

Student Workbook to Accompany

Introduction to Financial Accounting

Third Edition (v. 3.1)

Based on International Financial Reporting Standards

Prepared by David Annand

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Please forward suggested changes to davida@athabascau.ca.

Version 3.1

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CHAPTER ONE		
Introduction to	Financial	Accounting

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Concept Self-check	

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Introduction to Financial Accounting	Name
Concept Self-check (continued)	

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Α	=	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.

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

	Α	В	С	D	Ε
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

CHAPTER ONE Introduction to Financial Accounting	Name
CP 1-4	

CP	1-5
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 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

CHAPTER ONE Introduction to Financial Accounting	Name
CP 1-6	

CP 1-7

Income Statement	

CP 1-7 continued

Statement	of Changes in Equ	ity	
	1		1
Statement	of Financial Positi	on	

Inco	me Statement		
Statement	of Changes in Equ	ity	

Name

CP 1-8 continued

Statement of Financial Position					

CHAPTER ONE Introduction to Financial Accounting

Accounting	Name	
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a.	
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C.	
d.	
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ASSETS	= LIABILITY +	S/H EQUITY
ASSLIS	- LIADILIII T	3/11 LQUI11

-	Cash +	Acct. Rec. +	Ppd. Exp. +	Unused Supp. =	Acct. Pay. +	Share Cap. +	Ret. - Earn.
	Casii	NCC.	LAP.		Tay.	Cap.	Laini
Opening	1,400	3,600	1,000	350	2,000	4,350	
a.							
b.							
C.							
d.							
e.							
f.							
g.							
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	+	+	+	=	+	+	-

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					ASSETS	5			=		Ll	ABILITIES		+	S/H	H EQ	UITY
			Acct.		Ppd.		Unused			Bank	(Acct.	Jnearn.	_	Share	R	etained
	Cash	+	Rec.	+	Exp.	+	Supp.	+	Truck =	Loan	+	Pay	Rev.	+	Capital	+ E	arnings
Aug. 1																	
1																	
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4																	
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P 1–2 continued

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Statement o	of Changes in Equ	ity	

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P 1–2 continued

Statement of Financial Position		

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Income Statement			
Statement	of Changes in Equ	ity	

P 1-3 continued

Statement of Financial Position		

Name

Income Statement			
Statement of Changes in Equity			

Name

P 1–4 continued

Statement of Financial Position		

P 1–5		
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Accts.						ASSE ⁻	TS				=		LIABILITIES	+	S/H	EC	UITY
Jun. 1 1 2 3 4 5 8 10 10 15 18 20 22 20 20 20 21 21 23 25 27 30 30 30 30 30 30 30 30 30 30 30 30 30				Accts.		Ppd.		Unused				Acct.	Loan	-	Share		Ret.
1 2 3		Cash	+	Rec.	+	Exp.	+	Supp.	+	Equip.	=	Pay.	+ Pay.	+	Cap.	+	Earn.
2 3 4 5 8 10 15 18 20 22 23 25 27 30 30 30 30 30	Jun. 1																
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P 1–6 continued

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Inco	me Statement		
Statement	of Changes in Equ	ity	
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P 1–6 continued

Statement of Financial Position	on						

		ASSETS								LIA	BIL	ITIES	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																				
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CHAPTER ONE		
Introduction to	Financial	Accounting

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CHAPTER TWO The Accounting Process

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CHAPTER TWO The Accounting Process

Concept Self-check continued	
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Name

Trans.	Any	Asset	Any Li	ability	Share (Capital	Any Rev	venue	Any Exp	oense
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
	(inc.)	(dec.)	(dec.)	(inc.)	(dec.)	(inc.)	(dec.)	(inc.)	(inc.)	(dec.)
1										
2										
3										
4										
5										
6										
7										
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9										
10										
11										
12										
13										

	Α	В	С	D
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

CHAPTER TWO	
The Accounting	Process

Name

Trans.	Any Ass	set	Any Li	ability	Share C	Capital
	Debit	Credit	Debit	Credit	Debit	Credit
	(inc.)	(dec.)	(dec.)	(inc.)	(dec.)	(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.						

		Debit	Credit
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		

Cash	Bank Loan	Share Capital	Repair Revenue
Accounts Receivable	Accounts Payable		Electricity Expense
Prepaid Rent			Rent Expense
Unused Supplies			Supplies Expense

Name

Date	Description	PR	Debit	Credit

Name

Date	Description	DD	Dobit	Cradit
Date	Description	PR	Debit	Credit

Name

Date	Description	PR	Debit	Credit
	Description		Besit	O Care

Name

Date	Description	PR	Debit	Credit

Name

	Trial Balanc	e			
Acct.		Account balances			
No.	Account	Debit	Credit		

Name

Date	Description	PR	Debit	Credit

Name			
ITALLIC			

Date	Description	PR	Debit	Credit

Name		

2		Schulte Co	rporation			
Cash	No. 101	Accounts Payable	No. 210	Share Capital	No. 320	Service Revenue No. 470
Accounts Rec.	No. 110					Rent Expense No. 654
Prepaid Rent	No. 162					Supplies Expense No. 668
Equipment	No. 183					Truck Operating Expense No. 670

Trial Balance				
Acct.		Account balances		
No.	Account	Debit	Credit	

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Name		

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Income Statement				
Statement	of Changes in Equ	itv		
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Statement of Financial Position				

Name

Trial Balance					
Acct.		Account	Account balances		
No.	Account	Debit	Credit		

Name

Date	Description	PR	Debit	Credit
	Description	1 11	Debit	Credit

Name

Date	Description	DD	Dobit	Cradit
Date	Description	PR	Debit	Credit

Trial Balance				
Acct.		Account balances		
No.	Account	Debit	Credit	

Name		
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me Statement			
Statement of Changes in Equity			
	t of Changes in Equ		

Statement of Financial Position			

	Trial Balanc	e		
Acct.		Account balances		
No.	Account	Debit	Credit	

2.			
Incon	ne Statement		
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Statement of Changes in Equity			
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Statement of Financial Position	on	

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

Trial Balance

Acct.		Account balances	
No.	Account	Debit	Credit
			1

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Inco	me Statement		
Statement	of Changes in Equ	itv	
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Name

Statement of Financial Position		

Name

P 2-1

	Trial Balance	2		
Acct.		Account balances		
No.	Account	Debit	Credit	

7	

Inco	me Statement		
Statement	of Changes in Equ	ity	

Statement of Financial Positi	on	

P 2-2

Date	Description	PR	Debit	Credit
	·			
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Name

Date	Description	PR	Debit	Credit
	·			

	Accounts Payable No. 22	<u>10</u>	Share Capital	No. 320	Service Revenue	No. 460
			Advertising Expense	No. 610		
Accounts	Commissions					
Receivable No. 110		No. 61	<u>5</u> -			
	Rent <u>Expense</u>	No. 65	<u>4</u>			
Prepaid			_			
Advertising No. 160	Salaries Expense	No. 65	<u>6</u>			
Unused			_			
Supplies No. 173	Supplies Expense	No. 66	8			
Equipment No. 183	Telephone Expense	No. 66	<u>9</u> -			

Name

Trial Balance			
Acct.		Account balances	
No.	Account	Debit	Credit

P 2-3

Trial Balance				
Acct.		Account balances		
No.	Account	Debit	Credit	

Name		

Income Statement				
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Statement of Changes in Equity				

Statement of Financial Position				

P 2-4

1. and 3.

	Fenton Table	e Rentals Corporation		
		Accounts	Share	Service
Cash	No. 101	Payable No. 210	Capital No. 320	Revenue No. 470
			•	
		•		

	<u>DividendsNo. 350</u>	Advertising
Accounts		Exp. No. 610
Receivable No. 110	l	
		Doort
		Rent
		Exp. No. 654
		Salaries
Prepaid		Exp. No. 656
Rent No. 162		<u> </u>
140. 102		
		Supplies
ı		Exp. No. 668
Unused		
Supplies No. 173		
		Telephone
		Exp. No. 669
1		
		Truck Operating
		Exp. No. 670

Date	Description	PR	Debit	Credit
		+		
				1

Trial Balance						
Acct.		Account balances				
No.	Account	Debit	Debit Credit			

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Income Statement			
Statement of Changes in Equity			
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Statement of Financial Positio	on	

Name

P 2-5

1. and 3.

Thorn Accounting Services Inc.

Cash	No. 101	Bank	Share	Fees	Salaries	
		<u>Loan No. 201</u>	Capital No. 320	Earn. No. 420	Expense	No. 656
		Accounts			Supplies	
		Payable No. 210			Expense	No. 668
					Advertising	N - C10
					Expense	No. 610
Accounts		Unused		Telephone	Insurance	
Receivable	No. 110	Supplies No. 173		Exp. No. 669	<u>Exp.</u>	No. 631
		·		Truck Operating	Rent	
Prepaid				Expense No. 670	Expense	No. 654
<u>Insurance</u>	No. 161					
Truck	No. 184					

Date	Description	PR	Debit	Credit
	1			
-				

Date	Description	PR	Debit	Credit

Trial Balance	
That Balance	

Acct. No.		Account balances			
	Account	Debit	Credit		

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Income Statement						
Statement of Changes in Equity						

Statement of Financial Position					

Name

P 2-6

1. and 3.

		Chai	n Renovations	Corporation				
		Accounts		Share	Repair		Telephone	
Cash	No. 101	<u>Payable</u>	No. 210	Capital No. 320	Revenue	No. 450	<u>Expense</u>	No. 669
		·				•		
Accounts					Advertising		Truck Opera	ating
Receivable	No. 110				Expense	No. 610	Expense	No. 670
Prepaid					Rent		Utilities	
Rent	No. 162				Expense	No. 654	Expense	No. 676
Unused					Supplies		Wages	
Supplies	No. 173				Expense	No. 668	<u>Expenses</u>	No. 677
Equipment	No. 183					•		·

Date	Description	PR	Debit	Credit
	·			
		-	-	

Date	Description	PR	Debit	Credit

Date	Description	PR	Debit	Credit
Date	Description	111	DCDIC	Credit

Trial Balance					
Acct.		Account I	Account balances		
No.	Account	Debit	Credit		

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Statement of Changes in Equity			
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Statement of Financial Position			

CHAPTER TWO	
The Accounting	Process

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Financial Accounting and the Use of Adjusting Entries	Name
Concept Self-check	
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Financial Accounting and the Use of Adjusting Entries	Name
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Financial Accounting and the Use of Adjusting Entries	Name
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Financial Accounting and the Use of Adjusting Entries	Name
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Concept Self-check continued	
	
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Financial Accounting	and the Use	of Adjusting	Entries
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A	В
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	
i Denreciation Expense	

Name

Date	Description	PR	Debit	Credit

Financial Accounting	and the I	Use of Ad	iusting Entries
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Name

Date	Description	PR	Debit	Credit

Financial Accounting and the Use of Adjusting Entrie	Financial Accounting	and the	Use of A	Adiusting	Entries
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Name		

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GENERAL JOURNAL Page ____

Date	Description	PR	Debit	Credit
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Financial Accounting and	the Use of Adjusting Entries	Name	
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CP:	3-5
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1. and 3.

Graham Corporation General Ledger

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

2.

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Page ____

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Date	Description	PR	Debit	Credit

Financial Accounting	and the Use of Adjusting Entries	Name
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Name		

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Account	Amount

Financial Accounting and the Use of Adjusting Er	itries
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Name		

CP 3-6

1.

	GENERAL JOURNAL			Page
Date	Description	PR	Debit	Credit
Liabili	s would be overstated by ties would be understated by nue would be understated by			

Expenses would be understated by ______

Shareholders' equity would be overstated by ______

Financial Accounting and the Use of Adjusting Entrie
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Name		

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Description	PR	Debit	Credit
200 (200			
	Description	Description PR	Description PR Debit Description PR Debit Description PR Debit

1.			Accounts		Share		
Cash		101	Payable	210	Capital		320
750	50		70 145			400	
950	150		·!			'	
90	50		Unearned Repa	air	Ret. Earn.		340
	24		Revenue	247		350	
	20		500)		'	
	70		400		Repair Rev.		450
	,		•			950	
						228	
Accounts						400	
Receivable		110					
228	90		Interest Payabl	e 222	Rent Earne	d	440
			12			40	
Rent			•				
Receivable	125						
40					Dep'n Exp.		
					- Furniture		621
Prepaid Insu	rance	161			2		
24	2		Income Taxes F	Pay.260			
			400		Insurance E	хр.	631
Unused Offic	ce				2		
Supplies		170					
50	25						
			Interest		Office Supp	olies	
			Expense	632	Ехр.	1	650
Unused Rep	air		12		25		
Supplies	ı	171					
145	80						
			Income Taxes		Rent		
			Expense	830	Expense	1	654
Furniture	ı	182	400		50		
150							
					Repair Sup	plies	
'					Expense	1	655
Acc. Dep'n		101			80		
– Furniture		191					
	2				Telephone		660
					Expense	1	669
					20	1	

Name		

CP 3-8 continued

	GENERAL JOURNAL			Page
Date	Description	PR	Debit	Credit

CP 3-9

1.							
Acct.		Unadj	iusted			Adju	sted
No.	Account	Trial Balance Adjustments			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	Advertising 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

CHAPTER THREE

Financial Accounting and the Use of Adjusting Entrie	Financial Accounting	and the	Use of A	Adiusting	Entries
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			_	

CHAPTER THREE

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1.

