

*Student Workbook to Accompany*

# **Introduction to Financial Accounting**

*Second Edition (Revised)*

**Based on International Financial Reporting  
Standards**

Prepared by David Annand

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## This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

## This image shows a full page of blank white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page, providing a template for writing or drawing. There are no margins, text, or other markings on the page.

## CP 1-1

A	=	L	+	S/E	
_____		_____		_____	Issued share capital for cash
_____		_____		_____	Purchased a truck for cash
_____		_____		_____	Received a bank loan to pay for equipment
_____		_____		_____	Made a deposit for electricity service to be provided in the future
_____		_____		_____	Paid rent for the month just ended
_____		_____		_____	Signed a new union contract that provides for increased wages in the future
_____		_____		_____	Hired a messenger service to deliver letters during a mail strike
_____		_____		_____	Received a parcel; paid the delivery service
_____		_____		_____	Billed customers for services performed
_____		_____		_____	Made a cash payment to satisfy an outstanding obligation
_____		_____		_____	Received a payment of cash in satisfaction of an amount owed by a customer
_____		_____		_____	Collected cash from a customer for services rendered
_____		_____		_____	Paid cash for truck expenses (gas, oil, etc.)
_____		_____		_____	Made a monthly payment on the bank loan; this payment included a payment on part of the loan and also an amount of interest expense.
_____		_____		_____	issued shares in the company to pay off a loan
_____		_____		_____	Paid a dividend.

**CHAPTER ONE****Introduction to Financial Accounting**

Name \_\_\_\_\_

**CP 1–2**

- \_\_\_\_\_ Issued share capital for cash
- \_\_\_\_\_ Paid an account payable
- \_\_\_\_\_ Borrowed money from a bank
- \_\_\_\_\_ Collected an account receivable
- \_\_\_\_\_ Collected a commission on a sale made today
- \_\_\_\_\_ Paid for an advertisement in a newspaper
- \_\_\_\_\_ Repaid money borrowed from a bank
- \_\_\_\_\_ Signed a contract to purchase a computer
- \_\_\_\_\_ Received a bill for supplies used during the month
- \_\_\_\_\_ Received a cash payment in satisfaction of an amount owed by a customer
- \_\_\_\_\_ Sent a bill to a customer for repairs made today
- \_\_\_\_\_ Sold equipment for cash
- \_\_\_\_\_ Purchased a truck on credit, to be paid in six months
- \_\_\_\_\_ Requested payment from a customer of an account receivable that is overdue
- \_\_\_\_\_ Increased vacations for employees from four weeks to six weeks
- \_\_\_\_\_ Recorded the amount due to the landlord as rent
- \_\_\_\_\_ Received the monthly telephone answering service bill

**CP 1–3**

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>
Cash	\$3,000	\$1,000	_____	\$6,000	\$2,500
Equipment	8,000	6,000	4,000	7,000	_____
Accounts payable	4,000	_____	1,500	3,000	4,500
Share capital	2,000	3,000	3,000	4,000	500
Retained earnings	_____	1,000	500	_____	1,000



**CP 1–4**

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**CP 1–5**

_____	Accounts payable
_____	Accounts receivable
_____	Bank loan
_____	Cash
_____	Equipment
_____	Insurance expense
_____	Loan payable
_____	Prepaid insurance
_____	Rent expense
_____	Repair revenue
_____	Share capital
_____	Truck operating expense
_____	Unused office supplies
_____	Dividends

**Name** \_\_\_\_\_

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[illegible]

CP 1–8

Income Statement		

Statement of Changes in Equity			



**CP 1–9**

a.

---

---

---

b.

---

---

---

c.

---

---

---

d.

---

---

---

e.

---

---

---

f.

---

---

---

g.

---

---

---

**P 1–1**

ASSETS = LIABILITY + S/H EQUITY

	Cash	+	Acct. Rec.	+	Ppd. Exp.	+	Unused Supp.	=	Acct. Pay.	+	Share Cap.	+	Ret. Earn.
Opening	1,400		3,600		1,000		350		2,000		4,350		
a.													
b.													
c.													
d.													
e.													
f.													
g.													
h.													
i.													
j.													
k.													
		+		+		+		=		+		+	

**CHAPTER ONE**  
**Introduction to Financial Accounting**

Name \_\_\_\_\_

**P 1–2**

1.

ASSETS					=	LIABILITIES			+	S/H EQUITY	
Cash	Acct. + Rec.	Ppd. + Exp.	Unused + Supp.	+ Truck	= Loan	Bank + Pay	Acct. + Pay	Unearn. Rev.	+ Capital	Share + Capital	Retained + Earnings

+

Aug. 1											
1											
1											
4											
5											
7											
9											
12											
15											
16											
20											
25											
28											
29											
31											
31											
	+	+	+	+	=	+	+	+	+	+	



P 1–2 continued

2.

Income Statement		

Statement of Changes in Equity			



P 1–3

Income Statement		

Statement of Changes in Equity			



P 1–4

Income Statement		

Statement of Changes in Equity			



1.

2. and 3.

P 1–5 continued

Statement of Changes in Equity


Statement of Financial Position




# CHAPTER ONE

## Introduction to Financial Accounting

Name \_\_\_\_\_

### P 1–6

1.

ASSETS					=	LIABILITIES + S/H EQUITY			
Cash	Accts. + Rec.	Ppd. + Exp.	Unused + Supp.	Equip.	Acct. + Pay.	Loan + Pay.	Share + Cap.	Ret.	Earn.
Jun. 1									
1									
2									
3									
4									
5									
8									
10									
15									
18									
20									
22									
23									
25									
27									
30									
30									
30									
30									

P 1–6 continued

2.

Income Statement		

Statement of Changes in Equity			



# CHAPTER ONE

## Introduction to Financial Accounting

Name \_\_\_\_\_

P 1-7

		ASSETS								LIABILITIES		S/H EQUITY											
		Cash	+	Acct. Rec.	+	Un. Supp.	+	Land	+	Bldg.	+	Furn.	+	Equip.	+	Truck	=	Acct. Pay.	+	Loans Payable	+	Share Capital	
Sep	30																						
Oct.	2																						
	3																						
	4																						
	8																						
	10																						
	11																						
	15																						
	20a.																						
	20b.																						
	31																						

[illegible]

## The Accounting Process

**Name** \_\_\_\_\_

### Concept Self-check continued

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

**CHAPTER TWO**  
**The Accounting Process**

**Name** \_\_\_\_\_

**CP 2–1**

Trans.	Any Asset		Any Liability		Share Capital		Any Revenue		Any Expense	
	<i>Debit</i> (inc.)	<i>Credit</i> (dec.)	<i>Debit</i> (dec.)	<i>Credit</i> (inc.)	<i>Debit</i> (dec.)	<i>Credit</i> (inc.)	<i>Debit</i> (dec.)	<i>Credit</i> (inc.)	<i>Debit</i> (inc.)	<i>Credit</i> (dec.)
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										

**CHAPTER TWO**  
**The Accounting Process**

Name \_\_\_\_\_

**CP 2–2**

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>
Cash	\$100	\$ 72	\$____	\$ 20
Truck	200	130	71	200
Accounts payable	50	10	5	10
Bank loan	75	_____	25	61
Share capital	175	50	100	_____
Net income	_____	20	6	10

**CP 2–3**

Trans.

	<i>Any Asset</i>		<i>Any Liability</i>		<i>Share Capital</i>	
	<i>Debit</i> (inc.)	<i>Credit</i> (dec.)	<i>Debit</i> (dec.)	<i>Credit</i> (inc.)	<i>Debit</i> (dec.)	<i>Credit</i> (inc.)
2. Borrowed \$5,000 from the bank						
3. Paid \$2,000 of the bank loan						
4. Paid \$600 in advance for a one–year insurance policy						
5. Received \$500 in advance for next month’s rental of office space.						



**CP 2–4**

	<i>Debit</i>	<i>Credit</i>
2. Purchased equipment on credit		
3. Paid for a one-year insurance policy		
4. Billed a customer for repairs completed today		
5. Paid for this month's rent		
6. Collected the amount billed in transaction 4 above		
7. Collected cash for repairs completed today		
8. Paid for the equipment purchased in transaction 2 above		
9. Signed a union contract		
10. Collected cash for repairs to be made for customers next month		
11. Transferred this month's portion of prepaid insurance to expenses		

**CHAPTER TWO**  
**The Accounting Process**

Name \_\_\_\_\_

**CP 2-5**

Cash	

Bank Loan	

Share Capital	

Repair Revenue	

Accounts Receivable	

Accounts Payable	

Electricity Expense	

Prepaid Rent	

Rent Expense	

Unused Supplies	

Supplies Expense	

## CHAPTER TWO

## The Accounting Process

**Name** \_\_\_\_\_

## CP 2-6

[illegible]

## The Accounting Process

**Name** \_\_\_\_\_

## CP 2-6 continued

[illegible]

## The Accounting Process

**Name** \_\_\_\_\_

## CP 2-7

[illegible]

## The Accounting Process

**Name** \_\_\_\_\_

## CP 2-7 continued

[illegible]

**Name** \_\_\_\_\_

## Trial Balance

CHAPTER TWO / The Accounting Process

## The Accounting Process

**Name** \_\_\_\_\_

CP 2-9

[illegible]



## The Accounting Process

**Name** \_\_\_\_\_

## CP 2-9 continued

[illegible]

## CHAPTER TWO

### The Accounting Process

Name \_\_\_\_\_

## CP 2-9 continued

2. Schulte Corporation

[illegible]

**Name** \_\_\_\_\_

3.

[illegible]

CP 2–9 continued

4.

Income Statement		

Statement of Changes in Equity			

## The Accounting Process

**Name** \_\_\_\_\_

## CP 2-9 continued

## CP 2-10

**Name** \_\_\_\_\_

[illegible]

42

## The Accounting Process

**Name** \_\_\_\_\_

[illegible]

CP 2-11 continued

## CHAPTER TWO

## The Accounting Process

**Name** \_\_\_\_\_

[illegible]

CP 2-11 continued

2.



**Name** \_\_\_\_\_

[illegible]

CP 2–11 continued

3.

Income Statement		

Statement of Changes in Equity			

## The Accounting Process

**Name** \_\_\_\_\_

## CP 2-11 continued

**Name** \_\_\_\_\_

1.

### Trial Balance

[illegible]

CP 2–12 continued

2.

Income Statement		

Statement of Changes in Equity			

## The Accounting Process

**Name** \_\_\_\_\_

## CP 2-12 continued

**CHAPTER TWO**  
**The Accounting Process**

Name \_\_\_\_\_

**CP 2-13**

1. \_\_\_\_\_ Elgert Corporation

Cash	Accounts Payable	Share Capital	Service Revenue
		Dividends	
			Rent Expense
Accounts Receivable			Truck Operating Expense
Unused Supplies			Salaries Expense
			Supplies Expense

## CHAPTER TWO

Name \_\_\_\_\_

## CP 2-13 continued

2.

## Trial Balance

[illegible]



CP 2–13 continued

3.

Income Statement		

Statement of Changes in Equity			





P 2–1 continued

2.

Income Statement		

Statement of Changes in Equity			

**P 2-1 continued**

3.

## CHAPTER TWO

### The Accounting Process

Name \_\_\_\_\_

**P 2-2**

1.

## CHAPTER TWO

### The Accounting Process

**Name** \_\_\_\_\_

**P 2-2 continued**

**P 2-2 continued**

<u>Cash</u> <u>No. 101</u> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	<u>Accounts Payable</u> <u>No. 210</u> <hr/> <hr/> <hr/>	<u>Share Capital</u> <u>No. 320</u> <hr/> <hr/>	<u>Service Revenue</u> <u>No. 460</u> <hr/> <hr/>
		<u>Advertising Expense</u> <u>No. 610</u> <hr/> <hr/>	
<u>Accounts Receivable</u> <u>No. 110</u> <hr/> <hr/> <hr/>	<u>Commissions Expense</u> <u>No. 615</u> <hr/> <hr/>		
	<u>Rent Expense</u> <u>No. 654</u> <hr/> <hr/>		
<u>Prepaid Advertising</u> <u>No. 160</u> <hr/> <hr/>	<u>Salaries Expense</u> <u>No. 656</u> <hr/> <hr/>		
<u>Unused Supplies</u> <u>No. 173</u> <hr/> <hr/> <hr/>	<u>Supplies Expense</u> <u>No. 668</u> <hr/> <hr/>		
<u>Equipment</u> <u>No. 183</u> <hr/> <hr/> <hr/>	<u>Telephone Expense</u> <u>No. 669</u> <hr/> <hr/>		



## CHAPTER TWO

### The Accounting Process

**Name** \_\_\_\_\_

**P 2-2 continued**

2.

[illegible]

## CHAPTER TWO

### The Accounting Process

**Name** \_\_\_\_\_

**P 2-3**

1.

[illegible]

P 2–3 continued

2.

Income Statement		

Statement of Changes in Equity			

**P 2–3 continued**

3.

**CHAPTER TWO**  
**The Accounting Process**

Name \_\_\_\_\_

**P 2-4**

1. and 3.

Fenton Table Rentals Corporation

<u>Cash      No. 101</u>		<u>Accounts Payable      No. 210</u>		<u>Share Capital      No. 320</u>		<u>Service Revenue      No. 470</u>	
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

<u>Accounts Receivable      No. 110</u>	
_____	_____
_____	_____
_____	_____

<u>Dividends      No. 350</u>	
_____	_____

<u>Advertising Exp.      No. 610</u>	
_____	_____

<u>Rent Exp.      No. 654</u>	
_____	_____

<u>Prepaid Rent      No. 162</u>	
_____	_____

<u>Salaries Exp.      No. 656</u>	
_____	_____

<u>Unused Supplies      No. 173</u>	
_____	_____

<u>Supplies Exp.      No. 668</u>	
_____	_____

<u>Telephone Exp.      No. 669</u>	
_____	_____

<u>Truck Operating Exp.      No. 670</u>	
_____	_____

## CHAPTER TWO

### The Accounting Process

**Name** \_\_\_\_\_

**P 2-4 continued**

2.

[illegible]

## CHAPTER TWO

### The Accounting Process

**Name** \_\_\_\_\_

**P 2-4 continued**

4.

[illegible]

P 2–4 continued

5.

Income Statement		

Statement of Changes in Equity			





**CHAPTER TWO**  
**The Accounting Process**

Name \_\_\_\_\_

**P 2-5**

1. and 3.

Thorn Accounting Services Inc.

<u>Cash</u>	<u>No. 101</u>

<u>Bank</u>	
<u>Loan</u>	<u>No. 201</u>
<u>Accounts</u>	
<u>Payable</u>	<u>No. 210</u>

<u>Share</u>	
<u>Capital</u>	<u>No. 320</u>

<u>Fees</u>	
<u>Earn.</u>	<u>No. 420</u>

<u>Salaries</u>	
<u>Expense</u>	<u>No. 656</u>
<u>Supplies</u>	
<u>Expense</u>	<u>No. 668</u>
<u>Advertizing</u>	
<u>Expense</u>	<u>No. 610</u>

<u>Accounts</u>	
<u>Receivable</u>	<u>No. 110</u>

<u>Unused</u>	
<u>Supplies</u>	<u>No. 173</u>

<u>Telephone</u>	
<u>Exp.</u>	<u>No. 669</u>

<u>Insurance</u>	
<u>Exp.</u>	<u>No. 631</u>

<u>Prepaid</u>	
<u>Insurance</u>	<u>No. 161</u>

<u>Truck Operating</u>	
<u>Expense</u>	<u>No. 670</u>

<u>Rent</u>	
<u>Expense</u>	<u>No. 654</u>

<u>Truck</u>	<u>No. 184</u>

## CHAPTER TWO

### The Accounting Process

Name \_\_\_\_\_

**P 2–5 continued**

2.

[illegible]

## CHAPTER TWO

### The Accounting Process

Name \_\_\_\_\_

**P 2-5 continued**

[illegible]

## CHAPTER TWO

### The Accounting Process

**Name** \_\_\_\_\_

**P 2–5 continued**

4.

[illegible]

P 2-5 continued

5.

