Lesson 1-1: Net Worth Statements

If a bank requires a 2:1 ratio of assets to liabilities to be approved for a loan, what is the minimum amount John needs to have in assets if he has \$950 in liabilities?

What would his net worth be?

TICKET TO FLY! TICKET TO FLY!

Lesson 1-2: Accounting Equation & How Changes Affect Accounts

Write the account equation:

Background info for next 2 questions:

Austin has \$250 of cash in his wallet. He owes his parents \$25.

May 15: Austin went to The Cup to buy a coffee. He paid in cash \$5. What is the balance in his Cash account now?

May 16: The next day, Austin went to The Cup again, but forgot his wallet· He was allowed to write his name down & pay the next day \$5. What is his Accounts Payable balance now?

TICKET TO FLY!

Lesson 1-3: How Changes Affect Owner's Equity

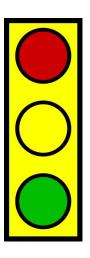
Complete Allie's accounting equation: *\$950 +* \$2500 = (Assets = Liabilities + Owner's Equity)

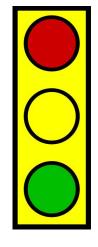
Background info:

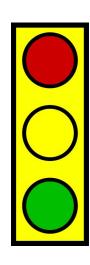
Allie has paid \$400 for her business phone bill for the last year.

July 5: Allie paid her business cell phone bill (\$50) with cash. Which two accounting equation categories will be affected by this transaction, and what will their ENDING BALANCES be?

What is her Communication Expense account balance now?







Rank your understanding:

(circle one—list what you're stumped on)

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STOP! I don't get this!

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TICKET TO FLY!

Lesson 2-1: Using T Accounts

Draw T Accounts

Write the category of each account below the T

Label the Debit/credit sides (dr. or cr.)

Label the Normal Balance side (NB)

Put an arrow (↑) on the increase side

Fred's Auto Shop Chart of Accounts: Supplies

Accounts Receivable—Chuck Norris Accounts Payable—Northwest Tire Fred Kruger, Capital

TICKET TO FLY! TICKET TO FLY!

Lesson 2-2: Analyzing Transactions

Using the T accounts listed below,

Write account names on the pairs of t
accounts

Write amount of change due to the

transaction

Aug. 15: Fred put \$1,000 of cash into the company as an investment.

Aug. 17: Fred paid cash on his account at Northwest Tire, \$500.

Lesson 2-3: Analyzing Transactions that affect Owner's Equity

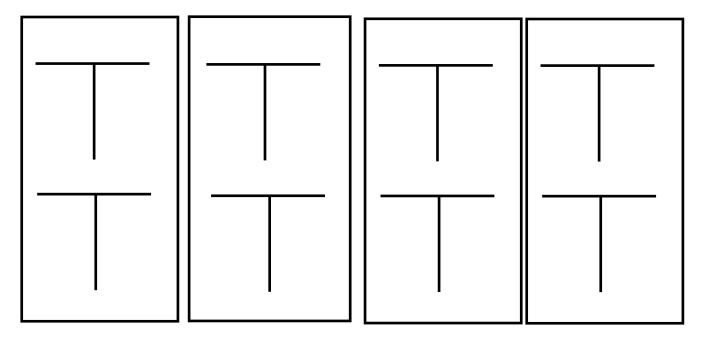
Using the T accounts listed below,

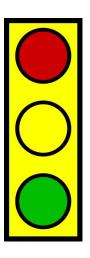
Write account names on the pairs of t
accounts

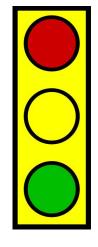
Write amount of change due to the
transaction

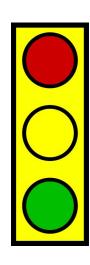
Sep. 2: Fred rotated John Jones' tires, \$25. Fred let John charge to his account.

Sep. 5: Fred changed Jed Hog's oil, \$75. Jed paid Fred in cash.









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Lesson 3-1: Journalizing Transactions

Using the two source documents below, **Journalize** the transactions in the general journal.