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Date	Description	PR	Debit	Credit

CP 3-10 continued

2. and 4.

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

CHAPTER THREE

Financial Accounting and the Use of Adjusting Entries

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Date	Description	PR	Debit	Credit

Name		
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Date	Description	PR	Debit	Credit
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Date	Description	PR	Debit	Credit

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Date	Description	PR	Debit	Credit

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Date	Description	PR	Debit	Credit

CHAPTER THREE

Financial Acco	ounting and t	he Use of Ad	justing Entries

Name			

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1.

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Date	Description	PR	Debit	Credit

Name		
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		Unadjusted			Adjusted		
Acct.		Trial Bo	alance	Adjustments		Trial E	Balance
No.	Account	Debit	Credit	Debit	Credit	Debit	Credit
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	Advertising 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-					
		30,500	30,500				

CHAPTER THREE

Financial	Accounting an	d the lise of	Adjusting	Fntries
FILIALICIAL	ACCOUNTING AN	a tile ose oi	Autustilis	ciiniez

Name		

P 3-5	continued
	COLLECTION

3.					
Incom	Income Statement				
Statement of Changes in Equity					

Name

Statement of Financial Position				

CHAPTER THREE

Financial Accoun	ting and the	Use of Ad	justing Entries

Name

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4.	GENERAL JOURNAL			Page
Date	Description	PR	Debit	Credit

Name

		Adju	sted			Post-c	closing
Acct.		Trial B	alance	Closing Entries		Trial B	alance
No.	Account	Debit	Credit	Debit	Credit	Debit	Credit
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	Advertising 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						
	·						
						· — ·	

P 3-6

1., 3., 4., and 6.	and 6. Roth Contractors Corporation				
Cash	Accounts	Share	Repair	Rent	
	<u>Payable</u>	<u>Capital</u>	Revenue	Expense	
				Supplies	
	\\\\agas			<u>Expense</u>	
Accounts	Wages				
	<u>Payable</u>		l Advortisina	Tolonhono	
Receivable	<u>.</u> !		Advertising	Telephone	
	Unearned Repair	,	<u>Expense</u>	Expense	
	Revenue				
	Revenue			Truck Operating	
I				Expense	
Prepaid	Income Taxes		Depreciation	LXPETISE	
Insurance	Payable Paxes		<u>Expense-Truck</u>		
insurance	rayable		<u>LXPEHSE-Truck</u>		
				I	
			Insurance	Utilities	
Prepaid Rent			Expense	<u>Expense</u>	
			Interest	Wages	
Unused			<u>Expense</u>	Expense	
Supplies	_				
	. 5 /				
- 1	Accum. Dep'n		Income Taxes		
Truck	<u>Truck</u>		<u>Expense</u>		

Name		
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	GENERAL JOURNAL			Page
Date	Description	PR	Debit	Credit

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Page

	GLINLINAL JOURNAL			rage
Date	Description	PR	Debit	Credit

7 and 9.

	Adju Trial B	sted alance	Closing	r Entries		closing Balance
Account	Debit	Credit	Debit	Credit	Debit	Credit
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						
Advertising expense						
Dep. expense – truck						
Insurance expense						
Interest expense						
Rent expense						
Supplies expense						
Telephone expense						
Truck operating						
expense						
Utilities expense						
Wages expense						
Income taxes expense						
cance expense						

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	Income Statement		
		1	
	C		
	Statement of Changes in	1 Equity	

Statement of Financial Position					

Name

	GENERAL JOURNAL			Page
Date	Description	PR	Debit	Credit

P 3-7

1., 3., 4., and 6.		Snow Services Co	rporation	
Cash	Accounts	Share	Other	Depreciation Expense -
	<u>Payable</u>	<u>Capital</u>	<u>Revenue</u>	<u>Equipment</u>
	Wages			Depreciation Expense-
	<u>Payable</u>		Interest	Truck
			<u>Earned</u>	
	Unearned Adve	ertising		 Insurance
Short-term	Revenue			Expense
<u>Investments</u>				
	Lineary of Fee		Doub	Complian
latouast	Unearned Fees	i	Rent	Supplies
Interest Receivable	<u>Revenue</u>		<u>Earned</u>	<u>Expense</u>
Receivable				
	 Unearned Inte	rest		
Prepaid	Revenue	<u></u>	Service	Wages
<u>Insurance</u>			Revenue	<u>Expense</u>
	 Unearned Rent	t		
	Revenue			
Unused				
Supplies	Acc. Dep'n			
	Equip.			
<u>Equipment</u>				
	Acc. Dep'n -			
<u>Truck</u>	<u>Truck</u>	<u>—</u>		

Name			
Naille			

۷.	GENERAL JOURNAL			Page
Date	Description	PR	Debit	Credit

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Date	Description	PR	Debit	Credit

7. Snow Services Corporation Adjusted Trial Balance January 31, 2019

	<u>Account Balances</u>		
	Debit	Credit	
Cash		_	
Short-term investments			
Interest receivable		_	
Prepaid insurance		_	
Unused supplies		_	
Equipment		_	
Truck		_	
Accumulated depreciation—equipment		_	
Accumulated depreciation—truck			
Accounts payable			
Wages payable			
Unearned advertising 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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Concept Self-check

The Classified Statement of Financial Position and Related Disclosures	Name
Concept Self-check continued	

The Classified Statement of Financial Position and Related Disclosures	Name
Concept Self-check continued	

The Classified Statement of Financial Position and Related Disclosures	Name
Concept Self-check continued	
	<u> </u>
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Name	
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Statement of Financial Position				

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Statement of Financial Position				

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P 4-1	
1. and 3.	
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2.		
Statement of Financial Positi	on	
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The	Classified	Statement of	f Financial	Position a	and Relate	d Disclosures
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Name	

P 4-2

	~ 1 1		
1	Calculation	ot not	Incomp
	Calculation	OI LIEL	111111111111111111111111111111

	2020	2019	
Notes (if any)			

The Classified Statement of Financial Position and Related Disclosures

Na	me		

P 4-2 continued

Statement of Financial Position			

CHAPTER FOUR

The Classified Statement of Financial Position and Related Disclosures

Name		

3.					
4. The statement of financia	al position wou	ld show:			
Note X might state:					
<u> </u>					
		2	020		2019
	Land	Bldg.	Equip.	Total	Total

Nai	me	

P 4-3

<u>b</u> 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, 2019, 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

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 $[\ldots]$ evidence I have obtained is sufficient and appropriate to provide a basis for my $[\ldots]$.
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 merchandise.

CHAPTER FOUR

The Classified Statement of Financial Position and Related Disclosures

Name	
Ivallic	

CHAPTER FIVE Accounting for the Sale of Goods Name _____ **Concept Self-check**

CHAPTER FIVE Accounting for the Sale of Goods Name _____ **Concept Self-check continued**

CHAPTER FIVE Accounting for the Sale of Goods Name _____ **Concept Self-check continued**

CHAPTER FIVE Accounting for the Sale of Goods Name _____ **Concept Self-check continued**

CHAPTER FIVE Accounting for the Sale of Goods

Name		

CP 5-1

1.

	2022	2021	2020	2019
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%

Name			
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Page _____

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Date	Description	PR	Debit	Credit

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Page ____

Date	Description	PR	Debit	Credit

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Description	PR	Debit	Credit
	Description	Description PR	Description PR Debit

Name			
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Income Statement	
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2.	

Name			

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Date	Description	PR	Debit	Credit

CHAPTER FIVE Accounting for the Sale of Goods Name _____ **CP 5-7**

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CHAPTER FIVE Accounting for the Sale of Goods

Name			
Ivallic			

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CP 5–9 continued		
CF 3-3 Continued		
2.		

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Ivallic			

1.	
Income Statement	
2.	

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Ivallic			

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Income Statement			
2.			

Name			

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Date	Description	PR	Debit	Credit

CHAPTER FIVE Accounting for the Sale of Goods

Name			

CP 5-13

1. Sherman Stores Ltd:

GENERAL JOURNAL		Page	
			_

Date	Description	PR	Debit	Credit

2. Morris Wholesalers Corp.:

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	GENERALIGONNAL			1 ugc
Date	Description	PR	Debit	Credit

Name			
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1.

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Date	Description	PR	Debit	Credit

Name			

Page

	OEITEIN LEGOOTHIN LE			1 ugc
Date	Description	PR	Debit	Credit

Name			

GENERAL JOURNAL	Page

Date	Description	PR	Debit	Credit

CHAPTER FIVE Accounting for the Sale of Goods

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	PR	Debit	Credit

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Ivallic			

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Date	Description	PR	Debit	Credit

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Name	

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Date	Description	PR	Debit	Credit
Date	Description	1 11	Debit	Credit

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Date	Description	PR	Debit	Credit

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Date	Description	PR	Debit	Credit

Name			

GENERAL JOURNAL	Page

Date	Description	PR	Debit	Credit

P 5-3

1.

2.

Whirlybird Products Inc. General Ledger

Retained			
Earnings	No. 340	Sales	No. 510
			37,800
Income		Sales Returns	
Summary	No. 360	& Allowances	No. 508
			690
		Sales Discounts	No. 509
		310	
		Cost of Goods Sold	No. 570
		26,800	
		Salaries Expense	No. 656
		5,000	

Name		

P 5-4

1.

Income Statement				

Name			

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Data	Description	PR	Debit	Credit
Date	Description	PK	Debit	Credit

CHAPTER FI	VE			
Accounting	for the	Sale	of Go	ods

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1.

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Date	Description	PR	Debit	Credit
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2.

Income Statement				

Statemen	Statement of Changes in Equity				

NI		
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Statement of Financial Position							

Name			
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Date	Description	PR	Debit	Credit

CHAPTER FIVE Accounting for the Sale of Goods

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Date	Description	PR	Debit	Credit

Name			
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Date	Description	PR	Debit	Credit

CHAPTER FIVE Accounting for the Sale of Goods

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Date	Description	PR	Debit	Credit

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Date	Description	PR	Debit	Credit
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Name			

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Date	Description	PR	Debit	Credit

Name			
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Date	Description	PR	Debit	Credit

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Date	Description	PR	Debit	Credit

Name			
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Date	Description	PR	Debit	Credit

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Date	Description	PR	Debit	Credit

CHAPTER FIVE Accounting for the Sale of Goods

Name

P 5-8

1.

Zenith Products Inc. General Ledger

Merchandise		Retained			
Inventory	No. 150	Earnings	No. 340	Purchases	No. 550
Op. Bal. 4,000				22,500	
		·			
		Income		Purchase Returns	
		Summary	No. 360	& Allowances	No. 558
					575
		Sales	No. 510	Purchase Discounts	No. 559
		Sales		Purchase Discounts	
			31,000		225
		Sales Returns &		Transportation –	
		Allowances	No. 508	<u>In</u>	No. 560
		690		300	
		Sales Discounts	No. 509	Salaries Expense	No. 656
		310		5,000	

Name		

P 5–8 continued

Partial Income Statement				

P 5-9

Partial Income Statement			

CHAPTER FIVE				
Accounting fo	r the	Sale	of G	oods

Name			

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CHAPTER FI	VE			
Accounting	for the	Sale	of Go	ods

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Date	Description	PR	Debit	Credit

Name		

Income Statement			

Statement of Changes in Equity					

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Statement of Financial Position					

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Date	Description	PR	Debit	Credit

CHAPTER SIX

Assigning Costs to Merchandise	Name
Concept Self-check	
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CHAPTER SIX Assigning Costs to Merchandise Name _____ **Concept Self-check continued**

CHAPTER SIX Assigning Costs to Merchandise Name _____ **Concept Self-check continued**

CHAPTER SIX Assigning Costs to Merchandise Name _____ **Concept Self-check continued**

CHAPTER SIX		
Assigning Cos	ts to Merchandis	:6

Name		

CP 6-1

1. FIFO

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

2. Weighted average

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

	Weighted average calculations:
٠	

CP 6-2

1. FIFO

		Purchased			Sold		Bala	nce in Invei	ntory
		Unit	Total		Unit	Total		Unit	Total
Date	Units	Cost	\$	Units	Cost	\$	Units	Cost	\$

a. January 5 sale

GENERAL JOURNAL

Page

Date				
	Description	PR	Debit	Credit
			_	

CHAPTER	SIX		
Assigning	Costs to	Merchan	dise

Name			

CP 6-2 continued

b. January 16 sale

Page

Date				
	Description	PR	Debit	Credit

	c. Ending inventory calculations						
-							

2. Weighted average

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

CHAPTER SIX Assigning Costs to Merchandise	Name
CP 6-2 continued	
Weighted average calculations:	
·	·

a. January 5 sale

GENERAL JOURNAL

Page

Date				
	Description	PR	Debit	Credit

b. January 16 sale

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Page

Date				
	Description	PR	Debit	Credit

CHAPTER SIX Assigning Costs to Merchandise CP 6–2 continued c. Ending inventory

Name			
INALLIE			

CP 6-3

1. a. FIFO

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

CP 6-3 continued

b. Specific identification

		Purchased			Sold		Balar	nce in Inve	ntory
		Unit	Total		Unit	Total		Unit	Total
Date	Units	Cost	\$	Units	Cost	\$	Units	Cost	\$

Name		
ITALLIC		

CP 6-3 continued

c. Weighted average

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

Weighted average of	calculations:		

CHAPTER	SIX	
Assigning	Costs to	Merchandise

Name		
ITUIL		

CP 6-3 continued

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

CHAPTER SIX Assigning Costs to Merchandise

Assigni	ng Costs to Merchandise Name
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

CP 6-5

	2019 Statements			2020 Statements				
			2019	2019			2020	2020
	Open.	End.	Total	Net	Open.	End.	Total	Net
Errors	invent.	invent.	assets	income	invent.	invent.	assets	income
1. Goods purchased in 2019								
were included in December								
31 inventory, but the								
transaction was not								
recorded until early 2020.								
2. Goods purchased in 2020								
were included in December								
31, 2019 inventory, and the								
transaction was recorded								
in 2019.								
3. Goods were purchased in								
2019 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 2019								
were excluded from								
December 31 inventory,								
and the transaction was								
recorded early in 2020.								