Income Statement		

Statement of Changes in Equity			

**P 2-5 continued**

## CHAPTER TWO

### The Accounting Process

**Name** \_\_\_\_\_

**P 2-6**

1. and 3.

## Chan Renovations Corporation

[illegible]



## CHAPTER TWO

### The Accounting Process

**Name** \_\_\_\_\_

**P 2-6 continued**

2.

[illegible]

## CHAPTER TWO

### The Accounting Process

Name \_\_\_\_\_

**P 2-6 continued**

[illegible]

## CHAPTER TWO

### The Accounting Process

**Name** \_\_\_\_\_

**P 2-6 continued**

[illegible]

## CHAPTER TWO

### The Accounting Process

Name \_\_\_\_\_

**P 2-6 continued**

4.

[illegible]

P 2-6 continued

5.

Income Statement		

Statement of Changes in Equity			

**P 2-6 continued**

## CHAPTER THREE

### Financial Accounting and the Use of Adjusting Entries

Name \_\_\_\_\_

### Concept Self-check

[illegible]

## Financial Accounting and the Use of Adjusting Entries

### Concept Self-check continued

[illegible]



## Financial Accounting and the Use of Adjusting Entries

Name \_\_\_\_\_

### Concept Self-check continued

[illegible]

## Financial Accounting and the Use of Adjusting Entries

Name \_\_\_\_\_

### Concept Self-check continued

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**CHAPTER THREE****Financial Accounting and the Use of Adjusting Entries**

Name \_\_\_\_\_

**CP 3-1**

<i>A</i>	<i>B</i>
a. Insurance Expense	_____
b. Rent Earned	_____
c. Prepaid Rent	_____
d. Interest Payable	_____
e. Interest Receivable	_____
f. Fees Earned	_____
g. Unused Supplies	_____
h. Unearned Commissions Revenue	_____
i. Salaries Payable	_____
j. Depreciation Expense	_____

**CP 3-2**

Date	Description	Folio	Debit	Credit

**CP 3-3**

Date	Description	Folio	Debit	Credit

## Financial Accounting and the Use of Adjusting Entries

Name \_\_\_\_\_

**CP 3-4**

## GENERAL JOURNAL

Page \_\_\_\_\_

[illegible]

**CHAPTER THREE****Financial Accounting and the Use of Adjusting Entries**

Name \_\_\_\_\_

**CP 3–5**

1. and 3.

Graham Corporation  
General Ledger

ASSETS		=	LIABILITIES		+	SHAREHOLDERS' EQUITY	
Rent Receivable			Interest Payable			Rent Earned	
Prepaid Insurance							

2.

**GENERAL JOURNAL**

Page \_\_\_\_\_

Date	Description	Folio	Debit	Credit

CP 3–5 continued

4.

Account	Amount

## Financial Accounting and the Use of Adjusting Entries

## Financial Accounting and the Use of Adjusting Entries

Name \_\_\_\_\_

**CP 3-7**

## GENERAL JOURNAL

Page \_\_\_\_\_

[illegible]



## Financial Accounting and the Use of Adjusting Entries

**Name** \_\_\_\_\_

[illegible]

## Financial Accounting and the Use of Adjusting Entries

# CHAPTER THREE

## Financial Accounting and the Use of Adjusting Entries

Name \_\_\_\_\_

### CP 3-9

1.

Acct. No.	Account	Unadjusted Trial Balance		Adjustments		Adjusted Trial Balance	
		Debit	Credit	Debit	Credit	Debit	Credit
101	Cash	\$ 4,000				\$ 4,000	
110	Accounts receivable	5,000				5,000	
161	Prepaid insurance	3,600				3,300	
162	Prepaid rent	1,000				500	
184	Truck	6,000				6,000	
194	Acc. dep. – truck						\$1,500
210	Accounts payable		\$7,000				7,000
222	Interest payable						400
226	Salaries payable						1,000
248	Unearned rent revenue		1,200				600
320	Share capital		2,700				2,700
440	Rent earned		25,000				25,600
610	Advertizing expense	700				700	
615	Commissions expense	2,000				2,000	
624	Dep. expense – truck					1,500	
631	Insurance expense					300	
632	Interest expense	100				500	
654	Rent expense	5,500				6,000	
656	Salaries expense	8,000				9,000	
	Totals	\$35,900	\$35,900			\$38,800	\$38,800

## Financial Accounting and the Use of Adjusting Entries

## Financial Accounting and the Use of Adjusting Entries

# CHAPTER THREE

## Financial Accounting and the Use of Adjusting Entries

Name \_\_\_\_\_

### CP 3-10 continued

2. and 4.

#### Wolfe Corporation

<u>Cash</u> 101	<u>Accounts Payable</u> 210	<u>Share Capital</u> 320	<u>Repair Revenue</u> 450
Bal. 2,700		Bal. 3,800	Bal. 7,750
<u>Accounts Receivable</u> 110		<u>Retained Earnings</u> 340	<u>Advertizing Expense</u> 610
Bal. 2,000			Bal. 200
<u>Prepaid Insurance</u> 161		<u>Income Summary</u> 360	<u>Insurance Expense</u> 631
Bal. 1,200			
<u>Unused Supplies</u> 173			<u>Rent Expense</u> 654
Bal. 700			Bal. 250
			<u>Salaries Expense</u> 656
			Bal. 4,500
			<u>Supplies Expense</u> 668

## Financial Accounting and the Use of Adjusting Entries

3.

GENERAL JOURNAL

Page \_\_\_\_\_

[illegible]

## Financial Accounting and the Use of Adjusting Entries

**P 3-1**

## GENERAL JOURNAL

Page \_\_\_\_\_

[illegible]



## Financial Accounting and the Use of Adjusting Entries

Name \_\_\_\_\_

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## Financial Accounting and the Use of Adjusting Entries

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## Financial Accounting and the Use of Adjusting Entries

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## Financial Accounting and the Use of Adjusting Entries

# CHAPTER THREE

## Financial Accounting and the Use of Adjusting Entries

Name \_\_\_\_\_

### P 3–5 continued

2.

<i>Acct.</i>		<i>Unadjusted Trial Balance</i>		<i>Adjustments</i>		<i>Adjusted Trial Balance</i>	
<i>No.</i>	<i>Account</i>	<i>Debit</i>	<i>Credit</i>	<i>Debit</i>	<i>Credit</i>	<i>Debit</i>	<i>Credit</i>
101	Cash	3,300					
110	Accounts receivable	4,000					
161	Prepaid insurance	1,200					
173	Unused supplies	500					
184	Truck	8,000					
194	Acc. dep. – truck		-0-				
210	Accounts payable		5,000				
226	Salaries payable		-0-				
248	Unearned rent revenue		2,400				
260	Income taxes payable		-0-				
320	Share capital		7,000				
350	Dividends	1,000					
410	Commissions earned		16,100				
440	Rent earned		-0-				
610	Advertizing expense	200					
615	Commissions expense	1,000					
624	Dep. expense – truck	-0-					
631	Insurance expense	-0-					
632	Interest expense	400					
654	Rent expense	3,600					
656	Salaries expense	7,000					
668	Supplies expense	-0-					
669	Telephone expense	300					
830	Income taxes expense	-0-					
		<u>30,500</u>	<u>30,500</u>				

## Financial Accounting and the Use of Adjusting Entries

3.

Statement of Changes in Equity			

## Financial Accounting and the Use of Adjusting Entries

Name \_\_\_\_\_

**P 3–5 continued**

## Financial Accounting and the Use of Adjusting Entries

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[illegible]



# CHAPTER THREE

## Financial Accounting and the Use of Adjusting Entries

Name \_\_\_\_\_

### P 3–5 continued

5.

		<i>Adjusted</i>				<i>Post-closing</i>	
<i>Acct.</i>		<i>Trial Balance</i>		<i>Closing Entries</i>		<i>Trial Balance</i>	
<i>No.</i>	<i>Account</i>	<i>Debit</i>	<i>Credit</i>	<i>Debit</i>	<i>Credit</i>	<i>Debit</i>	<i>Credit</i>
101	Cash						
110	Accounts receivable						
161	Prepaid insurance						
173	Unused supplies						
184	Truck						
194	Acc. dep. – truck						
210	Accounts payable						
226	Salaries payable						
248	Unearned rent revenue						
260	Income taxes payable						
320	Share capital						
340	Retained earnings						
350	Dividends						
360	Income summary						
410	Commissions earned						
440	Rent earned						
610	Advertizing expense						
615	Commissions expense						
624	Dep. expense – truck						
631	Insurance expense						
632	Interest expense						
654	Rent expense						
656	Salaries expense						
668	Supplies expense						
669	Telephone expense						
830	Income taxes expense						

# CHAPTER THREE

## Financial Accounting and the Use of Adjusting Entries

Name \_\_\_\_\_

### P 3-6

1., 3., 4., and 6.

Roth Contractors Corporation

Cash	Accounts Payable	Share Capital	Repair Revenue	Rent Expense
Accounts Receivable	Wages Payable		Advertising Expense	Telephone Expense
	Unearned Repair Revenue			Truck Operating Expense
Prepaid Insurance	Income Taxes Payable		Depreciation Expense-Truck	
Prepaid Rent			Insurance Expense	Utilities Expense
Unused Supplies			Interest Expense	Wages Expense
Truck	Accum. Dep'n Truck		Income Taxes Expense	

## Financial Accounting and the Use of Adjusting Entries

## Financial Accounting and the Use of Adjusting Entries

**P 3–6 continued**

[illegible]

# CHAPTER THREE

## Financial Accounting and the Use of Adjusting Entries

Name \_\_\_\_\_

### P 3–6 continued

7 and 9.

<i>Account</i>	<i>Adjusted Trial Balance</i>		<i>Closing Entries</i>		<i>Post-closing Trial Balance</i>	
	<i>Debit</i>	<i>Credit</i>	<i>Debit</i>	<i>Credit</i>	<i>Debit</i>	<i>Credit</i>
Cash	_____	_____	_____	_____	_____	_____
Accounts receivable	_____	_____	_____	_____	_____	_____
Prepaid insurance	_____	_____	_____	_____	_____	_____
Prepaid rent	_____	_____	_____	_____	_____	_____
Unused supplies	_____	_____	_____	_____	_____	_____
Truck	_____	_____	_____	_____	_____	_____
Acc. dep. – truck	_____	_____	_____	_____	_____	_____
Accounts payable	_____	_____	_____	_____	_____	_____
Wages payable	_____	_____	_____	_____	_____	_____
Unearned revenue	_____	_____	_____	_____	_____	_____
Share capital	_____	_____	_____	_____	_____	_____
Retained earnings	_____	_____	_____	_____	_____	_____
Income summary	_____	_____	_____	_____	_____	_____
Repair revenue	_____	_____	_____	_____	_____	_____
Advertizing expense	_____	_____	_____	_____	_____	_____
Dep. expense – truck	_____	_____	_____	_____	_____	_____
Insurance expense	_____	_____	_____	_____	_____	_____
Interest expense	_____	_____	_____	_____	_____	_____
Rent expense	_____	_____	_____	_____	_____	_____
Supplies expense	_____	_____	_____	_____	_____	_____
Telephone expense	_____	_____	_____	_____	_____	_____
Truck operating expense	_____	_____	_____	_____	_____	_____
Utilities expense	_____	_____	_____	_____	_____	_____
Wages expense	_____	_____	_____	_____	_____	_____
Income taxes expense	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____

## Financial Accounting and the Use of Adjusting Entries

Name \_\_\_\_\_

**P 3–6 continued**

8.

Statement of Changes in Equity			

## Financial Accounting and the Use of Adjusting Entries

Name \_\_\_\_\_

**P 3–6 continued**

## Statement of Financial Position

## Financial Accounting and the Use of Adjusting Entries



**P 3-7**

1., 3., 4., and 6.

**Snow Services Corporation**

Cash	Accounts Payable	Share Capital	Other Revenue	Depreciation Expense - Equipment
	Wages Payable		Interest Earned	Depreciation Expense - Truck
Short-term Investments	Unearned Advertizing Revenue			Insurance Expense
Interest Receivable	Unearned Fees Revenue		Rent Earned	Supplies Expense
Prepaid Insurance	Unearned Interest Revenue		Service Revenue	Wages Expense
Unused Supplies	Unearned Rent Revenue			
Equipment	Acc. Dep'n. - Equip.			
Truck	Acc. Dep'n - Truck			

## Financial Accounting and the Use of Adjusting Entries

**P 3–7 continued**

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# CHAPTER THREE

## Financial Accounting and the Use of Adjusting Entries

Name \_\_\_\_\_

### P 3–7 continued

7.

Snow Services Corporation

Adjusted Trial Balance

January 31, 2018

	<u>Account Balances</u>	
	<i>Debit</i>	<i>Credit</i>
Cash	_____	_____
Short-term investments	_____	_____
Interest receivable	_____	_____
Prepaid insurance	_____	_____
Unused supplies	_____	_____
Equipment	_____	_____
Truck	_____	_____
Accumulated depreciation—equipment	_____	_____
Accumulated depreciation—truck	_____	_____
Accounts payable	_____	_____
Wages payable	_____	_____
Unearned advertizing revenue	_____	_____
Unearned fees revenue	_____	_____
Unearned interest revenue	_____	_____
Unearned rent revenue	_____	_____
Share capital	_____	_____
Other revenue	_____	_____
Interest earned	_____	_____
Rent earned	_____	_____
Service revenue	_____	_____
Depreciation expense—equipment	_____	_____
Depreciation expense—truck	_____	_____
Insurance expense	_____	_____
Supplies expense	_____	_____
Wages expense	_____	_____
	=====	=====

Name \_\_\_\_\_

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## The Classified Statement of Financial Position and Related Disclosures

### Concept Self-check continued

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## The Classified Statement of Financial Position and Related Disclosures

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## The Classified Statement of Financial Position and Related Disclosures

### Concept Self-check continued

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## The Classified Statement of Financial Position and Related Disclosures

Name \_\_\_\_\_

## CP 4-1

## The Classified Statement of Financial Position and Related Disclosures

Name \_\_\_\_\_

## CP 4-2

Name \_\_\_\_\_

1. and 3.

[illegible]

## Name \_\_\_\_\_

2.

CHAPTER FOUR/ The Classified Statement of Financial Position and Related Disclosures

**CHAPTER FOUR****The Classified Statement of Financial Position and Related Disclosures**

Name \_\_\_\_\_

**P 4-2**

## 1. Calculation of net income

	<i>2018</i>	<i>2017</i>
Notes (if any)		

Name \_\_\_\_\_

2.

## CHAPTER FOUR

### The Classified Statement of Financial Position and Related Disclosures

Name \_\_\_\_\_

#### P 4-2 continued

3.


4. The statement of financial position would show:


Note X might state:

		2018							2017
		Land		Bldg.		Equip.		Total	Total

## CHAPTER FOUR

### The Classified Statement of Financial Position and Related Disclosures

Name \_\_\_\_\_

#### P 4-3

- b   1. The significant accounting policies, which management believes are appropriate for the company, are described in Note X to the financial statements.
- 2. The financial statements of Acme Supplies Ltd. have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued the International Accounting Standards Boards (IASB).
- 3. Management has established systems of internal control that are designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use [. . .]
- 4. The board of directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control.
- 5. When preparing the financial statements, management undertakes a number of judgments, estimates, and assumptions about the recognition and measurement of assets, liabilities, income, and expenses. Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income, and expenses is provided below. Actual results may be substantially different.
- 6. The mortgage is payable to Last Chance Bank. It bears interest at 5% per year and is amortized over 20 years.
- 7. [. . .] the accompanying financial statements of Acme Supplies Ltd., which comprise the statement of financial position as at December 31, 2020, the income statement, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.
- 8. An [. . .] involves performing procedures to obtain [. . .] evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the [. . .] judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- 9. The accompanying financial statements of the company are the responsibility of management.
- 10. Revenue arises from the rendering of service. It is measured by reference to the fair value of consideration received or receivable.