Receipt	No. 5	Receipt No. 5		Form	3
Date	October 5 , 2019	Date Octobe	r 5		, 2019
From	John Jones	Rec'd from	John Jones		
	JOHN JOHOS	i !	JOHN JOHOS		
For	Payment on Acct	For Paymer	nt on charge acc	ount	
		Twenty-fiv	e dollars and n	10/100	Dollars
\$	25.00	i ! ! !	Amount	\$	25.00
		<u> </u>	FI	red Kru	ger
		!	F	Received	by

No. 6		Form	3
Date	October 7 ,2019	\$	45.00
То	Office Smart	_	į
			ŀ
For	Supplies		
BALANC	E BROUGHT FORWARD	500	DD
AMOUN	T DEPOSITED 10/6/2019	500	00
SUBTOTA	AL	1000	00
AMOUN	T THIS CHECK	45	DD
BALANC	E CARRIED FORWARD	955	DD

			GENERAL JOURNAL			PAGE	1	
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	DAT	E	ACCOUNT TITLE	NO.	REF.	DEBIT	CREDIT	
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3								3
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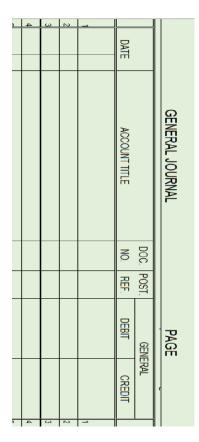
TICKET TO FLY! TICKET TO FLY! TICKET TO FLY!

Lesson 3-2: Journalizing Transactions affecting Prepaid Insurance and Supplies

Journalize the following transactions on pg. 7 of the General Journal:

Nov. 1: Paid cash to Northwest Tire for outstanding invoice, \$250. Check No. 6.

4: Paid cash to Peters Insurance for 6 month policy, \$600. Check No. 7.

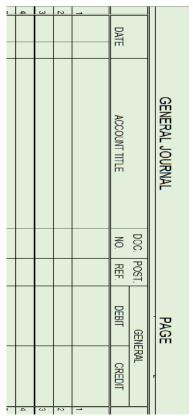


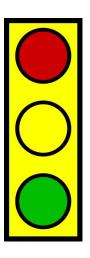
Lesson 3-3: Journalizing Transactions affecting Owner's Equity and Assets

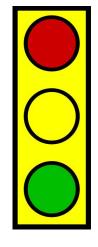
Journalize the following transactions on pg. 7 of the General Journal:

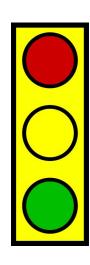
Nov. 5: Paid cash to MDU for electric bill, \$120. Check No. 10.

8: Balanced tires for Jake Johnson. \$240. Allowed Jake to charge to his account. Sales Invoice No. 3.









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TICKET TO FLY!

TICKET TO FLY!

Lesson 3-4: Starting a New Journal Page & Correcting Errors

Fred has one line left on page 3 of his general journal. Start the new page for him.

The next transaction is dated Nov. 9.

_				GENERAL JOURNAL	PAGE					
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		DAT	E	ACCOUNT TITLE	NO.	REF.	DEBIT	CREDIT		
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									T.	

Check the following transactions for accuracy on the journal below. If entries are incorrect, **make the corrections**. (HINT: there will be two corrections!)

Nov. 10: Fred wrote check #10, \$425.00 to pay for rent of his shop.

12: Fred bought supplies from Office Max, \$30. He charged to his account.

13: Fred received cash from Josh Jenkin for work done earlier, \$250.

_			GENERAL JOURNAL		PAGE	5		
				DOC.	POST.	GENE	ERAL	
	DAT	ГΕ	ACCOUNT TITLE	NO.	REF.	DEBIT	CREDIT	
	2019							Г
_1	Nov.	10	Utilities Expense	C10		425.00		1
2			Cash				425.00	2
3		12	Supplies	M2		300.00		3
4			Accounts Payable Office Max				300.00	4
5		13	Cash	R15		250.00		5
6			Accounts Receivable Josh Jenkin				250.00	6
				1	1			1

Lesson 4-1: Preparing Account Forms & Chart of Accounts

Fred's chart of accounts is listed below.

