

EXERCISE E2-3
EXERCISE E2-2
pages 81

#	(b) Account	Debit	Credit	(a) Type	(c) Effect	(d) Normal
1/2	Cash	10,000		Asset	Increase	Debit
	M. Anderson, Capital		10,000	Capital	Increase	Credit
3	Equipment	4,000		Asset	Increase	Debit
	Cash		4,000	Asset	Decrease	Debit
9	Supplies	500		Asset	Increase	Debit
	Accounts Payable		500	Liability	Increase	Credit
11	Accounts Receivable	2,100		Asset	Increase	Debit
	Service Revenue		2,100	Revenue	Increase	Credit

EXERCISE E2-3
EXERCISE E2-2
(continued)

#	(b) Account	Debit	Credit	(a) Type	(c) Effect	(d) Normal
16	Advertising Expense	350		Expense	Increase	Debit
	Cash		350	Asset	Decrease	Debit
20	Cash	700		Asset	Increase	Debit
	Accounts Receivable		700	Asset	Decrease	Debit
23	Accounts Payable	300		Liability	Decrease	Credit
	Cash		300	Asset	Decrease	Debit
28	M. Anderson, Drawing	1,000		(Capital)	Increase	Debit
	Cash		1,000	Asset	Decrease	Debit

EXERCISE E2-4 and EXERCISE E2-5

page 81-82

Date	(b) Account	Debit	Credit	(a) Type	(c) Effect	(d) Normal
Oct 1	Cash	15,000		Asset	Increase	Debit
	D. Aromashodu, Capital		15,000	Capital	Increase	Credit
2	No Entry					
3	Office Equipment	1,900		Asset	Increase	Debit
	Accounts Payable		1,900	Liability	Increase	Credit
6	Accounts Receivable	3,600		Asset	Increase	Debit
	Service Revenue		3,600	Revenue	Increase	Credit
27	Accounts Payable	1,100		Liability	Decrease	Credit
	Cash		1,100	Asset	Decrease	Debit
30	Salaries Expense	2,500		Expense	Increase	Debit
	Cash		2,500	Asset	Decrease	Debit

EXERCISE E2-5

page 82

Date	Account Titles	Ref.	Debit	Credit
Oct 1	Cash		15,000	
	D Aromashodu, Capital			15,000
2	No Entry			
3	Office Equipment		1,900	
	Accounts Payable			1,900
6	Accounts Receivable		3,600	
	Service Revenue			3,600
27	Accounts Payable		1,100	
	Cash			1,100
30	Salaries Expense		2,500	
	Cash			2,500

EXERCISE E2-10

page 83

Date	Account Titles	Ref.	Debit	Credit
Apr 1	Cash		12,000	
	Bennet, Capital			12,000
	(invested in the business)			
4	Supplies		1,800	
	Accounts Payable			1,800
	(purchased on account)			
7	Accounts Receivable		3,200	
	Service Revenue			3,200
	(billed customers for work completed)			
12	Cash		900	
	Service Revenue			900
	(completed work for cash customers)			

EXERCISE E2-10 (continued)

Date	Account Titles	Ref.	Debit	Credit
15	Salaries and Wages Expense		1,300	
	Cash			1,300
	(paid employees)			
25	Accounts Payable		1,500	
	Cash			1,500
	(paid creditor)			
29	Cash		400	
	Accounts Receivable			400
	(received cash for work done earlier)			
30	Cash		1,000	
	Unearned Service Revenue			1,000
	(received cash for work to be done later)			

EXERCISE E2-10
(continued)

Bennet Landscaping Company
Trial Balance
April 30, 2012

Cash	11,500	
Accounts Receivable	2,800	
Supplies	1,800	
Accounts Payable		300
Unearned Revenue		1,000
Bennet, Capital		12,000
Service Revenue		4,100
Salaries and Wages Expense	600	
	<hr/> 17,400	<hr/> 17,400 <hr/>

EXERCISE E2-12

page 84

Date	Account Titles	Ref.	Debit	Credit
9/ 1	Cash		10,000	
	R. Garza, Capital			10,000
5	Equipment		12,000	
	Cash			4,000
	Accounts Payable			8,000
25	Accounts Payable		3,000	
	Cash			3,000
30	R. Garza, Drawing		700	
	Cash			700

EXERCISE E2-13

page 84

Error	In Balance	Difference	Larger Column
(3)	Yes	--	--
(2)	Yes	--	--
(1)	No	\$525	debit
(4)	No	\$415	credit

A credit of \$400 to Accounts Payable was posted as a debit.

Error	In Balance	Difference	Larger Column
X	No	\$800	debit
(6)	No	\$18	credit
(5)	Yes	--	--

A cash purchase of supplies for \$250 was journalized and posted as a \$250 debit to Supplies and a credit of \$25 to Cash.

Error	In Balance	Difference	Larger Column
(5X)	No	\$225	debit

BRIEF EXERCISE BE2-1

page 79

	Account	Increase	Decrease	Normal
1.	Accounts Payable	credit	debit	credit
2.	Advertising Expense	debit	credit	debit
3.	Service Revenue	credit	debit	credit
4.	Accounts Receivable	debit	credit	debit
5.	Owner's Capital	credit	debit	credit
6.	Owner's Drawing	debit	credit	debit

BRIEF EXERCISE BE2-2

page 75

Date	Account Titles	Ref.	Debit	Credit
6/1	Cash		5,000	
	D. Hudson, Capital			5,000
2	Equipment		2,100	
	Accounts Payable			2,100
3	Rent Expense		800	
	Cash			800
12	Accounts Receivable		300	
	Service Revenue			300

BRIEF EXERCISE BE2-6

page 79

Date	Account Titles	Ref.	Debit	Credit
Aug 1	Cash		8,000	
	J. Reinsdorf, Capital			8,000
4	Prepaid Insurance		1,800	
	Cash			1,800
16	Cash		3,400	
	Service Revenue			3,400
27	Salaries Expense		1,000	
	Cash			1,000

BRIEF EXERCISE BE2-10
page 80

Walter Company
Trial Balance
December 31, 2012

Cash	10,800	
Prepaid Insurance	3,500	
Accounts Payable		3,000
Unearned Revenue		2,200
Walter, Capital		9,000
Walter, Drawing	4,500	
Service Revenue		25,600
Salaries Expense	18,600	
Rent Expense	2,400	
	39,800	39,800

Chapter 2 – Question 8 – page 78

Date	Account Titles	Ref.	Debit	Credit
(a)	Supplies		cost	
	Accounts Payable			cost
(b)	Cash		rec'd	
	Notes Payable			rec'd
(c)	Salaries Expense		paid	
	Cash			paid

Chapter 2 – Question 16 – page 78

Date	Account Titles	Ref.	Debit	Credit
(a)	Cash		9,000	
	H. Molina, Capital			9,000
(b)	Prepaid Insurance		800	
	Cash			800
(c)	Supplies		2,000	
	Accounts Payable			2,000
(d)	Cash		7,500	
	Service Revenue			7,500