## CHAPTER FOUR

### The Classified Statement of Financial Position and Related Disclosures

Name \_\_\_\_\_

#### P 4-3 continued

- \_\_\_ 11. The bank loan is due on demand and bears interest at 4% per year. It is secured by real estate of the company.
- \_\_\_ 12. The audit committee reviews the annual financial statements and reporting to the board, and makes recommendations with respect to their acceptance.
- \_\_\_ 13. Management recognizes its responsibility for conducting the company's affairs in compliance with established financial standards and applicable laws, and maintains proper standards of conduct for its activities.
- \_\_\_ 14. My responsibility is to express an opinion on the financial statements based on my audit.
- \_\_\_ 15. Estimates are necessary in the preparation of these statements and, based on careful judgments, have been properly reflected.
- \_\_\_ 16. I believe that the [. . .] evidence I have obtained is sufficient and appropriate to provide a basis for my [. . .].
- \_\_\_ 17. Land held for use in production or administration is stated at cost. Other property, plant, and equipment are initially recognized at acquisition cost plus any costs directly attributable to bringing the assets to the locations and conditions necessary to be employed in operations. They are subsequently measured using the cost model: cost less subsequent depreciation.
- \_\_\_ 18. In making those risk assessments, [. . .] considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design [. . .] procedures that are appropriate in the circumstances
- \_\_\_ 19. The share capital of Acme Supplies Ltd. consists of fully-paid common shares with a stated value of \$1 each.
- \_\_\_ 20. The principal activity of Acme Supplies Ltd. is the retail sale of merchandize.

## CHAPTER FOUR

### The Classified Statement of Financial Position and Related Disclosures

Name \_\_\_\_\_

## Accounting for the Sale of Goods

## Accounting for the Sale of Goods

Name \_\_\_\_\_

### Concept Self-check

[illegible]

## Accounting for the Sale of Goods

## Accounting for the Sale of Goods

**Name** \_\_\_\_\_

### Concept Self-check continued

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## Accounting for the Sale of Goods

## Accounting for the Sale of Goods

Name \_\_\_\_\_

### Concept Self-check continued

[illegible]

## Accounting for the Sale of Goods

## Accounting for the Sale of Goods

Name \_\_\_\_\_

### Concept Self-check continued

[illegible]

## Accounting for the Sale of Goods

Name \_\_\_\_\_

## CP 5-1

1.

	2021	2020	2019	2018
Sales	\$10,000	\$9,000	_____	\$7,000
Cost of goods sold	_____	6,840	6,160	_____
Gross profit	2,500	_____	1,840	_____
Gross profit percentage	_____	_____	_____	22%

2.

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## CHAPTER FIVE

## Accounting for the Sale of Goods

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## Accounting for the Sale of Goods

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## Accounting for the Sale of Goods

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## Accounting for the Sale of Goods

**Name** \_\_\_\_\_

## CP 5-5

1.

2.

[illegible]



## Accounting for the Sale of Goods

**Name** \_\_\_\_\_

## CP 5-7

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**CP 5–8**


**CP 5–9**

1.


## CHAPTER FIVE

## Accounting for the Sale of Goods

**Name** \_\_\_\_\_

## CP 5–9 continued

2.

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## CP 5-10

1.

## Income Statement

2.

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## CP 5-11

1.

2.

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## CHAPTER FIVE

## Accounting for the Sale of Goods

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**CHAPTER FIVE**  
**Accounting for the Sale of Goods**

Name \_\_\_\_\_

**CP 5–13**

1. Sherman Stores Ltd:

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Date	Description	Folio	Debit	Credit

2. Morris Wholesalers Corp.:

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Date	Description	Folio	Debit	Credit

## CHAPTER FIVE

## Accounting for the Sale of Goods

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## Accounting for the Sale of Goods

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**Accounting for the Sale of Goods**

Name \_\_\_\_\_

**P 5–1 continued**

2. The unadjusted ending inventory balance at July 31 is \_\_\_\_\_, calculated as follows:

Merchandise Inventory	

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Date	Description	Folio	Debit	Credit

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**CHAPTER FIVE**  
**Accounting for the Sale of Goods**

Name \_\_\_\_\_

**P 5–3**

1.

Whirlybird Products Inc.  
 General Ledger

Retained Earnings	<i>No. 340</i>

Sales	<i>No. 510</i>
	37,800

Income Summary	<i>No. 360</i>

Sales Returns & Allowances	<i>No. 508</i>
	690

Sales Discounts	<i>No. 509</i>
310	

Cost of Goods Sold	<i>No. 570</i>
26,800	

Salaries Expense	<i>No. 656</i>
5,000	

2.

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## Accounting for the Sale of Goods

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1.

## CHAPTER FIVE

## Accounting for the Sale of Goods

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## CHAPTER FIVE

## Accounting for the Sale of Goods

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**Accounting for the Sale of Goods**

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Statement of Changes in Equity			

## Accounting for the Sale of Goods

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## CHAPTER FIVE

## Accounting for the Sale of Goods

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## Accounting for the Sale of Goods

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## Accounting for the Sale of Goods

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**CHAPTER FIVE**  
**Accounting for the Sale of Goods**

Name \_\_\_\_\_

**P 5–8**

1.

**Zenith Products Inc.**  
**General Ledger**

Merchandise Inventory	No. 150
Op. Bal. 4,000	

Retained Earnings	No. 340

Purchases	No. 550
22,500	

Income Summary	No. 360

Purchase Returns & Allowances	No. 558
	575

Sales	No. 510
	31,000

Purchase Discounts	No. 559
	225

Sales Returns & Allowances	No. 508
690	

Transportation – In	No. 560
300	

Sales Discounts	No. 509
310	

Salaries Expense	No. 656
5,000	

## CHAPTER FIVE

## Accounting for the Sale of Goods

**Name** \_\_\_\_\_

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2.

## CHAPTER FIVE

## Accounting for the Sale of Goods

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1.

## Accounting for the Sale of Goods

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[illegible]

3.

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## Accounting for the Sale of Goods

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## CHAPTER FIVE

## Accounting for the Sale of Goods

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Statement of Changes in Equity

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## Accounting for the Sale of Goods

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## Statement of Financial Position

## Accounting for the Sale of Goods

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**CHAPTER FIVE**  
**Accounting for the Sale of Goods**

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## CHAPTER SIX

### Assigning Costs to Merchandize

Name \_\_\_\_\_

### Concept Self-check

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## CHAPTER SIX

### Assigning Costs to Merchandize

Name \_\_\_\_\_

### Concept Self-check continued

[illegible]



Name \_\_\_\_\_

[illegible]

## CHAPTER SIX

### Assigning Costs to Merchandize

Name \_\_\_\_\_

### Concept Self-check continued

[illegible]

**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**CP 6–1**

**1. FIFO**

	<i>Purchased</i>			<i>Sold</i>			<i>Balance in Inventory</i>		
<i>Date</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>

**2. Weighted average**

	<i>Purchased</i>			<i>Sold</i>			<i>Balance in Inventory</i>		
<i>Date</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>

Weighted average calculations:

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**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**CP 6–2**

**1. FIFO**

	<i>Purchased</i>			<i>Sold</i>			<i>Balance in Inventory</i>		
<i>Date</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>

**a. January 5 sale**

**GENERAL JOURNAL**

**Page**

<b>Date</b>	<b>Description</b>	<b>Folio</b>	<b>Debit</b>	<b>Credit</b>

**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**CP 6–2 continued**

b. January 16 sale

GENERAL JOURNAL				Page
Date	Description	Folio	Debit	Credit

c. Ending inventory calculations

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2. Weighted average

Date	Purchased			Sold			Balance in Inventory		
	Units	Unit Cost	Total \$	Units	Unit Cost	Total \$	Units	Unit Cost	Total \$

**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**CP 6–2 continued**

Weighted average calculations:

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a. January 5 sale

GENERAL JOURNAL				Page
Date	Description	Folio	Debit	Credit

b. January 16 sale

GENERAL JOURNAL				Page
Date	Description	Folio	Debit	Credit

**CHAPTER SIX****Assigning Costs to Merchandize**

Name \_\_\_\_\_

**CP 6–2 continued**

c. Ending inventory

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**CP 6–3**

1. a. FIFO

	Purchased			Sold			Balance in Inventory		
Date	Units	Unit Cost	Total \$	Units	Unit Cost	Total \$	Units	Unit Cost	Total \$

**Name** \_\_\_\_\_

b. Specific identification

[illegible]



**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**CP 6–3 continued**

c. Weighted average

	Purchased			Sold			Balance in Inventory		
Date	Units	Unit Cost	Total \$	Units	Unit Cost	Total \$	Units	Unit Cost	Total \$

Weighted average calculations:

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## Assigning Costs to Merchandize

Name \_\_\_\_\_

## CP 6-3 continued

2.

	FIFO	Spec. ident.	Wtd. avg.
Sales			
Cost of goods sold			
Gross profit			

3.

## CP 6-4

- ☐ Matches actual flow of goods with actual flow of costs in all cases
- ☐ Matches old costs with new sales prices
- ☐ Results in the lowest net income in periods of falling prices
- ☐ Does not assume any particular flow of goods
- ☐ Best suited for situations in which inventory consists of perishable goods
- ☐ Values inventory at approximate replacement cost

**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**CP 6–5**

	2017 Statements				2018 Statements			
<i>Errors</i>	<i>Open. invent.</i>	<i>End. invent.</i>	<i>2017 Total assets</i>	<i>2017 Net income</i>	<i>Open. invent.</i>	<i>End. invent.</i>	<i>2018 Total assets</i>	<i>2018 Net income</i>
1. Goods purchased in 2017 were included in December 31 inventory, but the transaction was not recorded until early 2018.								
2. Goods purchased in 2018 were included in December 31, 2017 inventory, and the transaction was recorded in 2017.								
3. Goods were purchased in 2017 and the transaction recorded in that year; however, the goods were not included in the December 31 inventory as they should have been.								
4. Goods purchased in 2017 were excluded from December 31 inventory, and the transaction was recorded early in 2018.								

**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**CP 6–6**

1. a.

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b.

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2.

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**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**CP 6–7**

1. LCNRV on a unit-by-unit basis:

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2. LCNRV on a group inventory basis:

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Conclusion:

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**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**CP 6–8**

1.

	\$	\$	%
Sales			
<i>Cost of goods sold</i>			
Opening inventory			
Purchases			
Cost of goods available			
Ending inventory			
Cost of goods sold			
Gross profit			

(a) Gross profit calculation

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(b) Cost of goods sold calculation

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(c) Estimated ending inventory calculation

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2.

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**CHAPTER SIX**  
**Assigning Costs to Merchandize**

Name \_\_\_\_\_

**CP 6–9**

1.

	<i>At retail</i>			<i>At cost</i>		
Sales						
<i>Cost of goods sold</i>						
Opening inventory						
Purchases						
Transportation-in						
Cost of cost of goods available						
Less: Ending inventory						
Cost of goods sold						
Gross Profit						

2.

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**CP 6–10**

	<i>At retail</i>			<i>At cost</i>		
Sales						
<i>Cost of goods sold</i>						
Opening inventory						
Purchases						
Transportation-in						
Cost of cost of goods available						
Less: Ending inventory						
Cost of goods sold						
Gross Profit						

## Assigning Costs to Merchandize

Name \_\_\_\_\_

## CP 6-11

		1	2	3	4
Opening inventory					
Purchases					
(Ending inventory)					
Cost of goods sold					

## CP 6–12

		<i>FIFO</i>		<i>Spec. ident.</i>		<i>Wtd. Avg.</i>	
Sales							
<i>Cost of goods sold</i>							
Opening inventory							
Purchases							
Cost of goods available							
<i>Less: Ending inv.</i>							
Cost of goods sold							
Gross profit							

## Calculations

[illegible]



**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**CP 6–13**

1. Specific identification ending Inventory

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2. FIFO ending inventory

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3. Weighted average ending inventory

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4. Specific identification cost of goods sold

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**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**CP 6–13 continued**

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6. Weighted average cost of goods sold

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**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**CP 6–14**

1. a. FIFO ending inventory

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b. Specific identification ending inventory

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c. Weighted average

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2.

		<i>FIFO</i>			<i>Spec. ident.</i>			<i>Wtd. Avg.</i>	
Sales									
<i>Cost of goods sold</i>									
Opening inventory									
Purchases									
Cost of goods available									
Less: Ending inv.									
Cost of goods sold									
Gross profit									

**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**P 6–1**

1. COGS calculation

	<i>Purchased</i>			<i>Sold</i>			<i>Balance in Inventory</i>		
<i>Date</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>

2.

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3.

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**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**P 6–2**

1. a. FIFO

	<i>Purchased</i>			<i>Sold</i>			<i>Balance in Inventory</i>		
<i>Date</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>

The journal entry would be

**GENERAL JOURNAL**

**Page**

<b>Date</b>	<b>Description</b>	<b>Folio</b>	<b>Debit</b>	<b>Credit</b>

**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**P 6–2 continued**

b. Weighted average

	<i>Purchased</i>			<i>Sold</i>			<i>Balance in Inventory</i>		
<i>Date</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>

Weighted average calculations

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**CHAPTER SIX**  
**Assigning Costs to Merchandize**

Name \_\_\_\_\_

**P 6–2 continued**

The journal entry would be

GENERAL JOURNAL				Page
Date	Description	Folio	Debit	Credit

2.

	<i>FIFO</i>	<i>Wtd. avg.</i>
Sales		
COGS	_____	_____
Gross profit	=====	=====

Weighted average calculations

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Observation

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**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**P 6–2 continued**

3.

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**P 6–3**

1.

<i>Product A</i>									
	<i>Purchased</i>			<i>Sold</i>			<i>Balance in Inventory</i>		
<i>Date</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>

Weighted average calculations

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**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**P 6–3 continued**

2.

<i>Product B</i>									
	<i>Purchased</i>			<i>Sold</i>			<i>Balance in Inventory</i>		
<i>Date</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>

Weighted average calculations

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3. Total ending inventory at December 31, 2018:

Product A \_\_\_\_\_  
 Product B \_\_\_\_\_  
 Total           

4.

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**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**P 6–4**

1. a. FIFO

	<i>Purchased</i>			<i>Sold</i>			<i>Balance in Inventory</i>		
<i>Date</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>

**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**P 6–4 continued**

1. b. Specific identification

	<i>Purchased</i>			<i>Sold</i>			<i>Balance in Inventory</i>		
<i>Date</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>

**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**P 6–4 continued**

1. c. Weighted Average

	<i>Purchased</i>			<i>Sold</i>			<i>Balance in Inventory</i>		
<i>Date</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>	<i>Units</i>	<i>Unit Cost</i>	<i>Total \$</i>

Weighted average calculations

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**Name** \_\_\_\_\_

## 2. FIFO journal entries

217

**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**P 6–4 continued**

3.

	<i>FIFO</i>	<i>Spec. ident.</i>	<i>Wtd. Avg.</i>
COGS	_____	_____	_____
Ending inventory	_____	_____	_____
Total	_____	_____	_____

Observation

**P 6–5**

1.

2.

## CHAPTER SIX

### Assigning Costs to Merchandize

Name \_\_\_\_\_

#### P 6–6

<i>Item</i>	<i>Cost</i>	<i>Market</i>	<i>Unit LCNRV</i>	<i>Group LCNRV</i>
A				
B				
C				
D				

Conclusion

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#### P 6–7

1.

<i>Item</i>	2018			2019		
	<i>Cost</i>	<i>Net realizable value</i>	<i>Unit basis (LCNRV)</i>	<i>Cost</i>	<i>Nets realizable value</i>	<i>Unit basis (LCNRV)</i>
Product X						
Product Y						
Product Z						
Total						

Calculations

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## CHAPTER SIX

### Assigning Costs to Merchandize

Name \_\_\_\_\_

#### P 6–7 continued

2. 2018

		<i>Unit basis (LCNRV)</i>			<i>Group basis (LCNRV)</i>			<i>Cost basis</i>	
Sales									
<i>Cost of goods sold</i>									
Opening inventory									
Purchases									
Cost of goods available									
Less: Ending inv.									
Cost of goods sold									
Gross profit									

3. 2019

		<i>Unit basis (LCNRV)</i>			<i>Group basis (LCNRV)</i>			<i>Cost basis</i>	
Sales									
<i>Cost of goods sold</i>									
Opening inventory									
Purchases									
Cost of goods available									
Less: Ending inv.									
Cost of goods sold									
Gross profit									

4.