Fill in the three missing account name or numbers.

Fred's Auto Shop 123 Sunrise Pl Belfield, ND 58622

	CHART OF AC	COUN	COUNTS				
	Balance Sheet Accounts		Income Statement Accounts				
	(100) ASSETS		(400) REVENUE				
110	Cash	410					
120	Petty Cash						
130	Accounts Receivable - Chuck Norris		(500) Expenses				
	Accounts Receivable - Jake Johnson	510	Advertising Expense				
150	Accounts Receivable - John Jones	520	Cash Short and Over				
160	Supplies	530	Communication Expense				
170	Prepaid Insurance	540	Insurance Expense				
		550	Rent Expense				
	(200) LIABILITIES	560	_Supplies Expense				
210	Accounts Payable Northwest Tire	570	Utilities Expense				
220	Accounts Payable Office Max		_				
230	Accounts Payable Office Smart						
	(300) OWNER'S EQUITY						
	Fred Kruger, Capital						
320	Fred Kruger, Drawing						
330	Income Summary						

Fred has realized he needs a miscellaneous expense account for random expenses he pays. Based on the chart of accounts listed above, **decide** what the account number should be and **open** the new account.

ACCOUNT NO.								
7	DA	F	ITEM	POST	DEBIT	CREDIT	BALA	NCE
	DATE	_	HEW	REF.	525	0.120	DEBIT	CREDIT
٦								

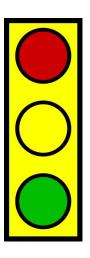
Lesson 4-2: Posting to the General Ledger & Proving Cash

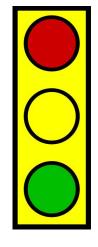
Post the general journal entries to the general ledger. You will need to **open** the accounts first! **Prove** cash. Balance on last check stub is \$1,970.

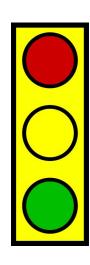
Accounts:

110 Cash, 160 Supplies, 310 Fred Kruger Capital, 410 Sales

			GENERAL JOURN	٩L			Р	AGE	5	
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	DA	TE	ACCOUNT TITLE		NO.	REF.	DE	BIT	CREDIT	1
Π	2019									Ħ
_1	Mar.	1	Cash		C12		1,50	00.00		ŀ
2			Fred Kruger, Capital						1,500.00	2
3		23	Supplies		C12		2	30.00		3
4			Cash						30.00	4
- 5		25	Cash		TS1		50	00.00	50.00	5
-6			Sales		1				500.00	6
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Lesson 4-3: Correcting Errors in Ledger

Journalize the correcting entry below:

Apr. 3: Discovered that transaction for rent expense was accidentally journalized and posted to utilities expense, \$300. M26.

It was also discovered that two posting errors were made to the Supplies account. Correct them!

- 1, An entry for \$30 on March 23 was posted as \$300.
- 2. An entry for \$45 on March 25 was posted as a credit instead of a debit.

		GENERAL JOURNA	L			P	AGE	
					POST.		GENERAL	
DA	NTE	ACCOUNT TITLE		NO.	REF.	DEBI	Г	CREDIT
ACCO	UNT	Supplies		-W		AC	COUNT NO:	160
DA	TE	ITEM	POST	DE	вт.	CREDIT	DEBIT	NCE
Mar.	23		G5	30	00.00	- 3	300.00	CINCOL
	24	8	G5			45.00	255.00	9

ATE	ITEM	POST	DEBIT	CREDIT	BALANCE		
MIC)), LNC	POST REF.	DEDIT.	CALDIII	DEBIT	CREDI	

DATE	ITEM	POST	DEBIT	CREDIT	BALANCE	
DAIL		REF			DEBIT	CREDIT
Mar. 30		G5	300.00		300.00	
		1 2 1				

ACCOUNT NO. 570

ACCOUNT Utilities Expense

TICKET TO FLY! TICKET TO FLY! TICKET TO FLY!

