

# EXERCISE E1-6

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	<b>Assets</b>	<b>=</b>	<b>Liabilities + Owner's Equity</b>		<b>Comment</b>
<b>1.</b>	<b>+</b>			<b>+</b>	<b>investment</b>
<b>2.</b>	<b>–</b>			<b>–</b>	<b>rent expense</b>
<b>3.</b>	<b>+</b>		<b>+</b>		
<b>4.</b>	<b>+</b>			<b>+</b>	<b>revenue</b>
<b>5.</b>	<b>–</b>			<b>–</b>	<b>withdrawal</b>
<b>6.</b>	<b>+ –</b>				
<b>7.</b>			<b>+</b>	<b>–</b>	<b>adv expense</b>
<b>8.</b>	<b>– +</b>				
<b>9.</b>	<b>+</b>			<b>+</b>	<b>revenue</b>

# EXERCISE E1-7

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	<b>Assets</b>	<b>=</b>	<b>Liabilities + Owner's Equity</b>		<b>Comment</b>	
<b>1.</b>	<b>+</b>		<b>+</b>			<b>c</b>
<b>2.</b>	<b>-</b>			<b>-</b>	<b>rent exp</b>	<b>d</b>
<b>3.</b>	<b>+ -</b>					<b>a</b>
<b>4.</b>	<b>+</b>			<b>+</b>	<b>revenue</b>	<b>b</b>
<b>5.</b>	<b>-</b>			<b>-</b>	<b>util exp</b>	<b>d</b>
<b>6.</b>	<b>+</b>			<b>+</b>	<b>invstmnt</b>	<b>b</b>
<b>7.</b>	<b>-</b>		<b>-</b>			<b>e</b>
<b>8.</b>			<b>+</b>	<b>-</b>	<b>adv exp</b>	<b>f</b>

**BRIEF EXERCISE BE1-6**  
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	<b>Assets</b>	<b>=</b>	<b>Liabilities</b>	<b>+</b>	<b>Owner's Equity</b>	<b>Comment</b>
<b>(a)</b>	<b>+</b>		<b>+</b>			
<b>(b)</b>	<b>+</b>				<b>+</b>	<b>revenue</b>
<b>(c)</b>	<b>-</b>				<b>-</b>	<b>expense</b>

**BRIEF EXERCISE BE1-7**  
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	<b>Assets</b>	<b>=</b>	<b>Liabilities</b>	<b>+</b>	<b>Owner's Equity</b>	<b>Comment</b>
<b>(a)</b>	<b>+</b>				<b>+</b>	<b>investment</b>
<b>(b)</b>	<b>-</b>				<b>-</b>	<b>withdrawal</b>
<b>(c)</b>	<b>+ -</b>					

# BRIEF EXERCISE BE1-1

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	<b>Assets</b>	<b>=</b>	<b>Liabilities</b>	<b>+</b>	<b>Owner's Equity</b>
<b>(a)</b>	<b>\$90,000</b>	<b>=</b>	<b>\$50,000</b>	<b>+</b>	<b>x</b>
	<i>\$90,000</i>	<b>-</b>	<i>\$50,000</i>	<b>=</b>	<b>x</b>
			<i>\$40,000</i>	<b>=</b>	<i>x (OE)</i>
	<b>Assets</b>	<b>=</b>	<b>Liabilities</b>	<b>+</b>	<b>Owner's Equity</b>
<b>(b)</b>	<b>x</b>	<b>=</b>	<b>\$40,000</b>	<b>+</b>	<b>\$70,000</b>
	<b>x</b>	<b>=</b>	<i>\$110,000</i>		
	<b>Assets</b>	<b>=</b>	<b>Liabilities</b>	<b>+</b>	<b>Owner's Equity</b>
<b>(c)</b>	<b>\$94,000</b>	<b>=</b>	<b>x</b>	<b>+</b>	<b>\$53,000</b>
	<i>\$94,000</i>	<b>-</b>	<i>\$53,000</i>	<b>=</b>	<b>x</b>
			<i>\$41,000</i>	<b>=</b>	<b>x</b>

## Chapter 1 – Question 16

	<b>Assets</b>	<b>=</b>	<b>Liabilities</b>	<b>+</b>	<b>Owner's Equity</b>	<b>Comment</b>
<b>(a)</b>	<b>-</b>				<b>-</b>	<b>expense</b>
<b>(b)</b>	<b>+ -</b>					
<b>(c)</b>	<b>+</b>				<b>+</b>	<b>investment</b>
<b>(d)</b>	<b>-</b>		<b>-</b>			

# Chapter 1 – Question 20

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<b>(a)</b>	<b>Beginning Capital</b>	<b>\$168,000</b>
<b>+</b>	<b>Investment</b>	<u><b>-0-</b></u>
<b>=</b>		<b>\$168,000</b>
<b>-</b>	<b>Withdrawals</b>	<u><b>-0-</b></u>
<b>=</b>		<b>\$168,000</b>
<b>+</b>	<b>Net Income</b>	<u><b>???</b></u>
<b>=</b>	<b>Ending Capital</b>	<u><u><b>\$198,000</b></u></u>

<b>Net Income</b>	<b>\$30,000</b>
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<b>(b)</b>	<b>Beginning Capital</b>	<b>\$168,000</b>
<b>+</b>	<b>Investment</b>	<u><b>13,000</b></u>
<b>=</b>		<b>\$181,000</b>
<b>-</b>	<b>Withdrawals</b>	<u><b>-0-</b></u>
<b>=</b>		<b>\$181,000</b>
<b>+</b>	<b>Net Income</b>	<u><b>???</b></u>
<b>=</b>	<b>Ending Capital</b>	<u><u><b>\$198,000</b></u></u>

<b>Net Income</b>	<b>\$17,000</b>
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**EXERCISE E1-14**  
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(a)

Revenue (\$140,000 + \$65,000)	<b>\$205,000</b>
Expenses	<u>150,000</u>
Net Income	<u><b>\$ 55,000</b></u>

(b)

**Deer Park**  
**Balance Sheet**  
**December 31, 2012**

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**Assets**

Cash	<b>\$ 23,000</b>
Supplies	<b>17,500</b>
Equipment	<u>105,500</u>
Total Assets	<u><b>\$146,000</b></u>

**Liabilities and Owner's Equity**

Accounts Payable	<b>\$ 11,000</b>
Notes Payable	<u>60,000</u>
Total Liabilities	<b>\$ 71,000</b>
Tony Pena, Capital	<u>???</u>
Total Liabilities and Capital	<u><b>\$146,000</b></u>

**(Capital = \$75,000)**