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5.

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**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**P 6–8**

1.

Sales			
Less: Sales returns			
Net sales			
<i>Cost of goods sold:</i>			
Opening inventory			
Purchases			
Less: Purchase returns			
Transportation – in			
Cost of goods available			
Less: Ending inventory			
Cost of goods sold			
Gross profit			

Calculations

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**CHAPTER SIX****Assigning Costs to Merchandize****Name** \_\_\_\_\_**P 6–9**

1. Retail inventory method

Sales		<i>At retail</i>				<i>At cost, should be</i>		
Less: Sales returns								
Net sales								
Cost of goods sold:								
Opening inventory								
Purchases								
Less: Purchase returns								
Transportation – in								
Cost of goods available								
Less: Ending inventory								
Cost of goods sold								
Gross profit								

**Calculations**

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- 2.

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- 3.

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**Name** \_\_\_\_\_

4.

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**CHAPTER SIX****Assigning Costs to Merchandize**

Name \_\_\_\_\_

**P 6–10**

a. Specific identification

	2018	2019	2020
Sales			
<i>Cost of goods sold</i>			
Opening inventory			
Purchases			
(Ending inventory)			
Cost of goods sold			
Gross profit/net income			

b. FIFO

	2018	2019	2020
Sales			
<i>Cost of goods sold</i>			
Opening inventory			
Purchases			
(Ending inventory)			
Cost of goods sold			
Gross profit/net income			

c. Weighted average

	2018	2019	2020
Sales			
<i>Cost of goods sold</i>			
Opening inventory			
Purchases			
(Ending inventory)			
Cost of goods sold			
Gross profit/net income			

**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**P 6–11**

1.

	<i>Units</i>	<i>FIFO</i>	<i>Spec. ident.</i>	<i>Weighted average</i>
Opening inventory				
Purchases				
Cost of goods available				

2.

FIFO	=			
Specific identification	=			
Weighted average				

Calculations

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3.

	<i>Units</i>	<i>FIFO</i>	<i>Spec. ident.</i>	<i>Weighted average</i>
Cost of goods available				
(Ending inventory)				
Cost of goods sold				

Calculations

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**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**P 6–11 continued**

4. Observations based on response 3 above:

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5.

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**P 6–12**

1.

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2.

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3.

		<i>FIFO</i>				<i>Weighted average</i>		
Sales								
<i>Cost of goods sold</i>								
Opening inventory								
Purchases								
Cost of goods available								
Less: Ending inventory								
Cost of goods sold								
Gross profit								

## CHAPTER SIX

### Assigning Costs to Merchandize

Name \_\_\_\_\_

**P 6–12 continued**

## Observation

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4.

[illegible]

**CHAPTER SIX****Assigning Costs to Merchandize****Name** \_\_\_\_\_**P 6–13****1. Total purchases**

Jan.	7	8,000 units @ \$12.00	96,000
Mar.	3	9,000 units @ \$12.40	111,600
May	0	12,000 units @ \$12.00	144,000
Jul.	1	16,000 units @ \$12.60	201,600
Sept.	0	6,000 units @ \$12.80	76,800
Dec.	4	7,000 units @ \$12.70	88,900
	2		
	1		
	4		

**Total**\_\_\_\_\_  
=====

Items remaining in ending inventory:

<i>FIFO</i>			
<i>Date</i>	<i>Quantity</i>	<i>Unit cost</i>	<i>Total cost</i>

<i>Specific identification</i>			
<i>Date</i>	<i>Quantity</i>	<i>Unit cost</i>	<i>Total cost</i>



## CHAPTER SIX

### Assigning Costs to Merchandize

Name \_\_\_\_\_

#### P 6–13 continued

Weighted average calculations:

	<i>Weighted average</i>		
<i>Date</i>	<i>Quantity</i>	<i>Unit cost</i>	<i>Total cost</i>
Jan. 1			
Jan. 7			
Mar. 30			
May 10			
July 4			
Sept. 2			
Dec. 14			
Totals			

Per-unit weighted average, and total cost in ending inventory:

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2. Based on the above calculations as appropriate, the gross profit would be:

	<i>FIFO</i>	<i>Specific Ident.</i>	<i>Weighted average</i>
Sales			
Cost of goods sold			
Opening inventory			
Purchases			
Cost of goods available			
Less: Ending inventory			
Cost of goods sold			
Gross profit			

3. Observations

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**CHAPTER SIX**  
**Assigning Costs to Merchandize**

**Name** \_\_\_\_\_

**P 6–14**

1. to 3.

	Rising prices		Falling prices	
	FIFO	Wtd. avg.	FIFO	Wtd. avg.
Sales	\$5,000	\$5,00	\$5,000	\$5,00
<i>Cost of goods sold</i>		0		0
Opening inventory	\$1,000			
Purchases	6,000			
Cost of goods avail.	7,000			
Ending inventory	3,000			
Cost of goods sold	4,000			
Gross profit	\$1,000	\$	\$	\$

**Calculations**

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## Cash and Receivables

Name \_\_\_\_\_

[illegible]

## Cash and Receivables

Name \_\_\_\_\_

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## Cash and Receivables

Name \_\_\_\_\_

[illegible]

## CHAPTER SEVEN

### Cash and Receivables

Name \_\_\_\_\_

CP 7-1

## GENERAL JOURNAL

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[illegible]

**CHAPTER SEVEN**  
**Cash and Receivables**

**Name** \_\_\_\_\_

**CP 7–2**

Bank Reconciliation			
Cash per general ledger, Dec. 31		Cash per bank statement, Dec. 31	
<i>Add:</i>		<i>Add:</i>	
<i>Less:</i>		<i>Less:</i>	
Adjusted Cash balance, Dec. 31		Adjusted Cash balance, Dec. 31	

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Date	Description	Folio	Debit	Credit

**CHAPTER SEVEN**  
**Cash and Receivables**

**Name** \_\_\_\_\_

**CP 7–3**

Bank Reconciliation			
Cash per general ledger, Dec. 31		Cash per bank statement, Dec. 31	
<i>Add:</i>		<i>Add:</i>	
<i>Less:</i>		<i>Less:</i>	
Adjusted Cash balance, Dec. 31		Adjusted Cash balance, Dec. 31	

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Date	Description	Folio	Debit	Credit



## CHAPTER SEVEN

### Cash and Receivables

Name \_\_\_\_\_

## CP 7-4

1.

[illegible]

2.

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**CHAPTER SEVEN**  
**Cash and Receivables**

**Name** \_\_\_\_\_

**CP 7–5**

1.

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2.

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3.

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**Partial Statement of Financial Position**

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**CHAPTER SEVEN**  
**Cash and Receivables**

**Name** \_\_\_\_\_

**CP 7–6**

1.

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2.

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**CP 7–7**

1. a.

**GENERAL JOURNAL**

**Page** \_\_\_\_\_

Date	Description	Folio	Debit	Credit

b.

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**CHAPTER SEVEN**  
**Cash and Receivables**

**Name** \_\_\_\_\_

**CP 7–7 continued**

2. a.

GENERAL JOURNAL

Page \_\_\_\_\_

Date	Description	Folio	Debit	Credit

b.

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3.

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**CHAPTER SEVEN**  
**Cash and Receivables**

**Name** \_\_\_\_\_

**CP 7–8**

1.      a.

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b.

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2.      a.

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b.

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3.

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**CHAPTER SEVEN**  
**Cash and Receivables**

**Name** \_\_\_\_\_

**CP 7–9**

1. November 30, 2017

GENERAL JOURNAL				Page _____
Date	Description	Folio	Debit	Credit

2. December 31, 2017

GENERAL JOURNAL				Page _____
Date	Description	Folio	Debit	Credit

3. February 1, 2018

GENERAL JOURNAL				Page _____
Date	Description	Folio	Debit	Credit

## CHAPTER SEVEN

### Cash and Receivables

Name \_\_\_\_\_

**P 7-1**

## 1. 2017

[illegible]

2.

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## CHAPTER SEVEN

### Cash and Receivables

Name \_\_\_\_\_

#### P 7-2

1. \_\_\_\_\_ The company has received a \$3,000 loan from the bank, that was deposited into its bank account but was not recorded in the books of the company.
- \_\_\_\_\_ A \$250 cheque was not returned with the bank statement though it was paid by the bank.
- \_\_\_\_\_ Cheques amounting to \$4,290 shown as outstanding on the November reconciliation still have not been returned by the bank.
- \_\_\_\_\_ A collection of a note receivable for \$1,000 made by the bank has not been previously reported to Goertzen. This includes interest earned of \$50.
- \_\_\_\_\_ The bank has erroneously charged Goertzen with an \$1,100 cheque which should have been charged to Gagetown Ltd.
- \_\_\_\_\_ A \$350 cheque made out by Fynn Company and deposited by Goertzen has been returned by the bank marked NSF; this is the first knowledge Goertzen has of this action.
- \_\_\_\_\_ A cheque for \$840 was erroneously recorded as \$730 in the company records.
- \_\_\_\_\_ A \$600 bank deposit of December 31 does not appear on the bank statement.
- \_\_\_\_\_ Bank service charges amounting to \$75 were deducted from the bank statement but not yet from the company records.



**CHAPTER SEVEN**  
**Cash and Receivables**

**Name** \_\_\_\_\_

**P 7–2 continued**

2.

Bank Reconciliation			
Cash per general ledger, Dec. 31		Cash per bank statement, Dec. 31	
<i>Add:</i>		<i>Add:</i>	
<i>Less:</i>		<i>Less:</i>	
Adjusted Cash balance, Dec. 31		Adjusted Cash balance, Dec. 31	

## CHAPTER SEVEN

### Cash and Receivables

Name \_\_\_\_\_

**P 7-2 continued**

3.

[illegible]

**CHAPTER SEVEN**  
**Cash and Receivables**

**Name** \_\_\_\_\_

**P 7–3**

1.

Bank Reconciliation			
Cash per general ledger, Dec. 31		Cash per bank statement, Dec. 31	
<i>Add:</i>		<i>Add:</i>	
<i>Less:</i>		<i>Less:</i>	
Adjusted Cash balance, Dec. 31		Adjusted Cash balance, Dec. 31	

**CHAPTER SEVEN**  
**Cash and Receivables**

**Name** \_\_\_\_\_

**P 7–3continued**

2.

Date	Description	Folio	Debit	Credit

**P 7–4**

1.

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2.

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**CHAPTER SEVEN**  
**Cash and Receivables**

**Name** \_\_\_\_\_

**P 7–5**

1. 2017

Date	Description	Folio	Debit	Credit

2018 a.

Date	Description	Folio	Debit	Credit

2018 b.

Date	Description	Folio	Debit	Credit

2018 c.

Date	Description	Folio	Debit	Credit

## CHAPTER SEVEN

### Cash and Receivables

Name \_\_\_\_\_

**P 7-5 continued**

2018 d.

[illegible]

2018 e.

Date	Description	Folio	Debit	Credit

### Calculations

[illegible]

**CHAPTER SEVEN**  
**Cash and Receivables**

**Name** \_\_\_\_\_

**P 7–5 continued**

2.

Allowance for Doubtful Accounts


**P 7–6**

Part A: 2017

1.

Date	Description	Folio	Debit	Credit

## Cash and Receivables

Name \_\_\_\_\_

**P 7-6 continued**

2. Calculation of uncollectible amount at December 31, 2017

						<i>Est.</i>
<i>Age (days)</i>		<i>Accounts Receivable</i>		<i>Est. loss Percentage</i>		<i>Uncollectible Amount</i>
1-30						
31-60						
61-90						
91-120						
Over 120						

[illegible][illegible]



**CHAPTER SEVEN**  
**Cash and Receivables**

Name \_\_\_\_\_

**P 7–6 continued**

Part B: 2018

Date	Description	Folio	Debit	Credit

<i>Age (days)</i>	<i>Accounts Receivable</i>	<i>Est. loss Percentage</i>	<i>Est. Uncollectible Amount</i>
1-30			
31-60			
61-90			
91-120			
Over 120			

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**CHAPTER SEVEN**  
**Cash and Receivables**

**Name** \_\_\_\_\_

**P 7-7**

1. a.

Date	Description	Folio	Debit	Credit

b.

Date	Description	Folio	Debit	Credit

2.

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3. a.

Date	Description	Folio	Debit	Credit

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**CHAPTER SEVEN**  
**Cash and Receivables**

Name \_\_\_\_\_

**P 7–7 continued**

3. b.

Date	Description	Folio	Debit	Credit

c. Calculation of uncollectible amount at December 31, 2018

<i>Age (days)</i>	<i>Accounts Receivable</i>	<i>Est. loss Percentage</i>	<i>Est. Uncollectible Amount</i>
1-30			
31-60			
61-90			
91-120			
Over 120			

Date	Description	Folio	Debit	Credit

**CHAPTER SEVEN**  
**Cash and Receivables**

**Name** \_\_\_\_\_

**P 7–8**

1.

Date	Description	Folio	Debit	Credit

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2.

Date	Description	Folio	Debit	Credit

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3.

Date	Description	Folio	Debit	Credit

## Cash and Receivables

Name \_\_\_\_\_

**P 7-9**

1.

[illegible]

**CHAPTER SEVEN**  
**Cash and Receivables**

**Name** \_\_\_\_\_

**P 7–9 continued**

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2.a

Date	Description	Folio	Debit	Credit

b.

Date	Description	Folio	Debit	Credit

3.

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4.

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**CHAPTER SEVEN**  
**Cash and Receivables**

Name \_\_\_\_\_

**P 7–10**

1.

<i>Name</i>	<i>1-30</i>	<i>31-60</i>	<i>61-90</i>	<i>91-120</i>	<i>121-150</i>	<i>+150</i>

2.

<i>Age (days)</i>	<i>Accounts Receivable</i>	<i>Est. loss Percentage</i>	<i>Est. Uncollectible Amount</i>
1-30			
31-60			
61-90			
91-120			
121-150			
Over 150			

**CHAPTER SEVEN**  
**Cash and Receivables**

**Name** \_\_\_\_\_

**P 7–10 continued**

3.

Date	Description	Folio	Debit	Credit



## Cash and Receivables

Name \_\_\_\_\_

**P 7-11**

1.

[illegible]

2.

<i>Age (days)</i>	<i>Accounts Receivable</i>	<i>Est. loss Percentage</i>	<i>Est. Uncollectible Amount</i>
1-30			
31-60			
61-90			
91-120			
Over 120			

**CHAPTER SEVEN**  
**Cash and Receivables**

**Name** \_\_\_\_\_

**P 7–11 continued**

**Allowance for Doubtful Accounts**


Date	Description	Folio	Debit	Credit

**CHAPTER SEVEN**  
**Cash and Receivables**

**Name** \_\_\_\_\_

**P 7–12**

1.

Date	Description	Folio	Debit	Credit

2.

Date	Description	Folio	Debit	Credit

3.

Date	Description	Folio	Debit	Credit

**CHAPTER SEVEN**  
**Cash and Receivables**

**Name** \_\_\_\_\_

## CHAPTER EIGHT

### Long-lived Assets

**Name** \_\_\_\_\_

### Concept Self-check

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## CHAPTER EIGHT

### Long-lived Assets

**Name** \_\_\_\_\_

### Concept Self-check continued

[illegible]

## CHAPTER EIGHT

### Long-lived Assets

**Name** \_\_\_\_\_

### Concept Self-check continued

[illegible]

## CHAPTER EIGHT

### Long-lived Assets

**Name** \_\_\_\_\_

### Concept Self-check continued

[illegible]



## CHAPTER EIGHT

### Long-lived Assets

**Name** \_\_\_\_\_

### Concept Self-check continued

This image shows a full page of blank white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page, providing a template for writing or drawing. There are no margins, text, or other markings present.