Lesson 5-1: Checking Accounts

Fred's Auto Shop is transferring a check to Pete's Autobody. Prepare the endorsement.

> o BALANCE CARRIED FORWARD UBTOTAL 2019 123 Sunrise Pl Belfield, ND 58622 FRED'S AUTO SHOP Capital Star 707966531279"* Bank No. 130

INFO: Balance brought forward from last check stub is \$1,970, and a deposit (\$500) was

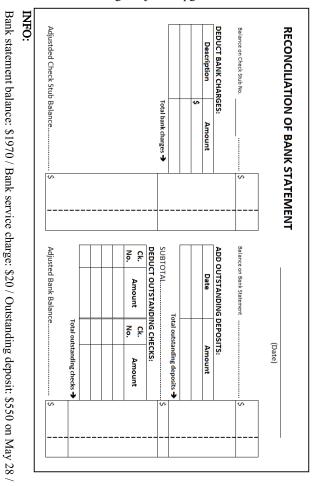
On June 30, Fred wrote a check to Office Max, \$45 for supplies, Check # 130

Prepare check stub and write check for this check:

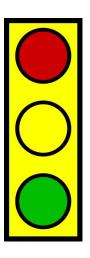
Outstanding check: No. 131—\$45 / Checkbook balance on Check stub 132: \$2495

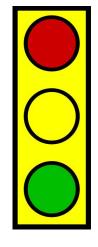
Lesson 5-2: Bank Statement Reconciliation & Service Charges

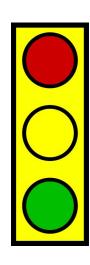
Prepare a bank statement reconciliation for May 31. **Journalize** the service charge on journal pg. 6. Memo No. 24.



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TICKET TO FLY! TICKET TO FLY!

Lesson 5-3: Dishonored checks, EFT, and debit card purchases

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DATE

ACCOUNT TITLE

DOC. 8

POST REF.

GENERAL

PAGE

6

DEBIT

CREDIT

GENERAL JOURNAL

Lesson 5-4: Petty Cash

Journalize the transaction below:

Jun. 7: Fred is starting a petty cash fund—\$200.

Complete Petty Cash Report. Journalize the replenishment. Jun. 30: Fred has receipts in his petty cash bag for: Supplies, \$45; Misc. Expense, \$35; Postage Expense, \$15. Total cash left in bag is \$103. C200.

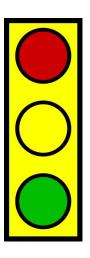
PETTY C	ASH REPORT			
Date		Custodian:		
	Explanation	Reconciliation		Replenisl Amount
Fund Total Payments:				
Less:	Total payments		→	
Equals:	Recorded amount on hand			
Less:	Actual amount on hand			
Equals:	Cash short (over)		<u> </u>	
Amount to R	Replenish			

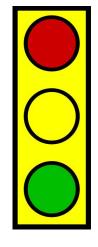
		GENERAL JOURNAL			PAGE	6	
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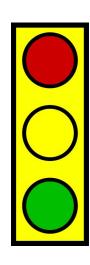
Jun. 3: Bank called Fred to tell him that check from Chuck Norris dishonored, \$455 plus \$50 bank fee. Memo No. 6. 6: Paid cash to Tires Plus on account using debit card, \$75. Memo No. 17

6: Paid cash to Northwest Tire on account using EFT, \$400. Memo No. 18.

Journalize the entries below:







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Lesson 6-1: Creating a Work Sheet

On May 31, Fred's Auto Shop had an ending cash balance of \$2,669. His customer, Jake Johnson, still owes him \$300. He also has an ending balance of \$2,400 in Sales.

Create the heading, **insert** these accounts and their balances, then **total** and **rule** the Trial balance.

