TICKET TO FLY!

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!

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:

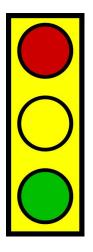
Background info:

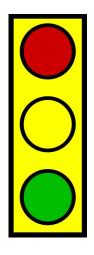
Allie has paid \$400 for her business phone bill for the last year.

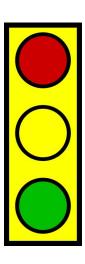
July 5: Allie paid her business cell phone bill (\$50) with cash.

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:

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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 (á) 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

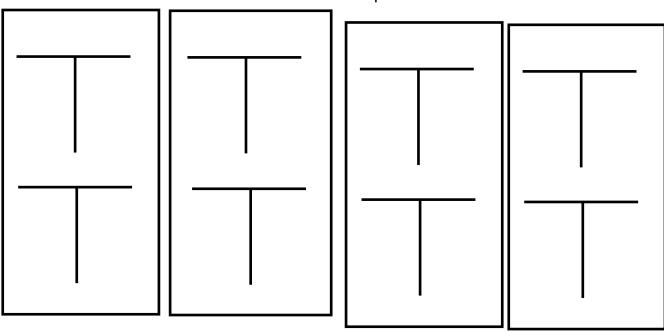
Using the T accounts listed below,

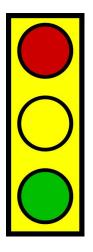
Write account names on the pairs of t accounts

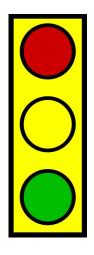
Write amount of change due to the transaction

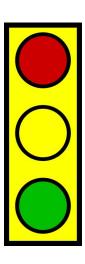
Sep. 2: Fred rotated John Jones' tires, \$25. Fred let John charge to his account.

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 Octob	er 5		, 2019	
From	John Jones	Rec'd from	John Jones			
For	Payment on Acct	For Paym	ent on charge acc	ount		
		Twenty-fi	ve dollars and v	10/100	Do	llars
\$	25.00		Amount	\$	25.00	
		 	F	red Kru	ger	
		i !		Received	by	

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

		GENERAL JOURNAL			PAGE	_	
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	DATE	ACCOUNT TITLE	NO.	REF.	DEBIT	CREDIT	
							Γ
1							1
2							2
3							3
4							4

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. Check No. 6.

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

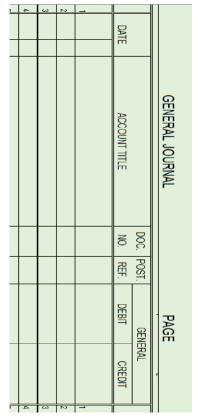
1	42-	ယ	N	_	<u> </u>		
					DATE		
					ACCOUNT TITLE		GENERAL JOURNAL
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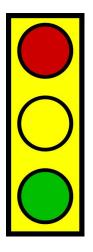
Lesson 3-3: Journalizing Transactions affecting Owner's Equity and Assets

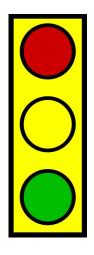
Journalize the following transactions on pg. 7 of the General Journal:

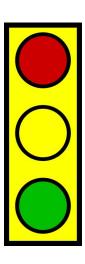
Nov. 5: Paid cash to MDU for electric bill, \$120. Check No. 10.

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









Rank your understanding:

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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. Fred's chart of accounts is listed below. Fill in the Start the new page for him.

The next transaction is dated Nov. 9.

				GENERAL JOURNAL			PAGE	_	
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		DAT	Ε	ACCOUNT TITLE	NO.	REF.	DEBIT	CREDIT	
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	3								3
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	_								_

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	
٦				DOC.	POST.	GENE	ERAL	Γ
	DAT	ΓE	ACCOUNT TITLE	NO.	REF.	DEBIT	CREDIT	
	2019							Γ
_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

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

three missing account name or numbers.

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

	CHART OF AC	COUN	ITS
	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.

_	1100001	0141				/ /	DOCUMENT NO.		
1	DAT	TF	ITEM	POST	DEBIT	CREDIT	BALA	NCE	
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ACCOUNT NO

ACCOUNT

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

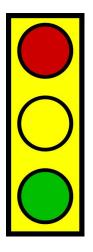
Post the general journal entries to the general ledger. You will need to open the accounts first!

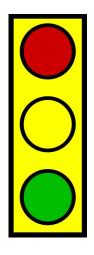
Prove cash. Balance on last check stub is \$1,970.