CHAPTER SIX Assigning Costs to Merchandise

Name			
INAIIIE			

CP 6-6	
1. a.	
b.	
2.	
2.	
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CHAPTER SIX

Assigning Costs to Merchandise	Name	
Assigning Costs to Merchandise	ivaille	

CP	6-	-7
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1. LCNRV on a unit-by-unit basis:
2. LCNRV on a group inventory basis:
Conclusion:

CP 6-8

	\$	\$ %
Sales		
Cost of goods sold		
Opening inventory		
Purchases		
Cost of goods available		
Ending inventory		
Cost of goods sold		
Gross profit		
(a) Gross profit calculation		
(b) Cost of goods sold calculation		
(c) Estimated ending inventory calculation	1	
2.		
۷.		

CHAPTER SIX	
Assigning Costs	to Merchandise

Name		
Ivallic		

CP 6-9

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

2.		

Name		

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

Name		

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

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

Calculations	

Name		

1. Specific identification ending Inventory
2. FIFO ending inventory
3. Weighted average ending inventory
4. Specific identification cost of goods sold

Name		

CP 6-13 continued

5. FIFO cost of goods sold
6. Weighted average cost of goods sold

Name		
ITALLIC		

CP 6-14

1. a. FIFO ending inventory
b. Specific identification ending inventory
c. Weighted average ending inventory

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

Name		

1. COGS calculation

a. FIFO

	Purchased			Sold			Purchased Sold			Bala	nce in Invei	ntory
		Unit	Total		Unit	Total		Unit	Total			
Date	Units	Cost	\$	Units	Cost	\$	Units	Cost	\$			

b. LIFO

		Purchased	1		Sold		Bala	nce in Invei	ntory
		Unit	Total		Unit	Total		Unit	Total
Date	Units	Cost	\$	Units	Cost	\$	Units	Cost	\$

P 6-1 continued

c. Weighted average

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

2.	
3.	
3.	
3.	
3.	
3.	
3.	
3.	

Name		

1. a. FIFO

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

The journal entry would be

	GENERAL JOURNAL	Page			
Date					
	Description	PR	Debit	Credit	

P 6-2 continued

b. Weighted average

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

Weighted average calculations		

P 6-2 continued

The journal entry would be

	GENERAL JOURNAL		Page		
Date					
	Description	PR	Debit	Credit	

2. Wtd. FIFO avg. Sales COGS Gross profit Weighted average calculations Observation

Assigning Costs to Merchandise	Name	
P 6–2 continued		
3.		
·		

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

Weighted average calculations	

P 6–3 continued

1. (continued)

				Prod	uct B				
		Purchased			Sold		Bala	nce in Invei	ntory
		Unit	Total		Unit	Total		Unit	Total
Date	Units	Cost	\$	Units	Cost	\$	Units	Cost	\$

Weighted average calculations	
2. Total ending inventory at December 31, 2018: Product A Product B Total	
3.	

Name		

1. a. FIFO

		Purchased			Sold		Bala	nce in Invei	ntory
		Unit	Total		Unit	Total		Unit	Total
Date	Units	Cost	\$	Units	Cost	\$	Units	Cost	\$

Name		
ITALLIC		

P 6-4 continued

1. b. Specific identification

		Purchased			Sold		Bala	nce in Inve	ntory
		Unit	Total		Unit	Total		Unit	Total
Date	Units	Cost	\$	Units	Cost	\$	Units	Cost	\$

P 6–4 continued

1. c. Weighted Average

		Purchased	1		Sold		Bala	nce in Inve	ntory
		Unit	Total		Unit	Total		Unit	Total
Date	Units	Cost	\$	Units	Cost	\$	Units	Cost	\$
				_					

Weighted average calculations		

Page

P 6–4 continued

2. FIFO journal entries

GENERAL JOURNAL

Date Description PR Debit Credi	
	t

CHAPTER SIX Assigning Costs to Merc	chandise	Name		
P 6–4 continued				
3.				
		Spec.	Wtd.	
	FIFO	ident.	Avg.	
COGS				
Ending inventory				
Total				
Observation				

CHAPTER SIX

Assigning Costs to Merchandise

Name			

P 6-6

				Unit	Group LCNRV
Item	Cos	st	Market	LCNRV	LCNRV
Α					
В					
С					
D					

Conclusion			

1.

		2019		2020		
•		Net		Nets		
Item	Cost	realizable value	Unit basis (LCNRV)	Cost	realizable value	Unit basis (LCNRV)
Product X						
Product Y						
roduct Z						
Total						
Calculation	is					

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

P 6–7 continued

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

4.		
5.		

Sales	
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		
2.		

Name			
INALLIE			

1. Retail inventory method

Sales	At retail	At cost, should be
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	
2.	
3.	

CHAPTER SIX Assigning Costs to Merchandise	Name
P 6–9 continued	
4.	

Name		

P 6-10

a. Specific identification

	2019	2020	2021
Sales			
Cost of goods sold			
Opening inventory			
Purchases			
(Ending inventory)			
Cost of goods sold			
Gross profit/net income			

b. FIFO

	2019	2020	2021
Sales			
Cost of goods sold			
Opening inventory			
Purchases			
(Ending inventory)			
Cost of goods sold			
Gross profit/net income			

c. Weighted average

	2019	2020	2021
Sales			
Cost of goods sold			
Opening inventory			
Purchases			
(Ending inventory)			
Cost of goods sold			
Gross profit/net income			

Name		
ITUIL		

P 6-11

1.

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

2.

FIFO	
Specific identification	
Weighted average	

Calculations			

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

Calculations		

CHAPTER SIX

Assigning Costs to Merchandise Name
P 6–11 continued
4. Observations based on response 3 above:
5.

Name		
ITALLIC		

1.				
2.				
	_			

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

Assigning Costs to Merchandise	Name
P 6-12 continued	
Observation	
4.	

Name

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:

		FIFO	
Date	Quantity	Unit cost	Total cost

	Sp	ecific identificat	ion
Date	Quantity	Unit cost	Total cost

P 6-13 continued

Weighted average calculations:

	V	Veighted averag	ıe
Date	Quantity	Unit cost	Total cost
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:

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

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

3. Observations			

CHAPTER SIX Assigning Costs to Merchandise

Name		
ITALLIC		

P 6-14

1. to 3.

		Rising prices		Falling prices				
			W	/td.			Wt	d.
	FI	FO	a	vg.	FIFO		av	g.
Sales		\$5,000		\$5,00	9	\$5,000		\$5,00
Cost of goods sold				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			
4.			

CHAPTER	SIX		
Assigning	Costs	to	Merchandise

Name			
Name			

Cash and Receivables	Name
Concept Self-check	
	_
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	·

Cash and Receivables	Name
Concept Self-check continued	
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Cash and Receivables	Name
Concept Self-check continued	

Name		

CP 7-1

	GENERAL JOURNAL			Page
Date	Description	PR	Debit	Credit

Name		

CP 7-2

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

GENERAL JOURNAL

Page	

Date	Description	PR	Debit	Credit

Name			

CP 7-3

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

GENERAL JOURNAL

Page	

Date	Description	PR	Debit	Credit

Name		
Ivallic		

CP 7-4

GENERAL JOURNAL		Page		
Date	Description	PR	Debit	Credit
2.				
-				

Cash and Receivables	Name
CP 7–5	
1.	
2.	
3.	

Partial Statement of Financial Position			

Cash and Receivables	Name
CP 7–6	
1.	
2.	

Cash and Receivables

CP 7-7

1. a.

	GENERAL JOURNAL			Page
Date	Description	PR	Debit	Credit
b.				
2. a.				
	GENERAL JOURNAL			Page
Date	Description	PR	Debit	Credit
b.				
b. 3.				

Ca

ash and Receivables	Name	

1.	a.	
b.		
2.	a.	
	b.	
3.		

Name			
INAIIIC			

CP 7-9

1. November 30, 2019

	GENERAL JOURNAL		,	Page
Date	Description	PR	Debit	Credit

2. December 31, 2019

	GENERAL JOURNAL			Page
Date	Description	PR	Debit	Credit

3. February 1, 2020

	GENERAL JOURNAL			Page
Date				
	Description	PR	Debit	Credit

Name			

P 7-1

GENERAL JOURNAL		Page		
Date	Description	PR	Debit	Credit
2.				

Cash and Receivables

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.

Name		

P 7-2 continued

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

Name		

P 7-2 continued

	GENERAL JOURNAL			Page
Date	Description	PR	Debit	Credit

CHAPTER SEVEN	
Cash and Receivables	S

Name		

P 7-3

1.

Ва	ank Reconciliation				
Cash per general ledger, Dec. 31 Cash per bank statement, Dec. 31					
Add:	Add:				
Less:	Less:				
Adjusted Cash balance, Dec. 31	Adjusted Cash balance, Dec. 31				

2.

GENERAL JOURNAL

Date	Description	PR	Debit	Credit

CHAI TER SEVER	
Cash and Receivables	Name
P 7–4	
1.	
2.	
	_

Cash and Receivables

Name		

P 7-5

1. 2019

Date	Description	PR	Debit	Credit

2020 a.

Date	Description	PR	Debit	Credit

2020 b.

Date	Description	PR	Debit	Credit
Date	Description	111	Desit	Credit

2020 c.

Date	Description	PR	Debit	Credit

P 7-5 continued

2020 d.

Date	Description	PR	Debit	Credit

2020 e.

Date	Description	PR	Debit	Credit

Calculations	

P 7–5 continued

Allowance for Doubtful Accounts				

Name		
Ivallic		

P 7-6

Part A: 2019

Date	Description	PR	Debit	Credit

Name		

P 7–6 continued

2. Calculation of uncollectible amount at December 31, 2019

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

Date	Description	PR	Debit	Credit

P 7–6 continued

Part B: 2020

Date	Description	PR	Debit	Credit

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

	 	_

Cash and Receivables

Name		
Ivallic		

P 7-7

1. a.

Date	Description	PR	Debit	Credit

b.

Date	Description	PR	Debit	Credit

2.

3. a

Date	Description	PR	Debit	Credit

Name		

P 7–7 continued

3. b.

Date	Description	PR	Debit	Credit

c. Calculation of uncollectible amount at December 31, 2020

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

Date	Description	PR	Debit	Credit

Name		
Ivallic		

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1.

Date

Date	Description	PR		CICUIL
			Debit	Credit
-		1		
2.				
Date	Description	PR	Debit	Credit
	•			
<u>.</u>		<u> </u>		
-				

Description

Credit

Debit

PR

Name		
ITALIIC		

P 7-9

Date	Description	PR	Debit	Credit

ivables	Name		
ed			
Description	PR	Debit	Credit
			<u> </u>
Description	PR	Debit	Credit
	Description	Description PR	Description PR Debit

Name

P 7-10

1.

1-30	31-60	61-90	91-120	121-150	+150
	1-30	1-30 31-60	1-30 31-60 61-90	1-30 31-60 61-90 91-120	1-30 31-60 61-90 91-120 121-150

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

Name		

P 7-10 continued

Date	Description	PR	Debit	Credit

P 7-11

1.

Date	Description	PR	Debit	Credit

Age (days)	Accou Receiv	Est. loss Percentage	Est. Uncollectible Amount
1-30			
31-60			
61-90			
91-120			
Over 120			

P 7-11 continued

Allowance for Doubtful Accounts				

Date	Description	PR	Debit	Credit

Name		
Ivallic		

P 7-12

1.

Date	Description	PR	Debit	Credit

2.