	Trial B	alance
Account Title	Debit	Credit
Cash		
Petty Cash	200.00	
Acc. RecChuck Norris	200.00	
Acc. RecJake Johnson		
Acc. Rec John Jones	50.00	
Supplies	125.00	
Prepaid Insurance	200.00	
Acc. PayNorthwest Tire		50.00
Acc. PayOffice Max		0.00
Acc. PayOffice Smart		125.00
Fred Kruger, Capital		4,200.00
Fred Kruger, Drawing	1,200.00	
Income Summary		
Sales		
Advertising Expense	350.00	
Cash Short and Over	6.00	
Communication Expense	150.00	
Insurance Expense	200.00	
Rent Expense	600.00	
Supplies Expense	200.00	
Utilities Expense	325.00	

Lesson 6-2: Planning Adjusting Entries on a Work Sheet

Fred's Auto Shop has the following adjustments needed. Don't forget to TOTAL and RULE.

Adjustment Information, May 31

Supplies on hand \$ 50.00 Value of prepaid insurance 100.00

Fred's Auto Shop

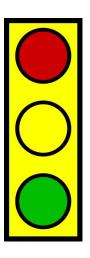
Work Sheet For Month Ended May 31, 2019

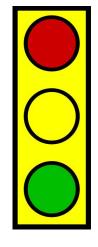
	Trial B	alance	Adjustments		
Account Title	Debit	Credit	Debit	Credit	
Cash	2,669.00				
Petty Cash	200.00				
Acc. RecChuck Norris	200.00				
Acc. RecJake Johnson	300.00				
Acc. Rec John Jones	50.00				
Supplies	125.00				
Prepaid Insurance	200.00				
Acc. PayNorthwest Tire		50.00			
Acc. PayOffice Max		0.00			
Acc. PayOffice Smart		125.00			
Fred Kruger, Capital		4,200.00			
Fred Kruger, Drawing	1,200.00				
Income Summary					
Sales		2,400.00			
Advertising Expense	350.00				
Cash Short and Over	6.00				
Communication Expense	150.00				
Insurance Expense	200.00				
Rent Expense	600.00				
Supplies Expense	200.00				
Utilities Expense	325.00				
	6,775.00	6,775.00			

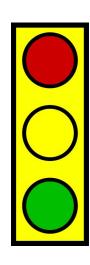
Lesson 6-3: Completing the Work Sheet and Correcting Errors

Complete the Work Sheet listed below by **extending** the Income Statement and Balance Sheet balances. **Calculate** Fred's Net Income/Loss, and rule these columns.

