the company should make the following adjusting entry: a. Debit Depreciation Expense, \$960; Credit Accumulated Depreciation, \$960. b. Debit Depreciation Expense, \$80; Credit Accumulated Depreciation, \$80. c. Debit Depreciation Expense, \$3,840; Credit Accumulated Depreciation, \$3,840. d. Debit Office Equipment, \$4,800; Credit Accumulated Depreciation, \$4,800.