Date	Description	PR	Debit	Credit

Date	Description	PR	Debit	Credit

CHAPTER E	IGHT
Long-lived	Assets

NI		
Name		

Concept Self-check

CHAPTER EIGHT Long-lived Assets

Name		

Concept Self-check continued			

CHAPTER E	IGHT
Long-lived	Assets

Name		

Concept Self-check continued		

CHAPTER EIGHT Long-lived Assets

Concept Self-check continued		

CHAPTER E	IGHT
Long-lived	Assets

Concept Self-check continued

Name

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 paving parking lot
Proceeds from sale of old building on purchased land
Expenditures for removal of derelict structures on purchased land
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 in automobile
Special reinforced floor foundations for installed equipment
Tires purchased for truck
Transportation expenditures to bring equipment to plant.
Assumptions

CHAP.	TER E	IGHT	
Long-	ived	Assets	

CP	8-	-2
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1.			

Year	Straight-line	DDB
1		
2		
3		
4		
5		

Conclusion			
	_		

- 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
2.

CHAPTER EIGHT Lo

ong-lived Assets	Name
=	<u> </u>

CP 8-4

1. Straight–line method:
2. Double-declining balance method:

CHAPTER EIGHT Long-lived Assets

Name		
Ivallic		

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CD	0_	₋⊏
L.P	0-	

1. Straight–line method:
2. Usage method:
3. Double-declining balance method:

1. Jan. 31, 2019

Date	Description	Folio	Debit	Credit

2. Dec. 31, 2019

Date	Description	Folio	Debit	Credit

Dec. 31, 2020

Date	Description	Folio	Debit	Credit

CHAPTER EIGHT Long-lived Assets

NI		
Name		

CD	•	_
LP	<u>გ</u> -	-,

1. Straight–line method:
2. Double-declining balance method:

CHAP	TER E	EIGHT	
Long-l	ived	Assets	

1. Equipment sold for \$50,000:

Date	Description	Folio	Debit	Credit

2. Equipment sold for \$85,000:

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

CP 8-8 continued

3. Equipment sold for \$59,375:

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

CHAPTER E	IGHT
Long-lived	Assets

Name			

Name		

Depreciation Method	Calculation	Year 1	Year 2	Year 3
A. Straight-line				
B. Declining balance				

2.		
3.		

CHAP	TER E	EIGHT	
Long-l	ived	Assets	

1. 2020

Date	Description	Folio	Debit	Credit
<u> </u>		•		

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

CHAPTER EIGHT
Long-lived Assets

Name		

CP 8-11 continued

Date	Description	Folio	Debit	Credit
Date	Description	10110	Debit	Credit

CHAP	TER I	EIGHT
Long-l	ived	Assets

CP	8-	-12

1	
1	•

		_
		_

Date	Description	Folio	Debit	Credit

CP 8-12 continued

3.

Accumulated Depreciation – Equipment Acct. No. 193

					DR	
Date	Description	Folio	Debit	Credit	CR	Balance
	Balance forward				CR	2,250

4.			
5.			
Э.			

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

Name			
Ivallic			

CP 8-13 continued

d. Dec. 31, 2019

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

2.a. March 3, 2020

Date	Description	Folio	Debit	Credit

CHAPTER E	IGHT
Long-lived	Assets

Name		

CP 8-13 continued

b. March 3, 2020

Date	Description	Folio	Debit	Credit
	·			
'		1		
				<u></u>
				<u></u>

1. Jan. 1, 2019

Date	Description	Folio	Debit	Credit

2. Dec. 31, 2019

Date	Description	Folio	Debit	Credit
,		l		
				

CP 8-14 continued

3. Dec. 31, 2020

Date	Description	Folio	Debit	Credit

4.a. Dec. 2, 2021

Date	Description	Folio	Debit	Credit

CHAPTER EIGHT
Long-lived Assets

CP 8-14 continued

4. b. Dec. 2, 2021

Date	Description	Folio	Debit	Credit
		•		
-				
				
-				

CHAP1	TER I	EIGHT
Long-l	ived	Assets

Name	

P	Ջ–	-1

Cost of lots:	
•	

CHAPTER EIGHT Long-lived Assets

Invoice price of new machine, net of cash discount offered
 Cash discount on the above, which has not yet been taken (assumes the companion 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.
 ions/assumptions
ions/ assumptions
ions/ assumptions

Name			

P 8-3

Date	Description	Folio	Debit	Credit
	·			

Name			

P 8-3 continued

1. continued

Date	Description	Folio	Debit	Credit
				0.00

2.		

P 8–4				
1.				
_	_			
2.				
۷.				
3.				
4.				
	Partial State	ment of Financia	al Position	

Name

P 8-5

1. Depreciation expense

Year	Straight-line	DDB	Usage
2018			
2019			
2020			
2021			
Totals			

Calculations

Double-declining balance calculations					
	Carrying	DDB	Dep'n		
Year	Amount	Rate	Expense		
2018					
2019					
2020					
2021					

CHAP.	TER I	EIGHT
Long-l	ived	Assets

Name			

P 8-5 continued

2.				
3.				
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P 8-6	
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	ı. Usage			
b. S	Straight–line			
ر <u>٦</u>	Oouble-declining balance			
C. L	ouble-deciming balance			
		Depreciation	Carrying	
2.		Depreciation expense	Carrying amount	
2. a.	Usage			
a.	Usage Straight-line Double-declining balance			

CHA	PTE	RE	IGH	Τ
Lon	g-liv	ed	Ass	ets

Name

P 8-7

a. Straight-line method			
Double-declining balance metho	od		
		Double-declining balance method	

2. a. Straight-line depreciation

Date	Description	Folio	Debit	Credit

Name			

P 8-7 continued

b. Declining balance method

Date	Description	Folio	Debit	Credit
3.				
-				

CHAP	TER E	IGHT
Long-l	ived	Assets

Name		

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1.			
			_
			_
			<u> </u>
			_
			<u> </u>
2.			
			

Date	Description	Folio	Debit	Credit

CHAP1	TER E	EIGHT
Long-l	ived	Assets

Name		

P 8-8 continued

Date	Description	Folio	Debit	Credit

Calculations		

CHAP	TER E	EIGHT	
Long-l	ived	Assets	

P 8-9

Part A

1.

Date	Description	Folio	Debit	Credit

Date	Description	Folio	Debit	Credit

_	 _	_	

CHAPTER E	IGHT
Long-lived	Assets

P 8-9 continued

Part B

1.

Date	Description	Folio	Debit	Credit

1				T
Date	Description	Folio	Debit	Credit
				<u> </u>
				<u> </u>
				_
				_
				_
				_
-				_
				_
-				_
				_
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CHAPTER EIGHT
Long-lived Assets

P 8-10

1. a.

Date	Description	Folio	Debit	Credit

b.

Date	Description	Folio	Debit	Credit
				_
				_
				- -
				- -
				<u> </u>

CHAPTER I	EIGHT
Long-lived	Assets

Name		

P 8-10 continued

c.

Date	Description	Folio	Debit	Credit

d.

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Date	Description	Folio	Debit	Credit
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				_
				_
				_
				_
				_
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				<u> </u>
				_
				_

CHAPTER EIGHT
Long-lived Assets

Name		

P 8-10 continued

1.d. continued

Date	Description	Folio	Debit	Credit
				- -
				- -
				- -
				<u>-</u>
				-
2.				_
				-
				-
				- -
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				-
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P 8-11

1. 2019 depreciation expense	
2. Loss on disposal of electric motor	
3. 2020 depreciation expense	

|--|

P 8-11 continued

4. Carrying amount of locomotive at December 31, 2020

		Accumulated Depreciation					
Component	Cost	2017	2018	2019	2020	Total	Carrying
Wheel assemblies	\$1,200,000						amount
Diesel engine	1,000,000						
Electric motors							
Original (3)	450,000						
New motor (½ yr.)	180,000						
Other	200,000						
Totals	\$3,030,000						

5. Gain on sale of locomotive in 2021:

		Accum	ulated Deprecia	tion	
Component	Cost	To 2020 per above	2021 (½ yr.)	Total	Carrying amount
Wheel assemblies	\$1,200,000				
Diesel engine	1,000,000				
Electric motors					
Original (3)	450,000				
New motor	180,000				
Other	200,000				
Totals	\$3,030,000				
Proceeds on disposal Gain on disposal					

CHAPTER E	IGHT
Long-lived	Assets

Name			
varrie			

CHAPTER NINE Debt Financing: Current and Non-current Liabilities

Name	

Concept Self-check

CHAPTER NINE Debt Financing: Current and Non-current Liabilities Name _____ **Concept Self-check continued**

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Debt Financing: Current and Non-current Liabilities Name	
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CP 9-1

Date	Description	PR	Debit	Credit

CHAPTER NINE	
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Dept Financing: Current and Non-current Liabilities Name	Debt Financing: Current and Non-current Liabilities Name	
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CP 9-2

Date	Description	PR	Debit	Credit

CHAPTER NINE	N I	
Debt Financing: Current and Non-current Liabilities	Name	
CP 9-3		

Date	Description	PR	Debit	Credit

Calculations

CHAPTER NINE	
Debt Financing: Current and Non-current Liabilities	

Name		

CP 9-3 continued

Date	Description	PR	Debit	Credit
_				

CHAP	TER	NINE	
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Description	PR	Debit	Credit
Description	PR	Debit	Credit
	II		
Description	PR	Debit	Credit
			<u> </u>
			_ _
			_
	Description	Description PR	Description PR Debit

	ΓFR		

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CP 9-5

1.

Date	Description	PR	Debit	Credit

2.

Date	Description	PR	Debit	Credit

Date	Description	PR	Debit	Credit

CH	Δ	D٦	ΓF	R	N	IN	F
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Debt Financing: Current and Non-current Liabilities	Name	

CP 9-6

1.

Date	Description	PR	Debit	Credit

2.

Date	Description	PR	Debit	Credit

Date	Description	PR	Debit	Credit

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

CP 9-6 continued

4. a.

Date	Description	PR	Debit	Credit

b.

Date	Description	PR	Debit	Credit

c.

Date	Description	PR	Debit	Credit

CHAPTER NINE
Debt Financing: Current and Non-current Liabilities

Name			

CP 9-7

1.

Date	Description	PR	Debit	Credit

Date	Description	PR	Debit	Credit

3.			

Debt Financing: Current and Non-current Liabilities	Name
CP 9-8	

CH.	ΔP	TF	R	N	IN	F

Debt Financing: Current and Non-current Liabilities	Name	

CP 9-9

1. a. 2019

Date	Description	PR	Debit	Credit

b.

Date	Description	PR	Debit	Credit

CHAPTER NINE

Debt	Financing:	Current a	and Non-c	urrent l	iabilities
שכטנ	i illalicilig.	Cullelle	311G 14G11 - 0	Julielie	.iabiiitic3

Name		
Ivallic		

CP 9–9 continued

2.

	A	В	<u> </u>	D	E
			(D – B)		(A-C)
Year	Beginning	(A x	Reduction	Total	Ending
ended	loan	6%)	of loan	loan	loan
Dec.	balance	Interest	payable	payment	balance
31		expense			
2019	\$50,000			\$18,705	
2020				18,705	
2021				18,705	-0-

Date	Description	PR	Debit	Credit

CHAPTER NINE

Debt Financing:	Current and	Non-current	Liabilities
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Name		
wame		

CP 9-10

1.

Date	Description	PR	Debit	Credit

	A	В	C	D	E
			(D – B)		(A-C)
Year	Beginning	(A x 8%)	Reduction	Total	Ending
ended	lease	Interest	of finance	lease	lease
Dec. 31	balance	expense	lease	payment	balance
2019	\$80,000			\$24,154	
2020				24,154	
2021				24,154	
2022				24,154	-0-

CHAPTER NINE Debt Financing: Current and Non-current Liabilities CP 9–10 continued 3. Statement of Financial Position

CHAPTER NINE

Debt Financing: Current and Non-current Liabilities	Name	

P 9-1

1. a. 2019

Date	Description	PR	Debit	Credit

b.

Date	Description	PR	Debit	Credit

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

P 9-1 continued

c.

Date	Description	PR	Debit	Credit

d.

Date	Description	PR	Debit	Credit

e.

Date	Description	PR	Debit	Credit

CH.	ΔP	TF	R	N	IN	F

Debt Financing: Current and Non-current Liabilities	Name	

P 9-1 continued

2. f. 2019

Date	Description	PR	Debit	Credit

g.

Date	Description	PR	Debit	Credit

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

h.

Date	Description	PR	Debit	Credit
				_
				- -
				- -
				- -
				_ _
3 Cur	rent liabilities at January 31:			_
3. Cui	rent nubinities at surraury 51.			

Name		

P 9-2

			SHAREHOLDERS'		
ASSETS	LIABII	LIABILITIES			
		Corp. Inc. Tax.			
Cash	Bank Loan	Pay.	Share Capital		
	_		Calac		
	_		Sales		
Accounts					
Receivable	Accounts Payable	Interest Payable	Cost of Goods Sold		
Merchandise		Emp'ee Inc. Tax			
Inventory	Salaries Payable	Pay.	Salaries Expense		
	_				
	Employ Inc. Day	Car't Dans Day	Francis Las Fra		
	Employ. Ins. Pay.	Gov't Pens. Pay.	Employ. Ins. Exp.		
	GST Payable		Gov't Pension Exp.		
	— Jayabic		GOV (1 CH31011 Exp.		
			Interest Expense		
		-			
			Corp. Taxes Exp.		