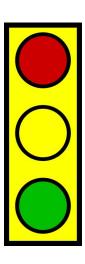
Accounts:

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

	GENERAL JOURNAL PAGE 5					2			
					DOC.	POST.		GENE	ERAL
DATE	E	A	CCOUNT TITLE		NO.	REF.	DE	BIT	CREDIT
2019		- 1			1				
Mar.	1	Cash			C12		1,50	0.00	
		Fred Kru	ger, Capital						1,500.00
2	23	Sиpplies			C12		3	0.00	
		Cash							30.00
1	25	Cash			TS1		50	0.00	
		Sales							500.00
ACCOUNT	T				ı		AC	COUNT	NO.
				POST		_			BALANCE
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ACCOUNT							AC	COUNT	NO.
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		ı	ТЕМ		DEBIT	CRE		В	ALANCE
DATE		ſ	TEM		DEBIT	CRE	DIT -	В	VALANCE CREDIT
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DATE				REF.			DIT -	B DEBIT	NO.
DATE				REF.			AC	B DEBIT	INLANCE CREDIT NO. SALANCE CREDIT
DATE		1		REF.		CRE	AC	B DEBIT	NO. HALANCE CREDIT
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Lesson 4-3: Correcting Errors in Ledger

Journalize the correcting entry below:

Mar. 30: Discovered that transaction for rent expense was accidentally journalized and posted to utilities expense, \$300.

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 JOURNAL			PAGE	<u>.</u>	
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DA	TES:	ITEM	POST	DEBIT	CREDIT	BALANCE		
DM	L	HEM	REF	DEBIT	CALDII	DEBIT	CREDIT	
Mar.	23		G5	300.00	- 4	300.00		
	24		G5		45.00	255.00		

ACCOUNT SUPPLIES

DATE	ITEM	POST	DEBIT	CREDIT	BAL	ANCE
DAIL) DENIS	REF	DEGIT	CALDII	DEBIT	CREDI
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12				1 1		
- 5						-

TEM	POST	DEDIT	COEDIT	BALANCE	
THE MAN	REF	DEUT	CINEDII	DEBIT	CREDIT
	G5	300.00		300.00	
	ITEM	G5	G5 300.00	REF. 5251 GREST GR	REF DEBIT ORBIT DEBIT ORBIT DEBIT ORBIT ORBIT

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.

made on May 30.

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

ACCOUNT NO 160

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

Prepare check stub and write check for this check:

BALANCE CARRIED FORWARD UBTOTAL 2019 Belfield, ND 58622 123 Sunrise Pl FRED'S AUTO SHOP Capital Star 1:091210677:/ 707966531279"* Bank No. 130

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. 4.

Outstanding check: No.

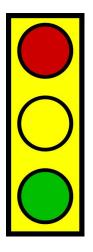
. 131—

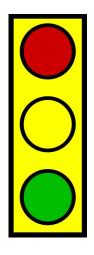
-\$45

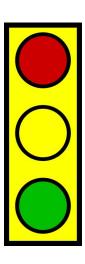
/ Checkbook balance on Check stub 132: \$1925

INFO: Bank statement balance: \$1970 / Bank service charge: \$20 / Outstanding deposit: \$550 on May 28 RECONCILIATION OF BANK STATEMENT DEDUCT BANK CHARGES: ADD OUTSTANDING DEPOSITS: Amount No.

GENERAL JOURNAL			PAGE					
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TICKET TO FLY! TICKET TO FLY!

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

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.

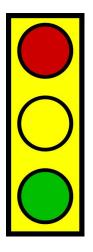
PETTY (CASH REPORT			
Date	e:	Custodian:		
	Explanation	Reconciliation		Replenish Amount
Fund Total Payments:				
Less:	Total payments		→	
Equals: Less: Equals:	Recorded amount on hand Actual amount on hand Cash short (over)		→	
Amount to				

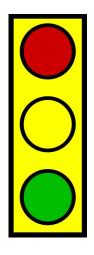
_		GENERAL JOURNAL			PAGE	6	
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п							1:
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13							12
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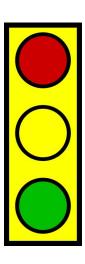
Jun. 3: Bank called Fred to tell him that check from Chuck Norris dishonored, \$455 plus \$50 bank fee. Memo No. 6. 6: Paid cash to Tires Plus on account using debit card, \$75. Memo No. 17 [교 [교 [교 [교 [교

Journalize the entries below:

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







Rank your understanding:

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