**CHAPTER EIGHT**  
**Long-lived Assets**

Name \_\_\_\_\_

**CP 8–1**

- \_\_\_ Battery purchased for truck
- \_\_\_ Cash discount received on payment for equipment
- \_\_\_ Commission paid to real estate agent to purchase land
- \_\_\_ Cost of equipment test runs
- \_\_\_ Cost to remodel building
- \_\_\_ Cost to replace manual elevator with automatic elevator
- \_\_\_ Cost of sewage system
- \_\_\_ Equipment assembly expenditure
- \_\_\_ Expenditures for debugging equipment
- \_\_\_ Installation of air-conditioner in automobile
- \_\_\_ Insurance paid during construction of building
- \_\_\_ Legal fees associated with court case to defend title to land purchased
- \_\_\_ Oil change for truck
- \_\_\_ Payment for landscaping
- \_\_\_ Payment to demolish a derelict building on land purchased
- \_\_\_ Expenditures for removal of derelict structures
- \_\_\_ Repair made to building after moving in
- \_\_\_ Repair of collision damage to truck
- \_\_\_ Repair of torn seats in automobile
- \_\_\_ Replacement of rusted fender on automobile
- \_\_\_ Replacement of transmission on automobile
- \_\_\_ Special floor foundations for installation of equipment
- \_\_\_ Tires purchased for truck
- \_\_\_ Transportation expenditures to bring equipment to plant.

Assumptions

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## CHAPTER EIGHT

### Long-lived Assets

**Name** \_\_\_\_\_

## CP 8-2

1.

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2.

<i>Year</i>	<i>Straight-line</i>		<i>DDB</i>
1			
2			
3			
4			
5			

## Conclusion

[illegible]

**CHAPTER EIGHT**  
**Long-lived Assets**

Name \_\_\_\_\_

**CP 8–3**

1. Journal entries to record the sale on the books of:

a. Freeman:

Date	Description	Folio	Debit	Credit

b. The developer:

Date	Description	Folio	Debit	Credit

Calculation of gain/loss

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2.

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**CHAPTER EIGHT**  
**Long-lived Assets**

**Name** \_\_\_\_\_

**CP 8–4**

1. Straight–line method:

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2. Double–declining balance method:

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**CP 8–5**

1. Straight–line method:

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2. Usage method:

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3. Double–declining balance method:

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**CHAPTER EIGHT**  
**Long-lived Assets**

Name \_\_\_\_\_

**CP 8–6**

1. Jan. 31, 2018

Date	Description	Folio	Debit	Credit

2. Dec. 31, 2018

Date	Description	Folio	Debit	Credit

Dec. 31, 2019

Date	Description	Folio	Debit	Credit

**CHAPTER EIGHT**  
**Long-lived Assets**

**Name** \_\_\_\_\_

**CP 8–7**

1. Straight–line method:

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2. Double–declining balance method:

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**CHAPTER EIGHT**  
**Long-lived Assets**

**Name** \_\_\_\_\_

**CP 8–8**

1. Equipment sold for \$50,000:

Date	Description	Folio	Debit	Credit

2. Equipment sold for \$85,000:

Date	Description	Folio	Debit	Credit

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**CHAPTER EIGHT**  
**Long-lived Assets**

Name \_\_\_\_\_

**CP 8–8 continued**

3. Equipment sold for \$59,375:

Date	Description	Folio	Debit	Credit

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CHAPTER EIGHT  
Long-lived Assets

Name \_\_\_\_\_

CP 8–9

Date	Description	Folio	Debit	Credit

## CHAPTER EIGHT

### Long-lived Assets

**Name** \_\_\_\_\_

**CP 8–10**

1.

[illegible]

2.

[illegible]

3.

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**CHAPTER EIGHT**  
**Long-lived Assets**

Name \_\_\_\_\_

**CP 8–11**

1. 2020

Date	Description	Folio	Debit	Credit

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2. 2020

Date	Description	Folio	Debit	Credit

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## CHAPTER EIGHT

### Long-lived Assets

**Name** \_\_\_\_\_

## CP 8–11 continued

### 3. 2020

[illegible][illegible]

## CHAPTER EIGHT

### Long-lived Assets

**Name** \_\_\_\_\_

## CP 8-12

1.

[illegible]

2. 2019

[illegible]

**CHAPTER EIGHT**  
**Long-lived Assets**

Name \_\_\_\_\_

**CP 8–12 continued**

3.

Accumulated Depreciation – Equipment				Acct. No. 193			
Date		Description	Folio	Debit	Credit	DR CR	Balance
		Balance forward				CR	2,250

4.

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5.

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**CHAPTER EIGHT**  
**Long-lived Assets**

Name \_\_\_\_\_

**CP 8–13**

1. a. Jan. 1, 2018

Date	Description	Folio	Debit	Credit

b. Dec. 31, 2018

Date	Description	Folio	Debit	Credit

c. March 1, 2019

Date	Description	Folio	Debit	Credit



## CHAPTER EIGHT

Name \_\_\_\_\_

**CP 8–13 continued**

d. Dec. 31, 2019

[illegible][illegible]

2.a. March 3, 2020

[illegible]

## CHAPTER EIGHT

### Long-lived Assets

**Name** \_\_\_\_\_

## CP 8-13 continued

b. March 3, 2020

[illegible][illegible]

**CHAPTER EIGHT**  
**Long-lived Assets**

Name \_\_\_\_\_

**CP 8–14**

1. Jan. 1, 2018

Date	Description	Folio	Debit	Credit

2. Dec. 31, 2018

Date	Description	Folio	Debit	Credit

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**CHAPTER EIGHT**  
**Long-lived Assets**

Name \_\_\_\_\_

**CP 8–14 continued**

3. Dec. 31, 2019

Date	Description	Folio	Debit	Credit

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4.a. Dec. 2, 2020

Date	Description	Folio	Debit	Credit

**CHAPTER EIGHT**  
**Long-lived Assets**

Name \_\_\_\_\_

**CP 8–14 continued**

4. b. Dec. 2, 2020

Date	Description	Folio	Debit	Credit

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**P 8–1**

Cost of lots:

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## CHAPTER EIGHT

### Long-lived Assets

Name \_\_\_\_\_

**P 8-2**

- \_\_\_\_\_ Invoice price of new machine, net of cash discount offered
- \_\_\_\_\_ Cash discount on the above, which has not yet been taken (assumes the company follows this treatment)
- \_\_\_\_\_ Anticipated first year's savings in operating costs from use of new machine
- \_\_\_\_\_ Two-year service contract on operations of new machine paid in full
- \_\_\_\_\_ Cost of materials used while testing new machine
- \_\_\_\_\_ Cost of installing sound insulation in wall near machine so that nearby office employees will not be disturbed by it
- \_\_\_\_\_ Cost of removing machine that new machine replaces.

### Explanations/assumptions

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.

## CHAPTER EIGHT

### Long-lived Assets

**Name** \_\_\_\_\_

**P 8-3**

1.

[illegible]

## CHAPTER EIGHT

### Long-lived Assets

**Name** \_\_\_\_\_

**P 8-3 continued**

1. continued

[illegible]



**CHAPTER EIGHT**  
**Long-lived Assets**

Name \_\_\_\_\_

**P 8–3 continued**

2.

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**P 8–4**

1.

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2.

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3.

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4.

Partial Statement of Financial Position		

## CHAPTER EIGHT

### Long-lived Assets

**Name** \_\_\_\_\_

**P 8-5**

1. Depreciation expense

<i>Year</i>	<i>Straight-line</i>	<i>DDB</i>	<i>Usage</i>
2018			
2019			
2020			
2021			
Totals			

## Calculations

[illegible]

Double-declining balance calculations			
Year	Carrying Amount	DDB Rate	Dep'n Expense

**CHAPTER EIGHT**  
**Long-lived Assets**

**Name** \_\_\_\_\_

**P 8–5 continued**

2.

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3.

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**P 8–6**

1. a. Usage

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b. Straight-line

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c. Double-declining balance

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**CHAPTER EIGHT**  
**Long-lived Assets**

Name \_\_\_\_\_

**P 8–6 continued**

	<i>Depreciation expense</i>	<i>Carrying amount</i>
2.		
a. Usage	_____	_____
b. Straight–line	_____	_____
c. Double–declining balance	_____	_____
3.		

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**P 8–7**

1. a. Straight-line method

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b. Double-declining balance method

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2. a. Straight-line depreciation

Date	Description	Folio	Debit	Credit

**CHAPTER EIGHT**  
**Long-lived Assets**

Name \_\_\_\_\_

**P 8–7 continued**

b. Declining balance method

Date	Description	Folio	Debit	Credit

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3.

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P 8–8

1.

2.

3.

Date	Description	Folio	Debit	Credit

## CHAPTER EIGHT

### Long-lived Assets

**Name** \_\_\_\_\_

**P 8-8 continued**

4.

[illegible]

## Calculations

[illegible]

**CHAPTER EIGHT**  
**Long-lived Assets**

Name \_\_\_\_\_

**P 8–9**

Part A

1.

Date	Description	Folio	Debit	Credit

2.

Date	Description	Folio	Debit	Credit

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**CHAPTER EIGHT**  
**Long-lived Assets**

Name \_\_\_\_\_

**P 8–9**

Part B

1.

Date	Description	Folio	Debit	Credit

2.

Date	Description	Folio	Debit	Credit

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**CHAPTER EIGHT**  
**Long-lived Assets**

**Name** \_\_\_\_\_

**P 8–10**

1. a.

Date	Description	Folio	Debit	Credit

b.

Date	Description	Folio	Debit	Credit

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## CHAPTER EIGHT

### Long-lived Assets

**Name** \_\_\_\_\_

**P 8-10 continued**

C.

Date	Description	Folio	Debit	Credit

d.

Date	Description	Folio	Debit	Credit

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**CHAPTER EIGHT**  
**Long-lived Assets**

Name \_\_\_\_\_

**P 8–10 continued**

1.d. continued

Date	Description	Folio	Debit	Credit

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2.

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Name \_\_\_\_\_

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**Name** \_\_\_\_\_

[illegible]

**CHAPTER NINE****Debt Financing: Current and Non-current Liabilities****Name** \_\_\_\_\_**CP 9–1**

Date	Description	Folio	Debit	Credit

**CP 9–2**

Date	Description	Folio	Debit	Credit

### Debt Financing: Current and Non-current Liabilities

**Name** \_\_\_\_\_

## CP 9-3

1. 2018

[illegible]

## Calculations

[illegible]



### Debt Financing: Current and Non-current Liabilities

**Name** \_\_\_\_\_

## CP 9-3 continued

2. 2019

[illegible]

**CHAPTER NINE****Debt Financing: Current and Non-current Liabilities**

Name \_\_\_\_\_

**CP 9–4**

1.

Date	Description	Folio	Debit	Credit

2.

Date	Description	Folio	Debit	Credit

3.

Date	Description	Folio	Debit	Credit

4.

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**CHAPTER NINE****Debt Financing: Current and Non-current Liabilities****Name** \_\_\_\_\_**CP 9–5**

1.

Date	Description	Folio	Debit	Credit

2.

Date	Description	Folio	Debit	Credit

3.

Date	Description	Folio	Debit	Credit

**CHAPTER NINE****Debt Financing: Current and Non-current Liabilities**

Name \_\_\_\_\_

**CP 9–6**

1.

Date	Description	Folio	Debit	Credit

2.

Date	Description	Folio	Debit	Credit

3.

Date	Description	Folio	Debit	Credit

**CHAPTER NINE****Debt Financing: Current and Non-current Liabilities**

Name \_\_\_\_\_

**CP 9–6 continued**

4. a.

Date	Description	Folio	Debit	Credit

b.

Date	Description	Folio	Debit	Credit

c.

Date	Description	Folio	Debit	Credit

### Debt Financing: Current and Non-current Liabilities

**Name** \_\_\_\_\_

## CP 9-7

1.

Date	Description	Folio	Debit	Credit

2.

Date	Description	Folio	Debit	Credit

3.

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slight shadow on its right side, suggesting it's resting on a surface.

**CHAPTER NINE****Debt Financing: Current and Non-current Liabilities**

Name \_\_\_\_\_

**CP 9–8**


**CP 9–9**

1. a. 2021

Date	Description	Folio	Debit	Credit

b.

Date	Description	Folio	Debit	Credit

## CHAPTER NINE

### Debt Financing: Current and Non-current Liabilities

Name \_\_\_\_\_

#### CP 9–9 continued

2.

#### Loan Repayment Schedule

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>
<i>Year ended Dec. 31</i>	<i>Beginning loan balance</i>	<i>Interest expense</i>	<i>(D – B) Reduction of loan payable</i>	<i>Total loan payment</i>	<i>(A – C) Ending loan balance</i>
	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____

3.

Date	Description	Folio	Debit	Credit



**CHAPTER NINE****Debt Financing: Current and Non-current Liabilities**

Name \_\_\_\_\_

**CP 9–10**

1.

Date	Description	Folio	Debit	Credit

2.

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**Lease Repayment Schedule**

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<i>Year ended Dec. 31</i>	<i>A Beginning loan balance</i>	<i>B Interest expense</i>	<i>C (D – B) Reduction of loan payable</i>	<i>D Total loan payment</i>	<i>E (A – C) Ending loan balance</i>
	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____

**CHAPTER NINE****Debt Financing: Current and Non-current Liabilities**

Name \_\_\_\_\_

**CP 9–10 continued**

3.

Statement of Financial Position		


**P 9–1**

1. a. 2018

Date	Description	Folio	Debit	Credit

b.

Date	Description	Folio	Debit	Credit

**CHAPTER NINE****Debt Financing: Current and Non-current Liabilities**

Name \_\_\_\_\_

**P 9–1 continued**

c.

Date	Description	Folio	Debit	Credit

d.

Date	Description	Folio	Debit	Credit

e.

Date	Description	Folio	Debit	Credit

**CHAPTER NINE****Debt Financing: Current and Non-current Liabilities****Name** \_\_\_\_\_**P 9–1 continued**

2. f. 2018

Date	Description	Folio	Debit	Credit

g.

Date	Description	Folio	Debit	Credit

**CHAPTER NINE****Debt Financing: Current and Non-current Liabilities**

Name \_\_\_\_\_

**P 9–1 continued**

h.

Date	Description	Folio	Debit	Credit

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**3. Current liabilities at January 31:**

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

# CHAPTER NINE

## Debt Financing: Current and Non-current Liabilities

Name \_\_\_\_\_

### P 9-2

1.

ASSETS	LIABILITIES		SHAREHOLDERS' EQUITY
Cash	Bank Loan	Corp. Inc. Tax. Pay.	Share Capital
			Sales
Accounts Receivable	Accounts Payable	Interest Payable	Cost of Goods Sold
Merchandise Inventory	Salaries Payable	Emp'ee Inc. Tax Pay.	Salaries Expense
	Employ. Ins. Pay.	Gov't Pens. Pay.	Employ. Ins. Exp.
	GST Payable		Gov't Pension Exp.
			Interest Expense
			Corp. Taxes Exp.

**Name** \_\_\_\_\_

2.

[illegible]

Name \_\_\_\_\_



**CHAPTER NINE****Debt Financing: Current and Non-current Liabilities**

Name \_\_\_\_\_

**P 9–3**

1.a.

Date	Description	Folio	Debit	Credit

b.

Date	Description	Folio	Debit	Credit

c.

Date	Description	Folio	Debit	Credit

d.

Date	Description	Folio	Debit	Credit

## CHAPTER NINE

### Debt Financing: Current and Non-current Liabilities

Name \_\_\_\_\_

#### P 9–3 continued

e.

Date	Description	Folio	Debit	Credit

To record salaries payable as follows:

		<u>Deductions</u>					
	<i>Gross</i>	<i>Income</i>	<i>Employ.</i>	<i>Gov't</i>	<i>Comp.</i>	<i>Total.</i>	<i>Net</i>
	<i>pay</i>	<i>taxes</i>	<i>insur.</i>	<i>pension</i>	<i>health</i>	<i>deduct.</i>	<i>pay</i>
Employee	_____	_____	_____	_____	_____	_____	_____
Employer	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____

f.

Date	Description	Folio	Debit	Credit

**CHAPTER NINE****Debt Financing: Current and Non-current Liabilities****Name** \_\_\_\_\_**P 9–3 continued**

g.