Name			

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	_	_	LU			

5–2 continueu			
Income Sta	itement		
Statement	of Changes in Equ	ity	

Name			
IVALLIC			

P 9-2 continued

Statement of Financial Positio	n	

1	CH	Λ	רח	C	D	NII	NI	c
ı	LH	А	РΙ		ĸ	v	IV	-

Debt Financing: Current and Non-current Liabilities Name				
P 9–3				
1.a.				
Date	Description	PR	Debit	Credit
b.				
Date	Description	PR	Debit	Credit
C.				
Date	Description	PR	Debit	Credit

d.

Date	Description	PR	Debit	Credit

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

P 9-3 continued

e.

Date	Description	PR	Debit	Credit

To record salaries payable as follows:

		Deductions					
Employee	Gross pay	Income taxes	Employ. insur.	Gov't pension	Comp. health	Total. deduct.	Net pay
Employer						- =	

f.

Date	Description	PR	Debit	Credit

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

Name			

P 9-3 continued

g.

Date	Description	PR	Debit	Credit

CHAPTER NINE

Debt Financing: Current and Non-current Liabilities	N
Dept Fillanding, Current and Non-Current Liabilities	1.0

Name		
IVAIIIC		

P 9-3 continued

No	Account	Unadjus	sted TB	Adjust	ments	Adjus	ted TB
		Debit	Credit	Debit	Credit	Debit	Credit
101	Cash	12,000					
110	Accounts receivable	30,000					
150	Merch. inventory	70,000					
151	Parts inventory	10,000					
210	Accounts payable		40,000				
212	Est. current liab.						
213	Est. warranty liab.	3,000					
226	Salaries payable						
227	Emp'ee inc. tax pay.						
228	Emp. insur. pay.						
229	Gov't pension pay.						
230	Co. health ins. pay.						
238	GST payable		1,000				
248	Unearn. rent rev.						
260	Corp. inc. tax pay.						
320	Share capital		100				
340	Retained earnings		3,000				
440	Rent earned		13,000				
500	Sales		791,900				
570	Cost of goods sold	263,500					
653	Professional fees						
656	Salaries expense	400,000					
658	Gov't emp. insur. exp.	8,000					
659	Gov't pension exp.	20,000					
660	Co. health plan exp.	12,000					
678	Warranty exp.	4,000					
830	Corp. inc. tax exp.	16,500					
		849,000	849,000				

Debt	Financing:	Current an	d Non-curre	nt Liabilities

	atement			
Statement	of Changes	in Fau	itv	
Statement	. c. c.ianges	90	,	

Name			

P 9-3 continued

Statement of Financial Position					

CHAPTER NINE

Debt Financing:	Current and	Non-current	Liabilities
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Name		
IVAIIIC		

P 9-4

1.a.

Date	Description	PR	Debit	Credit

b.

Date	Description	PR	Debit	Credit

2.

Zinc Corp. Loan Repayment Schedule

	Α	В	<i>C</i>	D	Ε
			(D-B)		(A − C)
Year	Beginning		Reduction	Total	Ending
ended	loan	Interest	of loan	loan	loan
Dec. 31	balance	expense	payable	payment	balance
2020					
2021					
2022					
2023					

CHAPTER NINE	
Debt Financing: Current and Non-current Liabilities	

Name	

P 9-4 continued

3.

Date	Description	PR	Debit	Credit

Partial Statement of Financial Position		

CHAPTER NINE

Debt Financing: Current and Non-current Liabilitie	Debt Financing:	Current ar	d Non-current	: Liabilities
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Name		
Ivallic		

P 9-5

1. 2019

Date	Description	PR	Debit	Credit

2.

East Corp. Lease Repayment Schedule

	Α	В	С	D	Ε
	Beginning	(A x 6%)	<u>(D − B)</u>	Total	(A – C)
Year ended	lease	interest	Reduction of	lease	Ending lease
March 31	balance	expense	finance lease	payment	balance
2021					
2022					
2023					

9–5 continued				
	Statement	of Financial Po	sition	

CHAPTER NINE

Debt Financing: Current and Non-current Liabilities Name

CHAPTER TEN
Debt Financing: Bonds

Name		

Concept Self-check

CHAPTER TEN Debt Financing: Bonds

Debt Financing: Bonds	Name	
Concept Self-check continued		

CHAPTER TEN Debt Financing: Bonds Name _____ **Concept Self-check continued**

CHAPTER TEN Debt Financing: Bonds

Debt Financing: Bonds	Name
Concept Self-check continued	

CHAPTER TEN Debt Financing: Bonds Name _____ **Concept Self-check continued**

CHAPTER TEN Debt Financing: Bonds

Debt Financing: Bonds	Name	
Concept Self-check continued		

CHAPTER TEN

Debt Financing: Bonds

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
	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.
	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	PR	Debit	Credit

b. The interest payment:

Date	Description	PR	Debit	Credit

c. The amortization of the discount:

Date	Description	PR	Debit	Credit

CHAPTER TEN
Debt Financing: Bonds

CP 10-2 continued

Partial Statement of Finan	cial Position	

CHAPTER TEN
Debt Financing: Bonds

Name			
INAIIIE			

CP 10-2 continued

4. Retirement of the bonds:

Date	Description	PR	Debit	Credit

5. Calling of the bonds:

Date	Description	PR	Debit	Credit

CHAPTER TEN	
Debt Financing:	Bonds

Name			
vallic			

CP 10-3

4		1 •		
1	a i	ne icciiai	nce of the	nonge

Date	Description	PR	Debit	Credit

b. The interest payment:

Date	Description	PR	Debit	Credit

c. The amortization of the premium:

Date	Description	PR	Debit	Credit

2.			

CP 10-3 continued

3.

Partial Statement of Finance	cial Position	

4. Calling of the bonds:

Date	Description	PR	Debit	Credit

CHAP	TER TEN	
Debt	Financing:	Bonds

Name			

CP 10-4

Date	Description	PR	Debit	Credit

CHAPTER TEN	
Debt Financing: Bonds	

CP 10-5

Date	Description	PR	Debit	Credit

	APTER TEN ot Financing: Bonds	Name			
СР	10–6				
Cas	e A				
1.					
					_ _
					- -
2.					
					- -
					_ _
3.					
					-
					- -
4.					_
Date	Description		PR	Debit	Credit
			1	1	

Date	Description	PR	Debit	Credit

CHAPTER TEN

Debt Financing: Bonds	Name
Debt Financing: Bonds	Name

	_		
CP 10–6 continue	d		
Case B			
1.			
2.			
3.			
4			

4.

Date	Description	PR	Debit	Credit

Date	Description	PR	Debit	Credit

Debt Financing: Bonds	Name	
CP 10–6 continued		

CP 10-6 continued	
Case C	
1.	
	- -
	_
2.	-
	- -
	<u>-</u> -
3.	

4.

Date	Description	PR	Debit	Credit

Date	Description	PR	Debit	Credit

CHAPTER TEN Debt Financing: Bonds

CP 10-7

1.		
2.		

CHAP	TER TEN	
Deht	Financing:	Bonds

Name			
Tallic			

CP 10-8 (Appendix)

1.			

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

Amortization Table
Using Market Interest Rate of Per Cent

		Using Ivia	iket iiiterest nate of _	Per Cent		
		Α	В	С	D	Ε
Year	Six month period ending Jun. 30	Beginning bond carrying amount	6-month interest expense	Actual cash interest paid	Periodic prem./disc. amort.	Ending bond carrying amount
	Dec. 31					
	Jun. 30					
	Dec. 31					
	Jun. 30					
	Dec. 31					

CP 10-8 (Appendix) continued

Calculation of	Effective	Interest Rate
_		_

	Calcula	ation of Effective	e interest kate	
		Α	В	
Year	Six month period ending Jun. 30	Bond carrying amount	Using% market rate to calculate periodic interest expense	(B/A)
	Dec. 31			
	Jun. 30 Dec. 31			
	Jun. 30			
	Dec. 31			
4.				

CHAF	TER	TEN		
			_	

Debt Financing: Bonds	Name

D	1	n-	-1
	-	•	_

1.	a.		
b.			
2.			

Date	Description	PR	Debit	Credit

P 10-1 continued

Partial Statement of Financial Position			

CHAPTER TEN
Debt Financing: Bonds

Name			

P 10-2

1.

Date	Description	PR	Debit	Credit

2.

Date	Description	PR	Debit	Credit

Date	Description	PR	Debit	Credit

CHAPTER TEN
Debt Financing: Bonds

Name			
INAIIIE			

P 10-2 continued

4.

Date	Description	PR	Debit	Credit

5.a.

Date	Description	PR	Debit	Credit

CHAP	TER TEN	
Deht	Financing.	Ronde

Name			

P 10-2 continued

b

Date	Description	PR	Debit	Credit

6.a.

Date	Description	PR	Debit	Credit

b.

Date	Description	PR	Debit	Credit

CHAPTER TEN	
Debt Financing:	Bonds

Name			
Ivallic			

P 10-2 continued

c.

Date	Description	PR	Debit	Credit

CHAPTER TEN Debt Financing: Bonds

Name		

P 10-3

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

CHAPTER TEN Debt Financing: Bonds

P 10-3 continued

		Case A		Case B		Case C	
a. I	ssue of the bonds	Debit	Credit	Debit	Credit	Debit	Credit
b. F	Payment of interest						
	•						
c. A	Amortization						
		_					

P 10-3 continued

		Cas	Case A Case B		se B	Case C		
d.	Payment of interest	Debit	Credit	Debit	Credit	Debit	Credit	
e.	Amortization							
f.	Payment of interest							
g.	Amortization							
h.	Redemption of bonds							

Name			
Name			

P 10-3 continued

3.	Calculation of interest expense	
4.	Exercise of a call option at Dec. 31, 2020	

Case A		Cas	se B	Cas	se C
Debit	Credit	Debit	Credit	Debit	Credit

P	1	n.	_4
	-	•	_

1.	a.				
					-
					<u> </u>
b.					
					- -
					_
					_
					<u>—</u>

2.

Amortization Table Using Market Interest Rate of _____ Per Cent

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

Name			
Name			

P 10-4 continued

3.

Calculation of Effective Interest Rate

		Α	В	
	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.				
··				

CHAPTER TEN
Debt Financing: Bonds

Name			
Name			

P 10-4 continued

Turtial Statement	of Financial Position	
	I	l l
		·

Name				
	Name			

P 10-5

1.	a. Difference between the premiums from 2019 to 2020
b.	Total premium/yearly amortization

Description	PR	Debit	Credit
	Description	Description PR	Description PR Debit

	PTER TEN Financing: Bonds Name			
P 10-	-5 continued			
3.	2021 unadjusted interest expense			
				_ _
				- -
				- -
				_
The fe	ollowing journal entry is needed:			_
THE IC	niowing journal entry is needed.	1	T	Г
Date	Description	PR	Debit	Credit

4.			

CHAPTER TEN
Debt Financing: Bonds

Name			
····			

P 10-6

Date	Description	PR	Debit	Credit
	·			

CHAPTER TEN	
Debt Financing: Bonds	

Name			
INAIIIC			

P 10-6 continued

D-1-	B	20	D. L.	0 1'1
Date	Description	PR	Debit	Credit

CHAPTER TEN
Debt Financing: Bonds

Name			
INAIIIC			

P 10-6 continued

Date	Description	PR	Debit	Credit
Dute	Description	1	Debit	Creare
		1		

CI D

CHAPTER TEN Debt Financing: Bonds	Name _		
P 10–7 (Appendices)			
1.a. Interest payment every 6 months			
Calculation	Case A	Case B	Case C
b. Issue price computation			
Calculation	Case A	Case B	Case C

CHAPTER TEN	
Debt Financing:	Bonds

NI			
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

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

Name		

P 10-7 (Appendices) continued

iii. Bonds issued when market rate is 8%

Amortization Table Using Market Interest Rate of Per Cent С D Ε Beginning Actual Ending Six month bond cash Periodic bond period carrying 6-month interest prem./disc. carrying Year ending amort. amount interest expense paid amount Jun. 30 Dec. 31 Jun. 30 Dec. 31 Jun. 30 Dec. 31 d. The carrying value of the bonds at December 31, 2021:

Name			
INAIIIC			

P 10-7 (Appendices) continued

Cas	se A	Ca.	se B	Cas	se C
Debit	Credit	Debit	Credit	Debit	Credit
	l .	l	l .	l	

P 10-8 (Appendices)

1.	Issue price computation:

2.