May 31, 2019 Ilance Credit 50.00 0.00 125.00 4,200.00 2,400.00 2,400.00		Fred's Auto Shop	Shop						
Int Title Debit Debit Debit Credit Credit 2,669.00 200.00 0 200.00 200.00 0 ke Johnson 50.00 50.00 50.00 hn Jones 125.00 50.00 50.00 nce Max 200.00 50.00 125.00 ice Smart 125.00 125.00 125.00 ice Smart 200.00 4,200.00 125.00 rawing 1,200.00 2,400.00 2,400.00 pense 6,00 350.00 2,400.00 ense 6,00 200.00 6,775.00 nse 325.00 6,775.00 6,775.00	For M	onth Ended	May 31, 201	9					
Int Title Debit Credit 2,669,00 2,069,00 200,00 200,00 ke Johnson 300,00 hn Jones 125,00 125,00 50.00 nce 200,00 fill year 50.00 ice Max 125,00 ice Smart 125,00 apital 1,200,00 rawing 1,200,00 pense 6,00 d Over 50,00 ense 200,00 ense 600,00 nse 350,00 6,775,00 6,775,00		Trial B	alance	Adjustments	nents	Income Statement	tatement	Balance Sheet	Sheet
2,669.00 200.00	Account Title	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
200.00		2,669.00						2,669.00	
uck Norris 200.00	Petty Cash	200.00						200.00	
ke Johnson 300.00 hin Jones 125.00 nce 200.00 50.00 rice Max 125.00 rapital 1,200.00 apital 1,200.00 araying 1,200.00 pense 350.00 ense 200.00 ense 600.00 nse 325.00 nse 325.00 nse 325.00 ense 6,775.00 en 5,775.00 en 5,775.00 en 6,775.00	Acc. RecChuck Norris	200.00						200.00	
John Jones 50.00 nce 200.00 nce Max 50.00 ice Smart 125.00 apital 1,200.00 rawing 1,200.00 pense 350.00 d Over 6.00 on Expense 150.00 ense 200.00 nse 350.00 6.00 6.775.00 6.775.00 6.775.00	Acc. RecJake Johnson	300.00						300.00	
125.00	Acc. Rec John Jones	50.00						50.00	
nce 200.00 50.00 filthwest Tire 50.00 ce Max 0.00 ice Max 125.00 ice Smart 125.00 appital 1.200.00 2,400.00 pense 5.00 6.00 filthwest 150.00 ense 200.00 ense 200.00 se 325.00 6.775.00 6.775.00 6.775.00	Supplies	125.00			75.00			50.00	
thtwest Tire 50.00 5	Prepaid Insurance	200.00			100.00				
ice Max 0.00 ice Smart 125.00 ice Smart 4,200.00 ice Smart 1,200.00 irewing 1,200.00 irewing 350.00 irewing 350.00 ireming 150.00 ireming 6,00 ireming 6,00 ireming 6,00 ireming 6,00 ireming 6,00 ireming 7,000 ireming 6,000 ire	Acc. PayNorthwest Tire		50.00						50.00
ice Smart 125.00 apital 4,200.00 rawing 1,200.00 2,400.00 pense 5.00 6.00 ense 600.00 ense	Acc. PayOffice Max		0.00						0.00
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rawing 1,200.00 ary 2,400.00 pense 350.00 d Over 6.00 ense 200.00 n Expense 200.00 ense 200.00 nse 325.00 s 6,775.00 6,775.00	Fred Kruger, Capital		4,200.00						4,200.00
ary 2,400.00 pense 350.00 2,400.00 pense 6.00 con Expense 150.00 con ense 200.00 con se 325.00 con 6,775.00 con 6,775.00 con	Fred Kruger, Drawing	1,200.00						1,200.00	
pense 350.00 2,400.00 d Over 6.00 n Expense 200.00 ense 600.00 nse 325.00 s.775.00 6,775.00 6,775.00	Income Summary								
pense 350.00 d Over 600 n Expense 200.00 ense 600.00 se 325.00 se 6.775.00 6.775.00	Sales		2,400.00				2,400.00		
d Over 6.00 n Expense 150.00 ense 200.00 nse 325.00 se 325.00 6.775.00 6.775.00	Advertising Expense	350.00				350.00			
n Expense 150.00 ense 200.00 nse 200.00 nse 325.00 se 325.00 6.775.00 6.775.00	Cash Short and Over	6.00				6.00			
ense 200.00 600.00 nse 200.00 se 325.00 6.775.00 6.775.00	Communication Expense	150.00				150.00			
nse 200.00 nse 325.00 6.775.00 6.775.00	Insurance Expense	200.00		100.00					
nse 200.00 se 325.00 6,775.00 6,775.00	Rent Expense	600.00				600.00			
325.00 6,775.00 6,775.00	Supplies Expense	200.00		75.00		275.00			
6,775.00	Utilities Expense	325.00				325.00			
		6,775.00	6,775.00	175.00	175.00				







Rank your understanding:

(circle one—list what you're stumped on)

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STOP! I don't get this!

STOP! I don't get this!

I get some of it!

I get some of it!

I get some of it!

I could show a classmate how to do this!

I could show a classmate how to do this!

Lesson 6-4: Journalizing and Posting Adjusting Entries

Journalize and post the below adjusting entries for Fred's Auto Shop. Date is May 31, 2019. Use page 5 of the General Journal.

Account	t Title	Adju Debit	stments Credit
Supplies			75.00
Supplies Expen	ise	75.0	0
May	DATE ITEM	2 1 DA	
15	<u>, </u>		<u>'</u>
	ITEM		GEP
91 91	POST. REF.	ACCOUNT	GENERAL JOURNAL
50.00 25.00	DEBIT	F	JRNAL
	CREDIT	3	DOC
		Ĭ,	POST.
100.00 125.00	DEBIT CP	UEDI:	
	NCE CREDIT	CREUII	7₽∥_,
OUNT Supplies Expe		ACC	OUNT NO.