Date	Description	Folio	Debit	Credit

### Debt Financing: Current and Non-current Liabilities

**Name** \_\_\_\_\_

2.

[illegible]

### Debt Financing: Current and Non-current Liabilities

**Name** \_\_\_\_\_

**P 9-3 continued**[illegible]

### Debt Financing: Current and Non-current Liabilities

Name \_\_\_\_\_

**P 9-3 continued**

**CHAPTER NINE****Debt Financing: Current and Non-current Liabilities**

Name \_\_\_\_\_

**P 9–4**

1.a.

Date	Description	Folio	Debit	Credit

b.

Date	Description	Folio	Debit	Credit

2.

**Loan Repayment Schedule**

<i>Year ended Dec. 31</i>	<i>A Beginning loan balance</i>	<i>B Interest expense</i>	<i>C (D – B) Reduction of loan payable</i>	<i>D Total loan payment</i>	<i>E (A – C) Ending loan balance</i>

**CHAPTER NINE****Debt Financing: Current and Non-current Liabilities****Name** \_\_\_\_\_**P 9–4 continued**

3.

Date	Description	Folio	Debit	Credit

4.

Partial Statement of Financial Position		

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**CHAPTER NINE****Debt Financing: Current and Non-current Liabilities**

Name \_\_\_\_\_

**P 9–5**

1. 2018

Date	Description	Folio	Debit	Credit

2.

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**Lease Repayment Schedule**


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<i>Year ended Dec. 31</i>	<i>A Beginning loan balance</i>	<i>B Interest expense</i>	<i>C (D – B) Reduction of loan payable</i>	<i>D Total loan payment</i>	<i>E (A – C) Ending loan balance</i>

**CHAPTER NINE****Debt Financing: Current and Non-current Liabilities****Name** \_\_\_\_\_**P 9–5 continued**

3.

Statement of Financial Position		

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## Debt Financing: Bonds

**Name** \_\_\_\_\_

### Concept Self-check

[illegible]

## Debt Financing: Bonds

**Name** \_\_\_\_\_

### Concept Self-check continued

[illegible]

## Debt Financing: Bonds

**Name** \_\_\_\_\_

### Concept Self-check continued

This image shows a single page of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

## Debt Financing: Bonds

**Name** \_\_\_\_\_

### Concept Self-check continued

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## Debt Financing: Bonds

## Debt Financing: Bonds

Name \_\_\_\_\_

### Concept Self-check continued

[illegible]

## Debt Financing: Bonds

Name \_\_\_\_\_

### Concept Self-check continued

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**CHAPTER TEN****Debt Financing: Bonds**

Name \_\_\_\_\_

**CP 10–1**

1. If the market rate of interest is 15% and the bond interest rate is 10%, the bonds will sell at a \_\_\_\_\_.
2. If a bond's interest rate is 10% and the market rate of interest is 8%, the bonds will sell at a \_\_\_\_\_.
3. In computing the carrying amount of a bond, unamortized \_\_\_\_\_ is subtracted from the face value of the bond.
4. In computing the carrying amount of a bond, unamortized \_\_\_\_\_ is added to the face value of the bond.
5. If a bond sells at a \_\_\_\_\_, an amount in excess of the face value of the bond is received on the date of issuance.
6. If a bond sells at a \_\_\_\_\_, an amount less than the face value of the bond is received on the date of issuance.

**CP 10–2**

1. a. The issuance of bonds:

Date	Description	Folio	Debit	Credit

**CHAPTER TEN**  
**Debt Financing: Bonds**

**Name** \_\_\_\_\_

**CP 10–2 continued**

b. The interest payment:

Date	Description	Folio	Debit	Credit

c. The amortization of the discount:

Date	Description	Folio	Debit	Credit

2.

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**CHAPTER TEN**  
**Debt Financing: Bonds**

**Name** \_\_\_\_\_

**CP 10–2 continued**

3.

Partial Statement of Financial Position		

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4. Retirement of the bonds:

Date	Description	Folio	Debit	Credit

**CHAPTER TEN**  
**Debt Financing: Bonds**

Name \_\_\_\_\_

**CP 10–2 continued**

5. Calling of the bonds:

Date	Description	Folio	Debit	Credit

**CP 10–3**

1. a. The issuance of the bonds:

Date	Description	Folio	Debit	Credit

- b. The interest payment:

Date	Description	Folio	Debit	Credit

## Debt Financing: Bonds

Name \_\_\_\_\_

## CP 10-3 continued

c. The amortization of the premium:

[illegible]

2.

[illegible]

3.

## Partial Statement of Financial Position

**CHAPTER TEN**  
**Debt Financing: Bonds**

**Name** \_\_\_\_\_

**CP 10–3 continued**

4. Calling of the bonds:

Date	Description	Folio	Debit	Credit

**CP 10–4**

Date	Description	Folio	Debit	Credit

**CP 10–5**

Date	Description	Folio	Debit	Credit

**CHAPTER TEN**  
**Debt Financing: Bonds**

**Name** \_\_\_\_\_

**CP 10–6**

Case A

1.

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2.

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3.

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4.

Date	Description	Folio	Debit	Credit

5.

Date	Description	Folio	Debit	Credit

**CHAPTER TEN**  
**Debt Financing: Bonds**

**Name** \_\_\_\_\_

**CP 10–6 continued**

Case B

1.

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2.

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3.

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4.

Date	Description	Folio	Debit	Credit

5.

Date	Description	Folio	Debit	Credit



CHAPTER TEN  
Debt Financing: Bonds

Name \_\_\_\_\_

CP 10–6 continued

Case C

1.

2.

3.

4.

Date	Description	Folio	Debit	Credit

5.

Date	Description	Folio	Debit	Credit

**CHAPTER TEN**  
**Debt Financing: Bonds**

**Name** \_\_\_\_\_

**CP 10–7**

1.

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2.

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**CHAPTER TEN**  
**Debt Financing: Bonds**

Name \_\_\_\_\_

**CP 10–8 (Appendix)**

1.

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2. Issue of \$200,000 Bonds Payable for \$210,152

**Amortization Table**

Using Market Interest Rate of \_\_\_\_ Per Cent

		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
		<i>Beginning bond carrying amount</i>		<i>Actual cash interest paid</i>	<i>Periodic prem./disc. amort.</i>	<i>Ending bond carrying amount</i>
<i>Year</i>	<i>Six month period ending</i>		<i>6-month interest expense</i>			
_____	Jun. 30	_____	_____	_____	_____	_____
	Dec. 31	_____	_____	_____	_____	_____
			_____			
_____	Jun. 30	_____	_____	_____	_____	_____
	Dec. 31	_____	_____	_____	_____	_____
			_____			
_____	Jun. 30	_____	_____	_____	_____	_____
	Dec. 31	_____	_____	_____	_____	_____
			_____			

## Debt Financing: Bonds

Name \_\_\_\_\_

## CP 10–8 (Appendix) continued

3.

### Calculation of Effective Interest Rate

		A	B	
Year	Six month period ending	Bond carrying amount	Using ____% market rate to calculate periodic interest expense	(B/A)
	Jun. 30			
	Dec. 31			
	Jun. 30			
	Dec. 31			
	Jun. 30			
	Dec. 31			

4.

[illegible]

CHAPTER TEN  
Debt Financing: Bonds

Name \_\_\_\_\_

P 10–1

1.      a.

b.

2.

3.

Date	Description	Folio	Debit	Credit

## Debt Financing: Bonds

**Name** \_\_\_\_\_

**P 10-1 continued**

4.

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**CHAPTER TEN**  
**Debt Financing: Bonds**

**Name** \_\_\_\_\_

**P 10–2**

1.

Date	Description	Folio	Debit	Credit

2.

Date	Description	Folio	Debit	Credit

3.

Date	Description	Folio	Debit	Credit

**CHAPTER TEN**  
**Debt Financing: Bonds**

**Name** \_\_\_\_\_

**P 10–2 continued**

4.

Date	Description	Folio	Debit	Credit

5.a.

Date	Description	Folio	Debit	Credit



**CHAPTER TEN**  
**Debt Financing: Bonds**

**Name** \_\_\_\_\_

**P 10–2 continued**

b

Date	Description	Folio	Debit	Credit

6.a.

Date	Description	Folio	Debit	Credit

b.

Date	Description	Folio	Debit	Credit

**CHAPTER TEN**  
**Debt Financing: Bonds**

**Name** \_\_\_\_\_

**P 10–2 continued**

c.

Date	Description	Folio	Debit	Credit

**P 10–3**

1.a. Amount of interest paid every 6 months:

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b. Amount of amortization every 6 months:

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P 10–3 continued

2.

	Case A		Case B		Case C	
	Debit	Credit	Debit	Credit	Debit	Credit
a. Issue of the bonds						
b. Payment of interest						
c. Amortization						

**CHAPTER TEN**  
**Debt Financing: Bonds**

**Name** \_\_\_\_\_

**P 10–3 continued**

	<i>Case A</i>		<i>Case B</i>		<i>Case C</i>	
	<i>Debit</i>	<i>Credit</i>	<i>Debit</i>	<i>Credit</i>	<i>Debit</i>	<i>Credit</i>
d. Payment of interest						
e. Amortization						
f. Payment of interest						
g. Amortization						
h. Redemption of bonds						

## Debt Financing: Bonds

Name \_\_\_\_\_

**P 10-3 continued**

- ### 3. Calculation of interest expense

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

4. Exercise of a call option at Dec. 31, 2018

	Case A		Case B		Case C	
	Debit	Credit	Debit	Credit	Debit	Credit

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.

**CHAPTER TEN**  
**Debt Financing: Bonds**

**Name** \_\_\_\_\_

**P 10–4**

1. a.

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b.

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2.

Amortization Table  
 Using Market Interest Rate of \_\_\_\_ Per Cent

		<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>
		<i>Beginning bond carrying amount</i>	<i>6-month interest expense</i>	<i>Actual cash interest paid</i>	<i>Periodic prem./disc. amort.</i>	<i>Ending bond carrying amount</i>
<i>Year</i>	<i>Six month period ending Jun. 30</i>					
	Dec. 31					
	Jun. 30					
	Dec. 31					
	Jun. 30					
	Dec. 31					

## Debt Financing: Bonds

Name \_\_\_\_\_

**P 10-4 continued**

3.

### Calculation of Effective Interest Rate

		A	B	
	Six month period ending	Bond carrying amount	Using ____% market rate to calculate periodic interest expense	
Year				(B/A)
	Jun. 30			
	Dec. 31			
	Jun. 30			
	Dec. 31			
	Jun. 30			
	Dec. 31			

4.

[illegible]

**CHAPTER TEN**  
**Debt Financing: Bonds**

**Name** \_\_\_\_\_

**P 10–4 continued**

5.

Partial Statement of Financial Position		

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**CHAPTER TEN**  
**Debt Financing: Bonds**

**Name** \_\_\_\_\_

**P 10–5**

1. a. Difference between the premiums from 2017 to 2018

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- b. Total premium/yearly amortization

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- 2.

Date	Description	Folio	Debit	Credit

**CHAPTER TEN**  
**Debt Financing: Bonds**

**Name** \_\_\_\_\_

**P 10–5 continued**

3. 2019 unadjusted interest expense

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The following journal entry is needed:

Date	Description	Folio	Debit	Credit

- 4.

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## Debt Financing: Bonds

**Name** \_\_\_\_\_

**P 10-6**

1.

[illegible]

## Debt Financing: Bonds

**Name** \_\_\_\_\_

**P 10-6 continued**

2.

[illegible]

## Debt Financing: Bonds

**Name** \_\_\_\_\_

**P 10-6 continued**

3.

[illegible]

P 10–7 (Appendices)

1.a. Interest payment every 6 months

<i>Calculation</i>	<i>Case A</i>	<i>Case B</i>	<i>Case C</i>
_____	_____	_____	_____
_____		_____	
_____			_____

b. Issue price computation

<i>Calculation</i>	<i>Case A</i>	<i>Case B</i>	<i>Case C</i>
_____			
_____			
_____			
_____			
_____			
_____			
_____			
_____			
_____			
_____			
_____			
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_____			
_____			
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_____			
_____			
_____			

**CHAPTER TEN**  
**Debt Financing: Bonds**

Name \_\_\_\_\_

**P 10–7 (Appendices) continued**

c. i. Bonds issued when market rate is 1%


ii. Bonds issued when market rate is 16%

**Amortization Table**

Using Market Interest Rate of \_\_\_\_ Per Cent

		<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>
		<i>Beginning bond carrying amount</i>	<i>6-month interest expense</i>	<i>Actual cash interest paid</i>	<i>Periodic prem./disc. amort.</i>	<i>Ending bond carrying amount</i>
<i>Year</i>	<i>Six month period ending</i> Jun. 30					
	Dec. 31					
	Jun. 30					
	Dec. 31					
	Jun. 30					
	Dec. 31					

**CHAPTER TEN**  
**Debt Financing: Bonds**

Name \_\_\_\_\_

**P 10–7 (Appendices) continued**

iii. Bonds issued when market rate is 8%

**Amortization Table**

Using Market Interest Rate of \_\_\_\_\_ Per Cent

Year	Six month period ending	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
		<i>Beginning bond carrying amount</i>	<i>6-month interest expense</i>	<i>Actual cash interest paid</i>	<i>Periodic prem./disc. amort.</i>	<i>Ending bond carrying amount</i>
_____	Jun. 30	_____	_____	_____	_____	_____
	Dec. 31	_____	_____	_____	_____	_____
_____	Jun. 30	_____	_____	_____	_____	_____
	Dec. 31	_____	_____	_____	_____	_____
_____	Jun. 30	_____	_____	_____	_____	_____
	Dec. 31	_____	_____	_____	_____	_____

d. The carrying value of the bonds at December 31, 2019:

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## Debt Financing: Bonds

Name \_\_\_\_\_

**P 10-7 (Appendices) continued**

2.

[illegible]

**CHAPTER TEN**  
**Debt Financing: Bonds**

**Name** \_\_\_\_\_

**P 10–8 (Appendices)**

1. Issue price computation:

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- 2.

Amortization Table  
 Using Market Interest Rate of \_\_\_\_\_ Per Cent

		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
		<i>Beginning bond carrying amount</i>	<i>6-month interest expense</i>	<i>Actual cash interest paid</i>	<i>Periodic prem./disc. amort.</i>	<i>Ending bond carrying amount</i>
<i>Year</i>	<i>Six month period ending Jun. 30</i>					
	Dec. 31					
	Jun. 30					
	Dec. 31					
	Jun. 30					
	Dec. 31					

**CHAPTER TEN**  
**Debt Financing: Bonds**

Name \_\_\_\_\_

**P 10–8 (Appendices) continued**

3.

Calculation of Effective Interest Rate

Year	Six month period ending	<i>A</i>	<i>B</i>	(B/A)
		<i>Bond carrying amount</i>	<i>Using ____% market rate to calculate periodic interest expense</i>	
_____	Jun. 30	_____	_____	_____
	Dec. 31	_____	_____	_____
_____	Jun. 30	_____	_____	_____
	Dec. 31	_____	_____	_____
_____	Jun. 30	_____	_____	_____
	Dec. 31	_____	_____	_____

4.

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**CHAPTER TEN**  
**Debt Financing: Bonds**

**Name** \_\_\_\_\_

## CHAPTER ELEVEN

**Name** \_\_\_\_\_

### Concept Self-check

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## CHAPTER ELEVEN

### Equity Financing

**Name** \_\_\_\_\_

### Concept Self-check continued

[illegible]

## Equity Financing

## Equity Financing

**Name** \_\_\_\_\_

### Concept Self-check continued

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## CHAPTER ELEVEN

### Equity Financing

Name \_\_\_\_\_

### Concept Self-check continued

[illegible]



## CHAPTER ELEVEN

**Name** \_\_\_\_\_

### Concept Self-check continued

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## CHAPTER ELEVEN

**Name** \_\_\_\_\_

### Concept Self-check continued

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## CHAPTER ELEVEN

**Name** \_\_\_\_\_

### Concept Self-check continued

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## CHAPTER ELEVEN

### Equity Financing

Name \_\_\_\_\_

### Concept Self-check continued

[illegible]

## Equity Financing

## Equity Financing

**Name** \_\_\_\_\_

### Concept Self-check continued

[illegible]

**CHAPTER ELEVEN**  
**Equity Financing**

Name \_\_\_\_\_

**CP 11–1**

	<i>Total share capital</i>	<i>Retained earnings</i>
1. Company is incorporated		
2. Issued shares with a stated value of \$1		
3. Split the common shares 2 for 1		
4. Recorded net income for the year		
5. Reacquired common shares previously outstanding		
6. Issued a share dividend		
7. Paid a cash dividend		
8. Declared a share dividend		
9. Created a restriction on retained earnings		

**CP 11–2**

1.