Amortization Table
Using Market Interest Rate of _____ Per Cent

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

P 10-8 (Appendices) continued

Calculation	of Effoctive	Interest Date
Calculation	of Effective	Interest Rate

	Calcul	ation of Effective	e Interest Rate	
		Α	В	
			Using%	
	Six month	Bond	market rate to	
	period	carrying	calculate periodic	
Year	ending	amount	interest expense	(B/A)
rear	Jun. 30	annount	micrest expense	(6)74)
	Dec. 31			
	Jun. 30			
	Dec. 31			
	Jun. 30			
	Dec. 31			
	DCC. 31			
4.				
4.				
				_

CHAPT	ER	EL	ΕV	ΕN
Equity	Fin	an	cir	ıg

Name			
····			

Concept Self-check	

CHAPTER ELEVEN	Name	
Equity Financing	Name	
Concept Self-check continued		
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	<u> </u>	
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CHAPTER ELEVEN		
Equity Financing	Name	
Concept Self-check continued		
_		

CHAPTER ELEVEN Equity Financing	Name
Concept Self-check continued	

CHAPTER ELEVEN Equity Financing	Name
Concept Self-check continued	

		Total share capital	Retained earnings
1.	Company is incorporated		
2.	Issued common 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.	Declared a cash dividend		
7.	Paid a cash dividend		
8.	Declared a share dividend		
9.	Created a restriction on retained earnings		

CHAPT	ER	EL	ΕV	ΕN
Fauity	Fin	an	cir	۱ø

Name			
Tallic			

	12% bonds	Preferred shares	Common shares
Income before interest and inc. taxes	Donas	3/14/23	37747 63
Less: Interest expense			
Income before income taxes			
Less: Income taxes			
Less: Preferred dividends			
Net available to common s/h (a)			
No. common shares outstanding (b)			
Earnings per common share (a/b)			
2.			
			<u> </u>

Name			
manne			

1. Authorization of share issue:

Date	Description	PR	Debit	Credit

2. Issue of 10,000 common shares:

Date	Description	PR	Debit	Credit

3. Issue of 1,000 preferred shares:

Date	Description	PR	Debit	Credit

CHAPT	ER	ELE	VEN
Equity	Fin	anc	ing

Name			

Date	Description	PR	Debit	Credit

2.			

1.			
			•
			•
2.			•
			•
3.			
			•
			•

CHAPT	ER	ELE	VEN
Equity	Fin	and	cing

Name			
name			

Date	Description	PR	Debit	Credit
_				

Name

CP 11-7

1. 2019

Date	Description	PR	Debit	Credit

Date	Description	PR	Debit	Credit

1.			
2.			
2.			

Equity Financing	Name	
CP 11-9		
	_	

Name		

1.	a. Book value per preferred share
b.	Book value per common share
2.	Book value per common share after split

Name		

1.	
2.	
3.	Amount available for all dividends

CHAPT	ER	ELE	VEN
Equity	Fin	an	cing

Name			

Date	Description	PR	Debit	Credit
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CHAPTER ELEVEN Equity Financing

Name			
INAIIIE			

CP 11-13

Date	Description	PR	Debit	Credit

CHAPT	ER	ELE	VEN
Equity	Fin	and	ing

Name			
vallic			

Date	Description	PR	Debit	Credit

CP 11–14 continued

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۷.	a.

Partial Statement of Financial Pos	sition	

b.

Partial Statement of Financial Pos	sition	

CHAPT	ER	ELI	EVE	١
Eauity	Fin	an	cing	

Name			
Name			

CP 11–14 continued

c.

Partial Statement of Financial Position			

CHAPT	ER	ELE	VE	Ν
Equity	Fin	and	cin	3

Name			
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1.

Date	Description	PR	Debit	Credit

Date	Description	PR	Debit	Credit

CHAPT	ER	ELE	EVEN	
Equity	Fin	an	cing	

Name			
Name			

Partial S	statement of Finance	cial Posi	tion	
				_
	Statement of Ch	nanges i	n Equity	

CHAPT	ER	ELE	VEN
Equity	Fin	and	ing

Name			
Tallic			

ncome before interest and inc. taxes	12% bonds	Preferred shares		Common shares
<i>less:</i> Interest expense ncome before income taxes				
ess: Income taxes				
icss. Income taxes				
ess: Preferred dividends			2	
Net available to common s/h (a)			_	
No. common shares outstanding (b)			_	
Earnings per common share (a/b)			_	
			_	
				_
				_
				_
				_
2.				
				_
				_
				_
				_
3. Other factors to be considered by I	board of directors:			
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				=
				=
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				=
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CHAPT	ER	ELE	VEN
Equity	Fin	and	ing

Name			
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1. a.

Date	Description	PR	Debit	Credit

b.

Date	Description	PR	Debit	Credit

c.

Date	Description	PR	Debit	Credit

d.

Date	Description	PR	Debit	Credit

P 11–2 continued

e.

Date	Description	PR	Debit	Credit

Partial Statement of I	inancial Position	
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CHAPT	ER	ELI	ΕV	ΕN
Eauity	Fin	an	cir	ıg

Name			
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P 11–2 continued

Statement of Changes in Equity				

Name

1. Before	Sp	lit
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Partial Statement of Financial Position			

After Split

Partial Statement of Financial Position			

					DR/	
Date	Description	PR	Debit	Credit	CR	Balance

3.	

CHAPT	ER	ELE	VEN
Equity	Fin	and	ing

Name			
Name			

Statement	of Changes in Ed	ηuity	

CHAPT	ER	ELE	VE	Ν
Equity	Fin	and	cin	3

Name

		Assets	Liabilities	Shareholders' Equity
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			

CHAPTER ELEVEN Equity Financing

Name			
name			

P 11-6

1. a.

Date	Description	PR	Debit	Credit

b.

Date	Description	PR	Debit	Credit

CHAP1	ΓER	ELE	VEN
Equity	Fin	and	ing

Name			
INAIIIE			

P 11-6 continued

c.

Date	Description	PR	Debit	Credit

d.

Date	Description	PR	Debit	Credit

e.

Date	Description	PR	Debit	Credit

HAPTER ELEVEN quity Financing	Name		
11–6 continued			
	Statement of Char	nges in Equity	
appendix 2 is not cove	red, only four columns above will b	e needed.	

CHAPTER ELEVEN Equity Financing

P 11-7

1.	
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2.	
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CHAPT	ER	ELI	ΕV	ΕN
Eauity	Fin	an	cir	ıg

Name			
vallic			

Date	Description	PR	Debit	Credit
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CHAPT	ER	ELE	VEN
Equity	Fin	and	ing

Name			
Ivallic			

P 11-8 continued

Statement of Changes in Equity					

CHAPT	ER	ELE	VEN
Equity	Fin	and	ing

Name			
name			

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1.	

Date	Description	PR	Debit	Credit
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CHAPTER ELEVEN
Equity Financing

Name			
vallic			

P 11-9 continued

Statement of Changes in Equity					

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

Name		

Concept Self-check

CHAPTER TWELVE

Proprietorships and Partnerships	Name
Concept Self-check continued	

CHAPTER TWELVE Proprietorships and Partnerships Name _____ **Concept Self-check continued**

CHAPTER TWELVE

Proprietorships and Partnerships	Name	
Concept Self-check continued		
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CHAPTER TWELVE Proprietorships and Partnerships Name _____ **Concept Self-check continued**

CHAPIER IWELVE	
Proprietorships and Partnerships	Name
Concept Self-check continued	
•	

Name			
maille			

CP 12-1		
1.		
Income Statement		
2.		
Statement of Proprietor's Cap	ital	

Name			
·····			

CP 12-1 continued

Statement of Financial Position				
	I			

CHAPTER TWELVE	
Proprietorships and	Partnerships

Name			
·····			

CP 12-1 continued

Date	Description	PR	Debit	Credit

CP	12	-2

CF 12-2		
1.		
1.		
Income Statement		
2.		
2.		

Statement of Proprietor's Capital		

Name			
·····			

CP 12-2 continued

Statement of Financial Posi	tion	
Statement of Financial Fosi	CIOII	

Name			
INAIIIE			

CP 12-2 continued

Date	Description	PR	Debit	Credit
	2 3337 1 333			0.00.00

Name			
INAIIIE			

CP 12-3

1.

Date	Description	PR	Debit	Credit

Date	Description	PR	Debit	Credit

Calculations		
		_

Name			
vallic			

CP 12-3 continued

Date	Description	PR	Debit	Credit

Calculations	

Name		

CP 12-4

1.

Date	Description	PR	Debit	Credit

2.

Date	Description	PR	Debit	Credit

Date	Description	PR	Debit	Credit

Name			
Tallic			

CP 12-5

Statement of Partnership Liquidation						
	Cash	Other assets			Partners' capita	

Name			
vaille			

CP 12-5 continued

2. a.

Date	Description	PR	Debit	Credit

b.

Date	Description	PR	Debit	Credit

c.

Date	Description	PR	Debit	Credit

d.

Date	Description	PR	Debit	Credit

P	1	2-	-1

	Income State	ement		
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•				
	Statement of Propri	etor's Cap	ital	

Name			
Name			

P 12-1 continued

Statement of Financial Position				
Statement of Financial Fosi	CIOII			

Name			
Ivallic			

P 12-1 continued

Date	Description	PR	Debit	Credit
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Statement of Proprietor's Capital				

Statement	Statement of Changes in Equity				
	I				

Name			

P 12-3

Date	Description	PR	Debit	Credit
	2 3337 1 333			0.00.00

CHAPTER TWELVI	E
Proprietorships a	nd Partnerships

Na			
Name			

P 12-3 continued

2.

Date	Description	PR	Debit	Credit

To allocate net income as follows:

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

Name			
Name			

P 12-4

1.

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

Date	Description	PR	Debit	Credit

Name			
maille			

P 12-5

Profit and loss sharing plan	(a) Division \$60	(a) Division with profit of \$60,000		with loss of 0,000
	Во	Diddley	Во	Diddley
Plan A				
		1		
Plan B				
		1		
	-			-
Calculations		-		
2.				

Name	

_	_	_
P 1	∣7 -	-6

1.			
	•	·	

The new partner's bonus is recorded as:

Date	Description	PR	Debit	Credit
	·			

CHAPTER TWELVE	
Proprietorships and	Partnerships

Name			
name			

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2.		
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The bonus to existing partners is recorded as:

Date	Description	PR	Debit	Credit
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Name			
INAIIIE			

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1.

Statement of Partnership Liquidation							
	Cash	Other assets Liabilities			Partners' ca	oital	

2.a. Loss on Sale of Other Assets

Date	Description	PR	Debit	Credit

Name			
vallic			

P 12-7 continued

b.

Date	Description	PR	Debit	Credit

c.

Date	Description	PR	Debit	Credit

d.

Date	Description	PR	Debit	Credit

Name			
INAIIIE			

P 12-7 continued

e.

Date	Description	PR	Debit	Credit

Name		

Concept Self-check	

CHAPTER THIRTEEN		
Financial Statement Analysis	Name	
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Consent Calf about continued		
Concept Self-check continued		
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CHAPTER THIRTEEN Financial Statement Analysis Concept Self-check continued

CHAPTER THIRTEEN Financial Statement Analysis	Name	
Concept Self-check continued		

CHAPTER THIRTEEN Financial Statement Analysis Concept Self-check continued

CHAPTER THIRTEEN

CHAPTER ININIEEN		
Financial Statement Analysis	Name	
Concept Self-check continued		

 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

1. Current ratio		
	Year	
Calculations		
Definition/interpretation		
		<u> </u>
2. Acid-test ratio		
	Year	
Calculations	Year	
	Year	
Calculations Definition/interpretation	Year	
	Year	
	Year	

Name		

CP 13-2 continued

3.		
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4.		
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		_
Statement of Financial Posi	tion	_
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Name			
INAIIIC			

CP 13-3

Gross profit ratio

	 Year	
Calculations	 	
Analysis		
		<u></u>
Net profit ratio		
	Year	
Calculations	 rear	
Analysis		
		
		<u> </u>

CP 13-4

Price-earnings ratio

	<u>Company</u>			
Calculations	Α	В	С	
Analysis				
Dividend viola				
Dividend yield				
		Company		
Calculations		company		
Carcarations		- <u> </u>		
Analysis				
, , ,				

Name		

	(a)	(b)		
	2019	2018	(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				

Name

		Eff	ect on ra	tio
				No
Transaction	Ratio	Inc.	Dec.	change
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			

1.a. Return on total assets	
b. Return on shareholders' equity	
c. Times interest earned ratio	
d. Earnings per share	

Name		

CP 13-7 continued

e. Number of days of sales in inventory
f. Accounts receivable collection period
g. Sales to total assets ratio
h. Current ratio

CP 13-7 continued

i. Acid-test ratio			
j. Debt to shareholders' equity ratio			
2. The following ratios are measures of liquidity:			

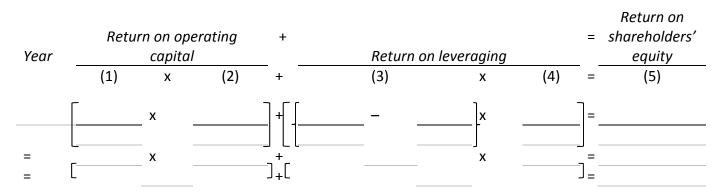
Name		

CP 13-7 continued

3.		
Statement of Financial Posi	tion	
Statement of Financial Fost	CIOTI	
Income Statement		
	1	

CP 13-7 continued

4. Scott formula



1. Current ratio	
2. Return on total assets	

CP 13-8 continued

3. Sales to total assets ratio	
4. Acid-test ratio	
5. Times interest earned ratio	
6. Earnings per common share	

Name		

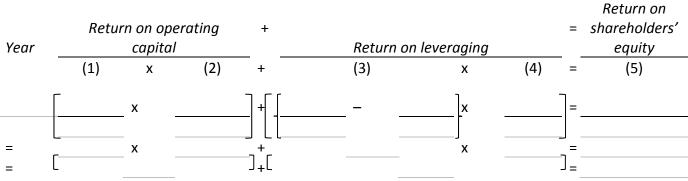
CP 13-8 continued

7. Accounts receivable collection period	
8. Return on shareholders' equity	

Name		

CP 13-8 continued

9. Scott formula



=	- 1 -			
Calculations			_	

Name

CP 13-9

1. Current liabilities	
<u> </u>	
2. Inventory	
·	
3. Accounts receivable collection period	

4. Number of days of sales in inventory	
·	
5. Revenue operating	

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CP 13-10

1.