ITEM

ATE

REF.

DEBIT

200.00

CREDIT

DEBIT

200.00

TICKET TO FLY! TICKET TO FLY! TICKET TO FLY!

Lesson 7-1: Preparing an Income Statement

Fred is applying for credit at a bank. They've requested an up-to-date Income Statement for the Month of May 2019. **Complete** the Income Statement below.

Do not forget correct ruling!

Fred's Auto Shop Income Statement For Month Ended May 31, 2019

			%OF SALES	
Revenue				L
Sales		2400.00	100%	
Expenses				
Advertising Expense	350.00			
Cash Short and Over	6.00			
Communication Expense	150.00			
Insurance Expense	300.00			
Rent Expense	600.00			
Supplies Expense	275.00			
Utilities Expense	325.00			
Total Expenses				

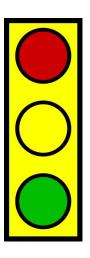
Lesson 7-2: Preparing a Balance Sheet

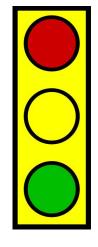
Fred is applying for credit at a bank. They've requested an UTD Balance Sheet. The balance if Fred's capital account is \$4,000. The balance if his drawing account is \$1,000. His Net Income was \$394.00. He does now show the details of this on his Balance Sheet.

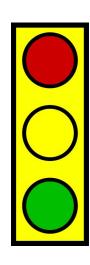
Complete the Balance Sheet for May 31.

Do not forget correct ruling!

	Prepaid Insurance	Supplies	Acc. Rec John Jones	Acc. RecJake Johnson	Acc. RecChuck Norris	Petty Cash	Cash	Assets			
	100.00	50.00	50.00	300.00	200.00	200.00	2669.00		May 3	Balan	Fred's /
			50.00 Fred Kruger, Capital	Owner's Equity		200.00 Acc. PayOffice Smart	2669.00 Acc. PayNorthwest Tire	Liabilities	May 31, 2019	Balance Sheet	Fred's Auto Shop
						125.00	50.00				







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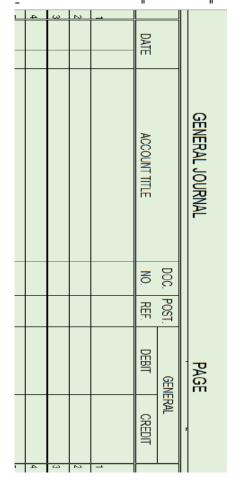
I could show a classmate how to do this!

TICKET TO FLY! TICKET TO FLY!

Lesson 8-1: Recording Closing Entries

Journalize and post the below closing entries for Fred's Auto Shop. Date is May 31, 2019. Use page 6 of the General Journal. You will have TWO entries

	$\neg \Gamma$	Income S	tatement		
Account Title		Debit	Credit		
Net Income		394.00			
	Ü	Balance Sheet			
Account Title		Debit	Credit		
Fred Kruger, Capital			4,200.00		
Fred Kruger, Drawing		1,200.00			



Lesson 8-2: Preparing a Post-Closing Trial Balance

Fred is preparing for the next Accounting Cycle. Total and Rule Fred's Post-Closing Trial Balance.

	Fred's Auto Shop								
_	Post-Closing Trial Balance								
	May 31, 2019								
		1	2						
	ACCOUNT TITLE	DEBIT	CREDIT						
	Cash	2669.00							
	Petty Cash	200.00							
	Acc. RecChuck Norris	200.00							
	Acc. RecJake Johnson	300.00							
	Acc. Rec John Jones	50.00							
	Supplies	50.00							
	Prepaid Insurance	100.00							
	Acc. PayNorthwest Tire		50.00						
	Acc. PayOffice Smart		125.00						
	Fred Kruger, Capital		3394.00						

Finish the following list of the Accounting Cycle:

- 1. Analyze Transactions
- 2.
- Post 3.
- Prepare Work Sheet
- Journalize and Post Adjusting Entries
- 6.
- Journalize and Post Closing Entries
- 8.