	<i>12% bonds</i>	<i>Preferred shares</i>	<i>Common shares</i>
Income before interest and inc. taxes			
<i>Less:</i> Interest expense			
Income before income taxes			
<i>Less:</i> Income taxes			
<i>Less:</i> Preferred dividends			<sup>2</sup>
Net available to common s/h (a)			
No. common shares outstanding (b)			
Earnings per common share (a/b)			

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**CHAPTER ELEVEN**  
**Equity Financing**

**Name** \_\_\_\_\_

**CP 11–2 continued**

2.


**CP 11–3**

1. Authorization of share issue:

Date	Description	Folio	Debit	Credit

2. Issue of 10,000 common shares:

Date	Description	Folio	Debit	Credit

3. Issue of 1,000 preferred shares:

Date	Description	Folio	Debit	Credit

**CHAPTER ELEVEN**  
**Equity Financing**

Name \_\_\_\_\_

**CP 11–4**

1.

Date	Description	Folio	Debit	Credit

2.

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**CP 11–5**

1.

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2.

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3.

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## CHAPTER ELEVEN

### Equity Financing

**Name** \_\_\_\_\_

## CP 11-6

[illegible]

**CHAPTER ELEVEN**  
**Equity Financing**

Name \_\_\_\_\_

**CP 11–7**

1. 2018

Date	Description	Folio	Debit	Credit

2. 2018

Date	Description	Folio	Debit	Credit

**CP 11–8**

1.

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2.

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**CHAPTER ELEVEN**  
**Equity Financing**

**Name** \_\_\_\_\_

**CP 11–9**

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**CP 11–10**

1.      a. Book value per preferred share

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- b.      Book value per common share

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2.      Book value per common share after split

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## CHAPTER ELEVEN

### Equity Financing

Name \_\_\_\_\_

## CP 11-11

1.

[illegible]

2.

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3. Amount available for all dividends

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## CHAPTER ELEVEN

### Equity Financing

**Name** \_\_\_\_\_

## CP 11–12

[illegible][illegible]

## CHAPTER ELEVEN

### Equity Financing

**Name** \_\_\_\_\_

## CP 11-13

[illegible]

## CHAPTER ELEVEN

### Equity Financing

**Name** \_\_\_\_\_

## CP 11-14

1.

[illegible]

**CHAPTER ELEVEN**  
**Equity Financing**

**Name** \_\_\_\_\_

**CP 11–14 continued**

2. a.

Partial Statement of Financial Position		

b.

Partial Statement of Financial Position		



**CHAPTER ELEVEN**  
**Equity Financing**

Name \_\_\_\_\_

**CP 11–14 continued**

c.

Partial Statement of Financial Position		

**CP 11–15**

1.

Date	Description	Folio	Debit	Credit

Partial Statement of Financial Position		

**CHAPTER ELEVEN**  
**Equity Financing**

Name \_\_\_\_\_

**CP 11–15 continued**

2.

Date	Description	Folio	Debit	Credit

**CP 11–16**

Partial Statement of Financial Position		

Statement of Changes in Equity				

**CHAPTER ELEVEN**  
**Equity Financing**

**Name** \_\_\_\_\_

**P 11–1**

1.

	<i>12% bonds</i>	<i>Preferred shares</i>	<i>Common shares</i>
Income before interest and inc. taxes	_____	_____	_____
Less: Interest expense	_____	_____	_____
Income before income taxes	_____	_____	_____
Less: Income taxes	_____	_____	_____
Less: Preferred dividends	_____	_____	<sup>2</sup> _____
Net available to common s/h (a)	=====	=====	=====
No. common shares outstanding (b)	=====	=====	=====
Earnings per common share (a/b)	=====	=====	=====

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2.

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3. Other factors to be considered by board of directors:

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**CHAPTER ELEVEN**  
**Equity Financing**

**Name** \_\_\_\_\_

**P 11–2**

1. a.

Date	Description	Folio	Debit	Credit

b.

Date	Description	Folio	Debit	Credit

c.

Date	Description	Folio	Debit	Credit

d.

Date	Description	Folio	Debit	Credit

## CHAPTER ELEVEN

### Equity Financing

Name \_\_\_\_\_

**P 11-2 continued**

e.

Date	Description	Folio	Debit	Credit

2.

### Partial Statement of Financial Position

[illegible]

**CHAPTER ELEVEN**  
**Equity Financing**

**Name** \_\_\_\_\_

**P 11–2 continued**

3.

Statement of Changes in Equity			

**CHAPTER ELEVEN**  
**Equity Financing**

Name \_\_\_\_\_

**P 11–3**

1. Before Split

Partial Statement of Financial Position		

After Split

Partial Statement of Financial Position		

2.

Date	Description	Folio	Debit	Credit	DR/ CR	Balance

3.

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## CHAPTER ELEVEN

### Equity Financing

Name \_\_\_\_\_

**P 11-4**

## Statement of Changes in Equity

[illegible]



**CHAPTER ELEVEN**  
**Equity Financing**

Name \_\_\_\_\_

**P 11–5**

	<i>Assets</i>	<i>Liabilities</i>	<i>Shareholders' Equity</i>
1. Common shares issued for cash			
2. Declared a cash dividend			
3. Common shares split 3:1			
4. Calculated book value of common shares			
5. Paid cash dividend related to item 2 above			
6. Recorded restriction of retained earnings			

**P 11–6**

1. a.

Date	Description	Folio	Debit	Credit

b.

Date	Description	Folio	Debit	Credit

**CHAPTER ELEVEN**  
**Equity Financing**

**Name** \_\_\_\_\_

**P 11–6 continued**

c.

Date	Description	Folio	Debit	Credit

d.

Date	Description	Folio	Debit	Credit

e.

Date	Description	Folio	Debit	Credit

P 11–6 continued

2.

Statement of Changes in Equity						

If appendix 2 is not covered, only four columns above will be needed.


**CHAPTER ELEVEN**  
**Equity Financing**

**Name** \_\_\_\_\_

**P 11–7**

1.

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2.

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## CHAPTER ELEVEN

### Equity Financing

**Name** \_\_\_\_\_

**P 11-8**

1.

[illegible]

**CHAPTER ELEVEN**  
**Equity Financing**

**Name** \_\_\_\_\_

**P 11–8 continued**

2.

Statement of Changes in Equity


**P 11–9**

1.

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**P 11-9 continued**

**Name** \_\_\_\_\_

[illegible][illegible]

**CHAPTER ELEVEN**  
**Equity Financing**

**Name** \_\_\_\_\_

**P 11–9 continued**

3.

Statement of Changes in Equity


If appendix 2 is not covered, only four columns above will be needed.

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### Concept Self-check

[illegible]

### Concept Self-check continued

[illegible]

**Name** \_\_\_\_\_

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### Concept Self-check continued

[illegible]

## Proprietorships and Partnerships

**Name** \_\_\_\_\_

### Concept Self-check continued

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**Name** \_\_\_\_\_

[illegible]

**CHAPTER TWELVE**  
**Proprietorships and Partnerships**

**Name** \_\_\_\_\_

**CP 12–1**

1.

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**Income Statement**


2.

**Statement of Proprietor's Capital**


## Proprietorships and Partnerships

**Name** \_\_\_\_\_

## CP 12-1 continued

3.



## Proprietorships and Partnerships

**Name** \_\_\_\_\_

## CP 12-1 continued

4.

[illegible]

**CHAPTER TWELVE**  
**Proprietorships and Partnerships**

**Name** \_\_\_\_\_

**CP 12–2**

1.

Income Statement		

2.

Statement of Proprietor's Capital	

## CHAPTER TWELVE

**Name** \_\_\_\_\_

## CP 12-2 continued

3.

## Proprietorships and Partnerships

**Name** \_\_\_\_\_

## CP 12-2 continued

4.

[illegible]

## Proprietorships and Partnerships

**Name** \_\_\_\_\_

## CP 12-3

1.

Date	Description	Folio	Debit	Credit

2.

[illegible]

## Calculations

[illegible]

## Proprietorships and Partnerships

**Name** \_\_\_\_\_

## CP 12-3 continued

3.

[illegible]

## Calculations

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**CHAPTER TWELVE**  
**Proprietorships and Partnerships**

**Name** \_\_\_\_\_

**CP 12–4**

1.

Date	Description	Folio	Debit	Credit

2.

Date	Description	Folio	Debit	Credit

3.

Date	Description	Folio	Debit	Credit

## Proprietorships and Partnerships

**Name** \_\_\_\_\_

## CP 12-5

1.

## Statement of Partnership Liquidation

[illegible]



**CHAPTER TWELVE**  
**Proprietorships and Partnerships**

**Name** \_\_\_\_\_

**CP 12–5 continued**

2. a.

Date	Description	Folio	Debit	Credit

b.

Date	Description	Folio	Debit	Credit

c.

Date	Description	Folio	Debit	Credit

d.

Date	Description	Folio	Debit	Credit

**CHAPTER TWELVE**  
**Proprietorships and Partnerships**

**Name** \_\_\_\_\_

**P 12–1**

1.

Income Statement		

2.

Statement of Proprietor's Capital	

## CHAPTER TWELVE

Name

**P 12-1 continued**

3.

## Proprietorships and Partnerships

**Name** \_\_\_\_\_

**P 12-1 continued**

4.

[illegible]

**CHAPTER TWELVE**  
**Proprietorships and Partnerships**

**Name** \_\_\_\_\_

**P 12–2**

1.

Statement of Proprietor's Capital	

2.

Statement of Changes in Equity			

## Proprietorships and Partnerships

**Name** \_\_\_\_\_

**P 12-3**

1.

[illegible]

**CHAPTER TWELVE**  
**Proprietorships and Partnerships**

Name \_\_\_\_\_

**P 12–3 continued**

2.

Date	Description	Folio	Debit	Credit

To allocate net income as follows:

	Partner		Total
Profit to be allocated			
<i>Interest allocation:</i>			
Balance			
<i>Salary allocation:</i>			
Balance			
<i>Balance allocated in profit and loss sharing ratio:</i>			
Balance			
Total allocated to partners			

**CHAPTER TWELVE**  
**Proprietorships and Partnerships**

**Name** \_\_\_\_\_

**P 12–4**

1.

	Partner		
			Total
Profit to be allocated			
<i>Interest allocation:</i>			
Balance			
<i>Salary allocation:</i>			
Balance			
<i>Balance allocated in profit and loss sharing ratio:</i>			
Balance			
Total allocated to partners			

2.

Date	Description	Folio	Debit	Credit



## CHAPTER TWELVE

Name

**P 12-5**

1.

Profit and loss sharing plan		(a) Division with profit of \$60,000		(b) Division with loss of \$30,000	
		<i>Bo</i>	<i>Diddley</i>	<i>Bo</i>	<i>Diddley</i>
Plan A					
			1		
Plan B					
			1		
Calculations					

## Calculations

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2.

[illegible]

## Proprietorships and Partnerships

**Name** \_\_\_\_\_

**P 12-6**

1.

[illegible]

The new partner's bonus is recorded as:

[illegible]

**Name** \_\_\_\_\_

2.

[illegible][illegible]

## Proprietorships and Partnerships

**Name** \_\_\_\_\_

**P 12-7**

1.

## Statement of Partnership Liquidation

[illegible]

2.a. Loss on Sale of Other Assets

[illegible]

**CHAPTER TWELVE**  
**Proprietorships and Partnerships**

**Name** \_\_\_\_\_

**P 12–7 continued**

b.

Date	Description	Folio	Debit	Credit

c.

Date	Description	Folio	Debit	Credit

d.

Date	Description	Folio	Debit	Credit

**CHAPTER TWELVE**  
**Proprietorships and Partnerships**

**Name** \_\_\_\_\_

**P 12–7 continued**

e.

Date	Description	Folio	Debit	Credit

## CHAPTER THIRTEEN

Name

### Concept Self-check

[illegible]

## Financial Statement Analysis

**Name** \_\_\_\_\_

### Concept Self-check continued

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## CHAPTER THIRTEEN

Name

### Concept Self-check continued

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## CHAPTER THIRTEEN

## Financial Statement Analysis

Name

### Concept Self-check continued

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## Financial Statement Analysis

**Name** \_\_\_\_\_

### Concept Self-check continued

[illegible]

## CHAPTER THIRTEEN

## Financial Statement Analysis

Name

### Concept Self-check continued

[illegible]

**CHAPTER THIRTEEN**  
**Financial Statement Analysis**

**Name** \_\_\_\_\_

**CP 13–1**

- \_\_\_\_\_ Acid–test ratio
- \_\_\_\_\_ Current ratio
- \_\_\_\_\_ Return on shareholders' equity
- \_\_\_\_\_ Times interest earned
- \_\_\_\_\_ Earnings per share
- \_\_\_\_\_ Accounts receivable collection period
- \_\_\_\_\_ Sales to total assets
- \_\_\_\_\_ Dividend yield
- \_\_\_\_\_ Price–to–earnings ratio
- \_\_\_\_\_ Number of days of sales in inventory
- \_\_\_\_\_ Debt to shareholders' equity ratio
- \_\_\_\_\_ Net profit ratio
- \_\_\_\_\_ Accounts receivable collection period
- \_\_\_\_\_ Return on total assets

**CHAPTER THIRTEEN**  
**Financial Statement Analysis**

**Name** \_\_\_\_\_

**CP 13–2**

**1. Current ratio**

<i>Calculations</i>	<i>Year</i>	

Definition/interpretation

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**2. Acid–test ratio**

<i>Calculations</i>	<i>Year</i>	

Definition/interpretation

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**CHAPTER THIRTEEN**  
**Financial Statement Analysis**

**Name** \_\_\_\_\_

**CP 13–2 continued**

3.

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4.

Statement of Financial Position		

**CHAPTER THIRTEEN**  
**Financial Statement Analysis**

**Name** \_\_\_\_\_

**CP 13–3**

Gross profit ratio

<i>Calculations</i>	<i>Year</i>		

Analysis

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Net profit ratio

<i>Calculations</i>	<i>Year</i>		

Analysis

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**CHAPTER THIRTEEN**  
**Financial Statement Analysis**

Name \_\_\_\_\_

**CP 13–4**

Price-earnings ratio

<i>Calculations</i>	<i>Company</i>		
	<i>A</i>	<i>B</i>	<i>C</i>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Analysis

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Dividend yield

<i>Calculations</i>	<i>Company</i>		
	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Analysis

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## CHAPTER THIRTEEN

Name

## CP 13-5

	(a)	(b)		
	2018	2017	(a) – (b)	% change
Sales	\$2,520	\$1,440		
Cost of goods sold	1,890	960		
Gross profit	630	480		
Other expenses	510	430		
Net income	\$ 120	\$ 50		

## Analysis

[illegible]

**CHAPTER THIRTEEN**  
**Financial Statement Analysis**

Name \_\_\_\_\_

**CP 13–6**

		Effect on ratio		
		<i>Inc.</i>	<i>Dec.</i>	<i>No change</i>
Transaction	Ratio			
Declared a cash dividend	Current ratio			
Wrote-off an uncollectible account receivable	Accounts receivable collection period			
Purchased inventory on account	Acid–test ratio			
Issued 10–year bonds to acquire capital assets	Return on total assets			
Issued additional shares for cash	Debt to shareholders' equity ratio			
Declared a share dividend on common shares	Earnings per share			
Restricted part of retained earnings	Return on shareholders' equity			
Purchased supplies on account	Current ratio			
Paid a short–term creditor in full	Acid–test ratio			
Paid an account payable, taking the cash discount	Number of days sales in inventory			

**CP 13–7**

1.a. Return on total assets

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b. Return on shareholders' equity

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c. Times interest earned ratio

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d. Earnings per share

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**CP 13–7 continued**

e. Number of days of sales in inventory

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f. Accounts receivable collection period

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g. Sales to total assets ratio

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h. Current ratio

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**CP 13–7 continued**

i. Acid-test ratio

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j. Debt to shareholders' equity ratio

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2. The following ratios are measures of liquidity:

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CP 13–7 continued

3.