Effect on current ratio

				No
	Transaction	Inc.	Dec.	change
a.	Bought \$20,000 of merchandise on account (the company uses a perpetual inventory system)			
b.	Sold for \$10,000 cash, merchandise 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			
			l	<u> </u>

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	У	\$80											
Current ratio	x/y	2.5]							<u> </u>

b. Acid-test ratio

						Tr	ansacti	on effe	ects				
		May 1 bal.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	May 31 bal.
Quick assets	Χ	\$200											
Current liabilities	у	\$80											
Carrent nasmines	y	700											
Acid test ratio	x/y	2.5											

CHAPTER THIRTEEN / Financial Statement Analysis Version	2 1	1

P 13-1

1. a. Current ratio	
	•
b. Acid-test ratio	
	•
c. Debt to shareholders' equity ratio	
	•
2.	
	•
	•
	•

Name		

3.	
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	_
P 13–2	-
1. a. Current ratio	
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	-
	-
	-
	-
	_
	-
	-
	_
b. Acid-test ratio	
	_
	-
	-
	_
	_
	-
	-
	_
	-

c. Accounts receivable collection period	
d. Number of days of sales in inventory	
e. Debt to shareholders' equity ratio	

Name		
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f. Return on shareholders' equity	
g. Earnings per share	
2. Dividends paid on common shares	

3.Observations	
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P 13-2 continued

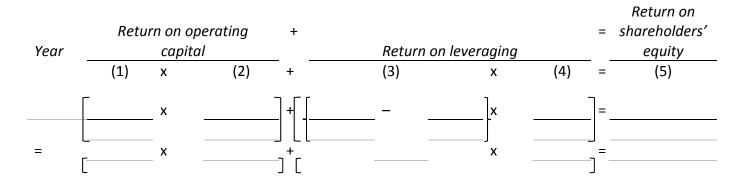
4. Restatement for Scott formula analysis

Statement of Financial Position		

P 13-2 continued

Income Statement			

5. Scott Formula



Analysis	

P 13-3

Statement of Financial Position				
	I			
Calculations				

Name			
Name			

P 13-4

1.

	Common Size Percentages				
·	2020	2019	2018		
Sales					
Cost of goods sold					
Gross profit					
Other expenses					
Net income			-		
-					
2. Analysis					

P 13-5

Statement of Financial Po	sition	

Name			
Name			

Calculations	
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ncial Statement Analysis	Name
niciai Statement Analysis	Name

CHAPTER FOURTEEN

The Statement of Cash Flows	Name
Concept Self-check	
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CHAPTER FOURTEEN The Statement of Cash Flows

The Statement of Cash Flows	Name
Concept Self-check continued	

CHAPTER FOURTEEN The Statement of Cash Flows Name _____ **Concept Self-check continued**

CHAPTER FOURTEEN The Statement of Cash Flows Name _____ **Concept Self-check continued**

CHAPTER FOURTEEN The Statement of Cash Flows

CP 14-1

	A payment of \$5,000 was made on a non-current bank loan.
	Depreciation expense for equipment was \$1,000.
<u>-</u>	\$10,000 of share capital was issued for cash.
<u>-</u>	Cash dividends of \$2,500 were declared and paid to shareholders.
	A non-current 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 operating loan was obtained. The loan is due on demand and is an integral part of the company's cash management strategy.
_	\$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.
Notes, if any:	

Name			

CP 14-2

		Operating activities In (out)	Financing activities In (out)	Investing activities In (out)
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 non-current 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 advertising			
18.	Purchased land for \$60 cash.			

CHAPTER FOURTEEN

The Statement of Cash Flows		Name			
CP 14-2 c	ontinued				
	Notes, if any:				

CP 14-3

Cash Flow					
↑	+	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. Calculation of amount owing for income taxes.

CHAPTER FOURTEEN The Statement of Cash Flows CP 14–4 Name

CHAPTER FOURTEEN The Statement of Cash Flows Name CP 14–5

_	PTER FOURTEEN Statement of Cash Flows	Name			
	sh flow from operating activities:				
	Non-cash current assets Accounts receivable Inventory	2020 Dr. (Cr.)	2019 Dr. (Cr.		
Tł	Prepaid rent ne journal entries used to construct th	e SCF would	be:		_
Date	Description			Debit	Credit
					_
Ca	ash flow from operating activities:				
	Net income Changes in non-cash work	ing capital			

Cash flow from operating activities

CHAPTER FOURTEENThe Statement of Cash Flows

Name			

CP 14-6 continued

2. (Appendix) Cash flow table:

	Bala		Cha	nge	Cash	Effect	
Account	2020 Dr(Cr)	2019 Dr(Cr)	Dr	Cr	Inflow	Outflow	Activity
							1

528

\$___ net cash flow

CHAPTER FOURTEEN
The Statement of Cash Flows

The S	Statement of Cash Flows Na	me		<u>—</u>
CP 14	4–7			
1.	Calculation of cash received for sale of ed	quipment:		
2.	The journal entry to record the sale of th	e equipment wo	ould have been:	
Date	Description		Debit	Credit
3.		,		
Ope	rating activities			
1	Net income			
 	tems not affecting cash flow			
(Cash flow from operating activities			
Inve	sting activities			
_				

Cash flow from investing activities

CHAPTER FOURTEENThe Statement of Cash Flows

CP 14-8

1.	Adjustments to net income:		
-			
2.	The statement of changes in equity wou	d show:	
		Common shares	Total equity
3.	Analysis of borrowings:		

The journal entry to construct the SCF would be:

Date	Description	Debit	Credit
			_
			_

CP 14-8 continued

Cash used by financing activities:	

4. (Appendix) Cash flow table:

	Balance		Change		Cash Effect		
Account	2020 Dr(Cr)	2019 Dr(Cr)	Dr	Cr	Inflow	Outflow	Activity

CHAPTER FOURTEEN The Statement of Cash Flows

CP 14-9

1. Dividends paid:

ment of Cash Flows	Name	
ds paid:		
Retained earnings at January	1, 2020	

The journal entry to construct the SCF would be

Date	Description	Debit	Credit

2. Construct the SCF:

Step 1: Convert net income to cash flow from operation	Ste	p 1:	Convert	net	income	to 6	cash	flow	from	opera	tio	กร
--	-----	------	---------	-----	--------	------	------	------	------	-------	-----	----

- a. Net income to be added on SCF

 b. Depreciation to be added back

 c. Losses to be added back

 Gains to be deducted
- d. Analysis of changes in non-cash working capital accounts:

Non-cash current assets	2020 Dr. (Cr.)	2019 Dr. (Cr.)	Change Debit (Credit)
Non-cash current liabilities			

CHAPTER FOURTEEN
The Statement of Cash Flows

Name		

CP 14-9 continued

Journal entries to record operating activity effects on the SCF:

Date	Description	Debit	Credit

Analysis				
,				
			·	

Name

CP 14-9 continued

Step 2: Record investing activities

Analysis of changes in long-term assets accounts:

Long-term assets	2020 Dr. (Cr.)	2019 Dr. (Cr.)	Change Debit (Credit)
Equipment sale: Cost (given)			
Acc. dep'n (derived) Carrying amount			
Proceeds (given) Loss (gain) on sale			
(given)			

CHAPTER FOURTEEN
The Statement of Cash Flows

Name			

CP 14-9 continued

Journal entries to record investing activity effects on the SCF:

Date	Description	Debit	Credit
Date	Description	Debit	Credit
Δ.,,	alvaia		
An	alysis		

Name			

CP 14-9 continued

Step 3: Record non-current liabilities and shareholders' equity account activities

Analysis of changes in non-current liabilities and shareholders' equity accounts:

Non-current liabilities	2020 Dr. (Cr.)	2019 Dr. (Cr.)	Change Debit (Credit)
Shareholders' equity			

Journal entries to record financing activity effects on the SCF:

Date	Description	Debit	Credit

Anaiysis			

Name		

CP 14-9 continued

2. Statement of cash flows:

Glacier Corporation
Statement of Cash Flows
For the Year Ended December 31, 2020

Operating activities	
Net income	
Items not affecting cash flow	
Cash flow from operating activities	
Investing activities	
Cash flow used by investing activities	
Financing activities	
Cook flow from financing activities	
Cash flow from financing activities Net increase in cash	
Cash at beginning of year	
Cash at end of year	

Name			

CP 14-9 continued

3.	Analysis:

4. (Appendix) Cash flow table:

	Effect	Cash	nge	Cha	ınce	Bala	
					2019	2020	
Activity	Outflow	Inflow	Cr	Dr	Dr(Cr)	Dr(Cr)	Account

CHAPTER FOURTEEN	
The Statement of Cash Flows	;

Name	
	\$ net cash flow

CP 14-9 continued

The journal entry to record the sale of the land would be:

Date	Description	Debit	Credit
	·		
Calcu	lation of cost of equipment sold :		
	action of cost of equipment sold.		

The journal entry to record the disposal of machinery would be:

Date	Description	Debit	Credit

Name			
Ivallic			

P 14-1

1. Journal entry to record disposal of equipment:

ate	Description	Debit	Credit
Anal	ysis		
2. a.	Cash flow from operating activities:		
ı	Net income		
I	Items not affecting cash flow		
_			
_			
(Cash flow from operating activities		
b.	. Cash flow from investing activities:		
_			
_			
_	Cash flow from investing activities		

CHAPTER FOURTEEN	
The Statement of Cash F	lows

Name			
Ivallic			

P 14-2

1	Cons	truct	the	SCF.

Construct the SCF:			
Step 1: Convert net income to cash flow from	om operations		
a. Net income to be added on SCF			
b. Depreciation to be added back			
c. Losses to be added back			
Gains to be deducted			
d. Analysis of changes in non-cash v	working capital	accounts:	
	2020	2019	Change Debit
	2020 Dr. (Cr.)	2019 Dr. (Cr.)	(Credit)
Non-cash current liabilities	2(0)	2 (3)	(0.0010)

Journal entries to record effects on SCF:

Date	Description	Debit	Credit

P 14-2 continued

Operating activities: Net income	
Changes in non-cash working capital	
Cash flow from operating activities	

2. (Appendix) Cash flow table:

	Bald	ance	Cha	nge	Cash	Effect	
	2020	2019					
Account	Dr(Cr)	Dr(Cr)	Dr	Cr	Inflow	Outflow	Activity

542

\$___ net cash flow

CHAPTER FOURTEEN Th

The Statement of Cash Flows	Name	
P 14–2 continued		
Revised 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 F	lows

Name			

P 14-3

1. Depreciation adjusting entry:

Date	Description	Debit	Credit
Analysis			
2 Purchase of	- machinory:		
2. Purchase of	machinery:		
		Dehit	Credit
2. Purchase of	machinery: Description	Debit	Credit
		Debit	Credit
		Debit	Credit
Date		Debit	Credit
		Debit	Credit
Date		Debit	Credit
Date		Debit	Credit

P 14-3 continued

3.

Statement of Cash Flows For the Year Ended December 31, 2020

Operating activities	
Item not affecting cash flow	
Cash flow from operating activities Investing activities	
Net decrease in cash	
Cash at beginning of year	
Cash at end of year	

4. (Appendix) Cash flow table:

	Balo	ance	Cha	nge	Cash	Effect	
Account	2020 Dr(Cr)	2019 Dr(Cr)	Dr	Cr	Inflow	Outflow	Activity
							1

\$ net cash flow

Name		

P 14-4

1.

Hubris Corporation Statement of Cash Flows For the Year Ended December 31, 2020

Operating activities		
Items not affecting cash flow		
Cash flaw from anarating activities		
Cash flow from operating activities		
Financing activities		
		_
		_
		=
Cash flow from financing activities		
Net increase in cash		
Cash at beginning of year*		
Cash at end of year		-
cush at the or year		
*Calculation of cash on hand at beginnin	g of year:	
Cash at beginning of year (derived)		
Change in cash		
Cash at end of year (given)		

Name			

P 14-4 continued

2. (Appendix) Partial cash flow table:

	Bald	ance	Cha	nge	Cash	Effect	
	2020	2019			_	_	
Account	Dr(Cr)	Dr(Cr)	Dr	Cr	Inflow	Outflow	
					\$net cash	flow	
Notes (if any)							
-							

Name			

P 14-5

1.

