Quick Questions On Recording Balance Sheet Transactions

1. Write the accounting equation at the top of these three T accounts. Place the abbreviation DR. and CR. on the proper side of all T accounts. Also, use a plus or minus sign to indicate the directional change each side of the T account represents.

2. Record the following directly to T accounts assuming a one-month accounting cycle. Be sure to arrange the T accounts according to the balance sheet equation.

   Jan. 1 Mr. X started the XYZ Company with an investment of $20,000.
        2 Bought equipment with a five-year useful life for $12,000 paying half down and signing a five-year Note for the balance.
        2 Paid $1,200 for a three-month insurance policy.(charge Prepaid Insurance)
        8 Purchased supplies on credit for $750.
       22 Mr. X made an additional investment of $100.

   Jan. 1

Quick Questions On Recording Expense And Revenue Transactions

1. Write the expanded accounting equation above these T accounts. Place the abbreviation DR. and CR. on the proper side of all T accounts. Also, use a plus or minus sign to indicate the directional change each side of the T account represents.

2. Record the following in T accounts assuming a one-month accounting cycle.

   Jan. 1 Mary Brown started A & B Consultants with an investment of $50,000.
       14 Collected Consulting Fees of $500 cash.
       22 Mary withdrew $200 for personal use.
       25 Paid salaries of $1,450.
       28 Billed Z Corporation $5,000 for consulting work completed today.
       31 Received $1,500 from Q Company as a retainer for future advice.

Jan. 1