Statement of Financial Position		

Income Statement		

**CP 13–7 continued**

4. Scott formula

Year	Return on operating capital		+	Return on leveraging			=	Return on shareholders' equity	
	(1)	x (2)		(3)	x (4)			(5)	
	[ _____ x _____ ]		+	[ _____ - _____ ]	x _____		=	_____	
=	[ _____ x _____ ]		+	[ _____ - _____ ]	x _____		=	_____	
=	[ _____ x _____ ]		+	[ _____ - _____ ]	x _____		=	_____	

**CP 13–8**

1. Current ratio

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2. Return on total assets

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**CP 13–8 continued**

3. Sales to total assets ratio

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4. Acid-test ratio

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5. Times interest earned ratio

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6. Earnings per common share

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**CP 13–8 continued**

7. Accounts receivable collection period

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8. Return on shareholders' equity

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**Name** \_\_\_\_\_

## 9. Scott formula

## Calculations

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**CP 13–9**

**1. Current liabilities**

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**2. Inventory**

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**3. Accounts receivable collection period**

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**CP 13–9 continued**

4. Number of days of sales in inventory

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5. Revenue operating

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**CP 13–10**

1.

<i>Transaction</i>	<i>Effect on current ratio</i>		
	<i>Inc.</i>	<i>Dec.</i>	<i>No change</i>
a. Bought \$20,000 of merchandize on account (the company uses a perpetual inventory system)			
b. Sold for \$10,000 cash, merchandize that cost \$5,000			
c. Collected a \$2,500 account receivable			
d. Paid a \$10,000 account payable			
e. Wrote off a \$1,500 bad debt against the allowance for doubtful accounts			
f. Declared a \$1 per–share cash dividend on the 10,000 outstanding common shares			
g. Paid the dividend declared above			
h. Borrowed \$10,000 from a bank by assuming a 60–day, 10 per cent loan			
i. Borrowed \$25,000 from a bank by placing a 10–year mortgage on the plant			
j. Used the \$25,000 proceeds of the mortgage to buy additional machinery			

**CHAPTER THIRTEEN**  
**Financial Statement Analysis**

Name \_\_\_\_\_

**CP 13–10 continued**

2. a. Current ratio

		Transaction effects											
		May 1 Bal.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	May 31 Bal.
Current assets	X	\$200											
Current liabilities	y	\$80											
Current ratio	x/y	2.5											

b. Acid–test ratio

		Transaction effects											
		May 1 Bal.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	May 31 Bal.
Quick assets	X	\$200											
Current liabilities	y	\$80											
Acid test ratio	x/y	2.5											

**P 13–1**

1. a. Current ratio

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b. Acid-test ratio

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c. Debt to shareholders' equity ratio

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**P 13–1 continued**

3.

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**P 13–2**

1. a. Current ratio

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b. Acid-test ratio

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**P 13–2 continued**

c. Accounts receivable collection period

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d. Number of days of sales in inventory

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e. Debt to shareholders' equity ratio

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**P 13–2 continued**

f. Return on shareholders' equity

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g. Earnings per share

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2. Dividends paid on common shares

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## CHAPTER THIRTEEN

Name

**P 13-2 continued**

### 3.Observations

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## Financial Statement Analysis

**Name** \_\_\_\_\_

**P 13-2 continued**

#### 4. Restatement for Scott formula analysis

## CHAPTER THIRTEEN

## Financial Statement Analysis

**Name** \_\_\_\_\_

**P 13-2 continued**

## 5. Scott Formula

Year	Return on operating capital			+	Return on leveraging			=	Return on shareholders' equity
	(1)	x	(2)	+	(3)	x	(4)	=	(5)
	[_____]	x	[_____]	+	[_____ - _____]	x	[_____]	=	_____
=	[_____]	x	[_____]	+	[_____]	x	[_____]	=	_____

## CHAPTER THIRTEEN

Name

**P 13-2 continued**

## Analysis

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P 13–3

Statement of Financial Position		

Calculations




## Financial Statement Analysis

**Name** \_\_\_\_\_

**P 13-4**

1.

	Common Size Percentages		
	2020	2019	2018
Sales			
Cost of goods sold			
Gross profit			
Other expenses			
Net income			

## 2. Analysis

[illegible]

## Financial Statement Analysis

**Name** \_\_\_\_\_

**P 13-5**

## CHAPTER THIRTEEN

Name

**P 13-5 continued**

## Calculations

[illegible]



## CHAPTER FOURTEEN

## The Statement of Cash Flows

Name

### Concept Self-check

[illegible]

## CHAPTER FOURTEEN

Name

### Concept Self-check continued

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## CHAPTER FOURTEEN

Name

### Concept Self-check continued

[illegible]

## CHAPTER FOURTEEN

Name

### Concept Self-check continued

[illegible]



**CHAPTER FOURTEEN**  
**The Statement of Cash Flows**

**Name** \_\_\_\_\_

**CP 14–1**

- \_\_\_\_\_ A payment of \$5,000 was made on a non-current bank loan.
- \_\_\_\_\_ Depreciation expense for equipment was \$1,000.
- \_\_\_\_\_ \$10,000 of share capital was issued for cash.
- \_\_\_\_\_ Cash dividends of \$2,500 were declared and paid to shareholders.
- \_\_\_\_\_ A long-term bank loan was assumed in exchange for equipment costing \$7,000.
- \_\_\_\_\_ Land was purchased for \$25,000 cash.
- \_\_\_\_\_ \$750 of accrued salaries was paid.
- \_\_\_\_\_ A \$5,000 short-term demand loan was obtained.
- \_\_\_\_\_ \$10,000 of accounts receivable was collected.
- \_\_\_\_\_ A building was purchased for \$80,000. \$30,000 was paid in cash and the rest was borrowed.
- \_\_\_\_\_ Land was sold for \$50,000 cash.
- \_\_\_\_\_ Equipment was sold for \$6,000. The original cost was \$10,000. The accumulated depreciation was \$3,000.
- \_\_\_\_\_ \$1,200 was paid for a 14-month insurance policy to take effect next year.
- \_\_\_\_\_ A patent was amortized for \$500.
- \_\_\_\_\_ Shares were redeemed for \$50,000 cash, their original issue price.

**CHAPTER FOURTEEN**  
**The Statement of Cash Flows**

Name \_\_\_\_\_

**CP 14–2**

	<i>Operating activities In (out)</i>	<i>Financing activities In (out)</i>	<i>Investing activities In (out)</i>
1. Retired \$100 of non-current debt with cash			
2. Purchased a building for \$90; \$60 was loaned by a bank and the rest was paid in cash			
3. Declared and paid cash dividends of \$12 during the year			
4. Purchased equipment by issuing \$20 of common shares with the proceeds			
5. Paid \$50 in cash to pay off a bank loan			
6. Sold land for \$30 cash			
7. Earned net income of \$75			
8. Purchased equipment costing \$15; of this, \$5 was paid in cash and the rest with a 90-day note payable			
9. Amortized a patent by \$2			
10. Assumed \$100 of non-current debt and repurchased common shares			
11. Purchased short-term investments for \$5 cash			
12. Sold a machine that cost \$20 for \$7 cash; the accumulated depreciation on it was \$10			
13. Depreciation expense for building and equipment amounted to \$8			
14. Paid in cash the note payable from transaction 8 above.			
15. Issued \$20 of preferred shares for cash			
16. Purchased a patent for \$25 cash			
17. Prepaid \$20 for the next two months of advertizing			
18. Purchased land for \$60 cash.			

**CHAPTER FOURTEEN**  
**The Statement of Cash Flows**

**Name** \_\_\_\_\_

**CP 14–2 continued**

Assumptions

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**CHAPTER FOURTEEN**  
**The Statement of Cash Flows**

**Name** \_\_\_\_\_

**CP 14–3**

<i>Cash Flow</i>		
↑	↓	No Effect

1. Earning net income for the year
2. Redemption of preferred shares at face value
3. Purchase of inventory
4. Issuing common shares for equipment
5. Assuming non-current debt
6. Declaring a cash dividend
7. Collection of an account receivable
8. Payment of an account payable
9. Purchase of land for cash
10. Issuing common shares for cash
11. Reclassifying non-current liabilities as current liabilities  
for the amount to be repaid in cash next year
12. Payment of a cash dividend declared last year
13. Decrease in market value of short-term investments
14. Calculated amount owing for income taxes.

## CHAPTER FOURTEEN

Name

## CP 14-4

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## CP 14-5

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

## The Statement of Cash Flows

**Name** \_\_\_\_\_

## CP 14-6

### Cash Flow Table:

[illegible]

Cash flow from operating activities would be calculated as:

Net income

Add (deduct) changes in non-cash working capital

Cash flow from operating activities

\_\_\_\_\_

**CHAPTER FOURTEEN**  
**The Statement of Cash Flows**

Name \_\_\_\_\_

**CP 14–7**

1. Calculation of cash received on sale:

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2. The journal entry to record the sale of the equipment would have been:

Date	Description	Folio	Debit	Credit

- 3.

*Operating activities*

Net income

Items not affecting cash flow

\_\_\_\_\_

Cash flow from operating activities

*Investing activities*

\_\_\_\_\_

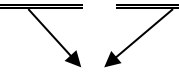
Cash flow from investing activities

**CHAPTER FOURTEEN**  
**The Statement of Cash Flows**

Name \_\_\_\_\_

**CP 14–8**

1. Cash flow table:

<i>Account</i>	<i>Balance</i>		<i>Change</i>		<i>Cash Effect</i>		<i>Activity</i>
	<i>2019</i>	<i>2018</i>	<i>Dr</i>	<i>Cr</i>	<i>Inflow</i>	<i>Outflow</i>	
	<i>Dr(Cr)</i>	<i>Dr(Cr)</i>					
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
	=====	=====	=====	=====	=====	=====	
							
					\$_____ net cash flow		

2. Calculation of dividends declared

_____
_____
_____
_____
_____
_____

3.

*Financing activities*

_____	_____
_____	_____
_____	_____
_____	_____
Cash flow from financing activities	_____



**Name** \_\_\_\_\_

1. Cash flow table:

[illegible]

## CHAPTER FOURTEEN

Name

## CP 14-9 continued

## Calculations

[illegible]

## CHAPTER FOURTEEN

Name

## CP 14-9 continued

2.

## Statement of Cash Flows

*Operating activities*

Net income

### Items not affecting cash flow

Cash flow from (used by) operating activities

## Investing activities

Cash flow from (used by) investing activities

### Financing activities

Cash flow from (used by) financing activities

Net increase in cash

Cash at beginning of year

Cash at end of year

## CHAPTER FOURTEEN

Name

## CP 14-9 continued

3.

## Analysis

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**Name** \_\_\_\_\_

1.

Date	Description	Folio	Debit	Credit

[illegible]

Net income			
Items not affecting cash flow			
Cash flow from operating activities			

## CHAPTER FOURTEEN

### The Statement of Cash Flows

**Name** \_\_\_\_\_

**P 14-2**

Cash Flow Table:

[illegible]

Cash flow from operating activities:

Income before income taxes

### Items not affecting cash flow

### Cash flow from operating activities

**CHAPTER FOURTEEN**  
**The Statement of Cash Flows**

Name \_\_\_\_\_

**P 14–3**

1.

Date	Description	Folio	Debit	Credit

Analysis

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2.

Date	Description	Folio	Debit	Credit

Analysis

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**Name** \_\_\_\_\_

### 3. Cash flow table:

## Statement of Cash Flows

Net income \_\_\_\_\_

Items not affecting cash flow \_\_\_\_\_

Cash flow from (used by) operating activities

Cash flow from (used by) investing activities

Net increase in cash

Cash at beginning of year

Cash at end of year



## The Statement of Cash Flows

Name \_\_\_\_\_

**P 14-4**

1. Partial cash flow table:

[illegible]

Notes (if any)

[illegible]

**CHAPTER FOURTEEN**  
**The Statement of Cash Flows**

Name \_\_\_\_\_

**P 14–4 continued**

2.

Statement of Cash Flows

*Operating activities*

Net income \_\_\_\_\_

Items not affecting cash flow \_\_\_\_\_

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Cash flow from (used by) operating activities \_\_\_\_\_

*Investing activities*

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Cash flow from (used by) investing activities \_\_\_\_\_

*Financing activities*

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Cash flow from (used by) financing activities \_\_\_\_\_

Net increase in cash \_\_\_\_\_

Cash at beginning of year \_\_\_\_\_

Cash at end of year \_\_\_\_\_

## CHAPTER FOURTEEN

Name

**P 14-4 continued**

Notes, if any

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## CHAPTER FOURTEEN

### The Statement of Cash Flows

**Name** \_\_\_\_\_

**P 14-5**

1. Partial cash flow table:

[illegible]

Notes (if any)

[illegible]

**CHAPTER FOURTEEN**  
**The Statement of Cash Flows**

Name \_\_\_\_\_

**P 14–5 continued**

2.

Statement of Cash Flows

*Operating activities*

_____	_____	_____
_____	_____	_____
Items not affecting cash flow	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Cash flow from (used by) operating activities

*Investing activities*

_____	_____	_____
_____	_____	_____

Cash flow from (used by) investing activities

*Financing activities*

_____	_____	_____
_____	_____	_____
_____	_____	_____

Cash flow from (used by) financing activities

Net increase in cash

Cash at beginning of year

Cash at end of year

**CHAPTER FOURTEEN**  
**The Statement of Cash Flows**

**Name** \_\_\_\_\_

**P 14–5 continued**

**3. Analysis**

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**P 14–6**

**1. Calculation of retained earnings:**


**Notes, if any**

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## The Statement of Cash Flows

**Name** \_\_\_\_\_

**P 14-6 continued**

2. Cash flow table:

[illegible]

**P 14-6 continued**

## CHAPTER FOURTEEN

## The Statement of Cash Flows

Name

Notes (if any)

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**CHAPTER FOURTEEN**  
**The Statement of Cash Flows**

Name \_\_\_\_\_

**P 14–6 continued**

Statement of Cash Flows

*Operating activities*

_____	_____
_____	_____
Items not affecting cash flow	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Cash flow from (used by) operating activities

*Investing activities*

_____	_____
_____	_____
_____	_____
_____	_____

Cash flow from (used by) investing activities

*Financing activities*

_____	_____
_____	_____
_____	_____
_____	_____

Cash flow from (used by) financing activities

Net increase in cash

Cash at beginning of year

Cash at end of year

## CHAPTER FOURTEEN

Name

**P 14-6 continued**

3.

## Analysis

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Name \_\_\_\_\_

1. Cash flow table (\$000s):

511

## CHAPTER FOURTEEN

Name

**P 14-7 continued**

Notes (if any)

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**CHAPTER FOURTEEN**  
**The Statement of Cash Flows**

Name \_\_\_\_\_

**P 14–7 continued**

2.

Statement of Cash Flows

*Operating activities*

_____	_____
_____	_____
_____	_____
Items not affecting cash flow	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Cash flow from (used by) operating activities

*Investing activities*

_____	_____
_____	_____
_____	_____

Cash flow from (used by) investing activities

*Financing activities*

_____	_____
_____	_____
_____	_____

Cash flow from (used by) financing activities

Net increase in cash

Cash at beginning of year

Cash at end of year

**CHAPTER FOURTEEN**  
**The Statement of Cash Flows**

**Name** \_\_\_\_\_

**P 14–7 continued**

**3. Analysis**

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**CHAPTER FOURTEEN**  
**The Statement of Cash Flows**

**Name** \_\_\_\_\_

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