Wheaton Co. Ltd. Statement of Cash Flows For the Year Ended December 31, 2020

	Operating activities		
	Items not affecting cash flow	_	
		_	
		_	
		_	
	Cash flow from operating activities Investing activities		
	Financing activities	_	
	Cash flow from financing activities		
	Net increase in cash Cash at beginning of year		
Notes:	Cash at end of year		
Notes.			

P 14-5 continued

2. Analysis:			
		_	

3. (Appendix) Partial cash flow table:

Balance		Balance Cho		ange Cash Effect		Effect	
Account	2020 Dr(Cr)	2019 Dr(Cr)	Dr	Cr	Inflow	Outflow	Activit

\$___ net cash flow

	ement of Cash Flows	Name	
P 14–5 co	ontinued		
Notes (if	any)		
The revis	ed operating activities section woul	ld show:	
	Operating activities		
	Items not affecting cash flow		

Cash flow from operating activities

P 14-6

1. Cash flow from operating activities:			
Step 1: Convert net income to cash flow fro	m operations		
a. Net income to be added on SCF			
b. Depreciation to be added back			
c. Losses to be added back			
Gains to be deducted			
d. Analysis of changes in non-cash w	orking capital a	accounts:	
Non-cash current assets	2020 Dr. (Cr.)	2019 Dr. (Cr.)	Change Debit (Credit)
Non-cash current liabilities			

Journal entries to record SCF effects:

Date	Description	Debit	Credit

Name		

P 14-6 continued

Step 2: Record investing activities

Analysis of changes in long-term assets accounts:

The journal entries to record the land transactions would be:

Date	Description	Debit	Credit

Analysis	

CHAPTER FOURTEEN The Statement of Cash Flows	Name
P 14–6 continued	
Changes in Equipment account:	
Bal. at Jan. 1 (given)	
Additions for cash (given)	
Additions for shares (given)	
Bal. at Dec. 31 (given)	
Analysis	

Date	Description	Debit	Credit
			_

Name			

P 14-6 continued

Step 3: Record non-current liabilities and shareholders' equity account activities

Analysis of changes in non-current liabilities and shareholders' equity accounts:

Non-current liabilities and dividends payable	2020 Dr. (Cr.)	2019 Dr. (Cr.)	Change Debit (Credit)
Shareholders' equity			

Journal entries to record borrowing transaction effects on the SCF:

Date	Description	Debit	Credit

Analysis			

CHAPTER FOURTEEN
The Statement of Cash Flows

The Sta	atement of Cash Flows	Name		
P 14–6	continued			
	Changes in Common Sha	res account:		
	Bal. at Jan. 1 (given) Shares for building (g Additional shares (de Bal. at Dec. 31 (giver	erived)		
	Analysis			
	Journal entries to record	common share transaction	on effects on the S	CF:
ate	Descrip	tion	Debit	Credit
	Changes in Retained Ear	nings account:		
	Bal. at Jan. 1 (given)			
	Bal. at Dec. 31 (giver			

Analysis

Name			

P 14-6 continued

Journal entries to record retained earnings transaction effects on the SCF:

Date	Description	Debit	Credit

Name			

P 14–6 continued

Step 4: Calculate the net change in cash and ending cash balance, and prepare the statement of cash flows

Operating activities		
Items not affecting cash flow	-	
	-	
Cash flow from (used by) operating activities Investing activities		
Coch flow from (used by) investing activities		
Cash flow from (used by) investing activities Financing activities		
Cash flow from (used by) financing activities		
Net increase in cash and cash at end of year		

CHAPTER FOLIRTEEN

The Statement of Cash Flows	Name
P 14–6 continued	
2. Analysis:	

Name		
144111		

P 14-6 continued

3. (Appendix) Cash flow table:

	Balo	ance	Cha	inge	Cash	Effect	
	2020	2019					
Account	Dr(Cr)	Dr(Cr)	Dr	Cr	Inflow	Outflow	Activity
						`	K
						<u>\$</u> net cash	flow

CHAPTER FOURTEEN The Statement of Cash Flows	Name
P 14-6 continued	
Notes (if any)	

Name		

P 14-6 continued

Revised operating activities section of SCF:	
Items not affecting cash flow	
Net changes in non-cash working capital Cash flow used by operating activities	

Name

P 14-7

r 14-/			
1. Construct the SCF:			
Step 1: Convert net income to cash to	flow from ope	rations	
a. Net income to be added o	n SCF		
b. Depreciation to be added	back		
Amortization to be added	back		
c. Losses to be added back			
Gains to be deducted			
d. Analysis of changes in non	-cash working	capital accoun	ts:
Non-cash current assets	2020 Dr. (Cr.)	2019 Dr. (Cr.)	Change Debit (Credit)
Non-cash current liabilities			

Name		
Ivallic		

P 14-7 continued

Journal entries to record SCF effects:

Date	Description	Debit	Credit

Step 2: Record investing activities

Analysis of changes in long-term assets accounts:

	2020 Dr. (Cr.)	2019 Dr. (Cr.)	Change Debit (Credit)
Long-term assets			
Analysis of land sale: Cost of land			
Cash proceeds			
Loss (gain) on disposal			

Name			
Ivallic			

P 14-7 continued

Journal entry to record land sale:

Date	Description	Debit	Credit
	Analysis		
	Journal entry to record building transactions:		
Date	Description	Debit	Credit
	Changes in Machinery account:		
	Bal. at Jan. 1 (given)		
	Purchase for part loan (given)		
	Purchase for shares (given)		
	Disposal		
	Bal. at Dec. 31 (given)		
	Analysis		
	Analysis of machinery disposal: Bal. at Jan		
	Cash proceeds		
	Loss (gain) on disposal		

CHAPTER FOURTEEN	
The Statement of Cash	Flows

Name			

P 14-7 continued

Journal entry to record machinery transactions:

Date	Description	Debit	Credit

Name			

P 14-7 continued

Step 3: Record non-current liabilities and shareholders' equity account activities

Analysis of changes in non-current liabilities and shareholders' equity accounts:

	2020 Dr. (Cr.)	2019 Dr. (Cr.)	Change Debit (Credit)
Non-current liabilities			
Shareholders' equity			
Changes in Borrowings account:			
Bal. at Jan. 1 (given)			
Proceeds from mach. finance	e (given)		
Repayments (derived)			
Bal. at Dec. 31 (given)			
Analysis			

Journal entries to record borrowing transactions effects on the SCF:

Date	Description	Debit	Credit

CHAPTER FOURTEEN
The Statement of Cash Flows

	ment of Cash Flows Name		
P 14-7 co	ntinued		
	Changes in Common Shares account:		
	Bal. at Jan. 1 (given)		
	Shares issued for machine (given)		
	Additional shares issued (derived)		
	Bal. at Dec. 31 (given)		
	Analysis		
_	Journal entries to record common shares transaction SCF:	ns effects on the	
ate	Description	Debit	Credit

Date	Description	Debit	Credit

Changes in Retained Earnings account:

Bal. at Jan. 1 (given)	
Net income (given)	
Dividends declared (given)	
Bal. at Dec. 31 (given)	

Analysis

Name			

P 14-7 continued

Journal entries to record dividends paid on the SCF:

Date	Description	Debit	Credit

P 14-7 continued

Step 4: Calculate the net change in cash and ending cash balance, and prepare the statement of cash flows

Statement of Cash Flows

Operating activities	
Items not affecting cash flow	
<u> </u>	
	_
	 _
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	

The Statement of Cash Flows	Name
P 14–7 continued	
2. Analysis:	

Name		

P 14-7 continued

3. (Appendix) Cash flow table:

	Balance		Change		Cash Effect		
Account	2020 Dr(Cr)	2019 Dr(Cr)	Dr	Cr	Inflow	Outflow	Activity
Account	Di(Ci)	DI(CI)	Di	Ci	Injiow	Outjiow	Activity
					<u>\$</u>	_ net cash flow	

The Statement of Cash Flows	Name
P 14-7 continued	
Notes (if any)	

CHAPTER FOURTEFN Tł

The Statement of Cash Flows	Name		
P 14–7 continued			
Revised operating activities section o	f the SCF :		
Operating activities			
		_	
Items not affecting cash flow		_	
Cash flow from (used by) anarati	ng activities		
Cash flow from (used by) operati	iig activities		

P 14-8

1a. Construct the 2022 SCF:

Step 1: Convert net income to cash flow fr	om operations		
a. Net income to be added on SCF			
b. Depreciation to be added back			
Amortization to be added back			
c. Losses to be added back			
Gains to be deducted			
d. Analysis of changes in non-cash	working capital	accounts:	
Non-cash current assets	2022 Dr. (Cr.)	2021 Dr. (Cr.)	Change Debit (Credit)
Non-cash current liabilities			

CHAPTER FOURTEEN	
The Statement of Cash	Flows

Name	

Journal entries to record operating activity effects on the SCF:

Date	Description	Debit	Credit
	2000.,p.1.0.1	200	0.00

Analysis			

Step 2: Record investing activities

Analysis of changes in long-term assets accounts:

Long-term assets	2022 Dr. (Cr.)	2021 Dr. (Cr.)	Change Debit (Credit)
Equipment sale: Cost (given) Acc. dep'n (derived) Carrying amount Proceeds (given) Loss (gain) on sale (given)			

CHAPTER FOURTEEN
The Statement of Cash Flows

Name			
IVALLIC			

Journal entries to record investing activity effects on the SCF:

Date	Description	Debit	Credit
Date		Debit	Credit
l			
Ana	alysis		

Name			

Step 3: Record non-current liabilities and shareholders' equity account activities

Analysis of changes in non-current liabilities and shareholders' equity accounts:

	2022	2021	Change Debit
	Dr. (Cr.)	Dr. (Cr.)	(Credit)
Non-current liabilities			
Shareholders' equity			

Journal entries to record financing activity effects on the SCF:

Date	Description	Debit	Credit

Analysis			

Name			
IVAIIIC			

P 14-8 continued

Step 4: Calculate the net change in cash and ending cash balance, and prepare the 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 and cash equivalents	-	
Cash and cash equivalents at beginning of year Cash and cash equivalents at end of year	-	
	-	
Represented by		

Name			

P 14-8 continued

1h	Consti	ruct the	2023	SCF.
TD.	COHSU	111.11111111111111111111111111111111111		

Construct the 2023 SCF:			
Step 1: Convert net income to cash flow f	rom operation	ons	
a. Net income to be added on SCF			
b. Depreciation to be added back			
c. Losses to be added back			
Gains to be deducted			
d. Analysis of changes in non-cash	working cap	ital accounts	:
	2023 Dr. (Cr.)	2022 Dr. (Cr.)	Change Debit (Credit)
Non-cash current assets			
Non-cash current liabilities			

Journal entries to record operating activity effects on the SCF:

Date	Description	Debit	Credit

Name	

P 14-8 continued

Analysis				
	·	·	·	
	·		·	

Step 2: Record investing activities

Analysis of changes in long-term assets accounts:

Long-term assets	2023 Dr. (Cr.)	2022 Dr. (Cr.)	Change Debit (Credit)
Equipment sale: Cost (given)			
Acc. dep'n (derived)			
Carrying amount			
Proceeds (given)			
Loss (gain) on sale			
(given)			

Name			

P 14-8 continued

Journal entries to record investing activity effects on the SCF:

Date	Description	Debit	Credit
20.00			0.000
An	alysis		

Name			

Step 3: Record non-current liabilities and shareholders' equity account activities

	Non-current liabilities		2022 Dr. (Cr.)	Change Debit (Credit)
	Shareholders' equity			
	Journal entries to record financing a	ctivity effects	on the SCF:	
Date	Description		Debit	Credit
	Analysis			

Name		

P 14-8 continued

Step 4: Calculate the net change in cash and ending cash balance, and prepare the 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 and cash equivalents		
Cash and cash equivalents at beginning of year	_	
Cash and cash equivalents at end of year	_	
Represented by		

P 14-8 continued

nalysis			

Activity

P 14-8 continued

3.a. (Appendix) Cash flow table for the year ended December 31, 2022 (\$000s)

	Bald	ance	Cha	nge	Cash	Effect
Account	2022 Dr(Cr)	2021	Dr	Cr	Inflow	Outflow
				Ş	net cash	flow
	Notes (if any)					

Name			

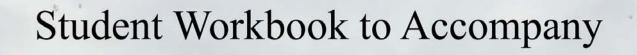
3.b. Cash flow table for the year ended December 31, 2023 (\$000s):

	Bala	ance	Cha	nge	Cash	Effect	
Account	2023 Dr(Cr)	2022 Dr(Cr)	Dr	Cr	Inflow	Outflow	Α
					<u>\$</u> net	cash flow	
	Notes (if any)						

Name		

P 14-8 continued

Statement of Cash Flows	
Operating activities	
Items not affecting cash flow	



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