

MR. T ACCOUNTS

"I pity the fool who doesn't use me for their taxes"

Mr. T started an accounting business, Mr. T Accounts, at the beginning of January 2020. The business transactions for Mr. T Account's first month of operations can be found below. Use this information to complete the T Accounts, Trial Balance, and Financial Statements that follow.



- 01/02 Owner invested \$4000 cash in the business.
 - 01/05 Purchased supplies on account, \$150.
 - 01/07 Customers paid cash for services provided, \$500.
 - 01/08 Paid rent for the month, \$400.
 - 01/09 Purchased new equipment for the business, \$750.
 - 01/16 Provided services to customers and billed them on account, \$1000.
 - 01/22 Paid off amount owed on account payable from the purchase on 01/05.
 - 01/28 Completed inventory at the end of the month and found \$50 of supplies remaining, meaning that \$100 had been used.
 - 01/29 Customers made payments on their accounts receivable totaling \$300.
 - 01/31 Owner withdrew \$900 in cash from the business for personal use.
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T-Accounts

- Record all of the business transactions in the T-Accounts below. Make sure to put the date of the transaction next to each amount.
- Total each account, showing the ending balance in the appropriate "normal balance" location (shaded side). Circle the ending balances.
- Write a two-digit account number next to each account name.

ASSETS

Cash	
Debit	Credit
+	-

Accounts Receivable	
Debit	Credit
+	-

Supplies	
Debit	Credit
+	-

Equipment	
Debit	Credit
+	-

LIABILITIES

Accounts Payable	
Debit	Credit
-	+

OWNER'S EQUITY

Mr. T, Capital (Investments)	
Debit	Credit
-	+

Mr. T, Drawing (Withdrawals)	
Debit	Credit
+	-

REVENUES

Fees Earned	
Debit	Credit
-	+

EXPENSES

Rent Expense	
Debit	Credit
+	-

Supplies Expense	
Debit	Credit
+	-

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Trial Balance

Using the information in your T-Accounts, prepare a trial balance.

1. List the account names in the correct order and the ending balance for each.
2. Total the debit and credit columns to make sure they balance.

Mr. T Accounts
 Trial Balance
 January 31, 2020

Account Name	Debit	Credit
TOTAL		

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Financial Statements

Use the information from the Trial Balance to create the financial statements for Mr. T Accounts.

Mr. T Accounts
Income Statement
For the month ended January 31, 2020

REVENUES:														
FEES EARNED														
EXPENSES:														
RENT EXPENSE														
SUPPLIES EXPENSE														
TOTAL EXPENSES														
NET INCOME														

Mr. T Accounts
Statement of Owner's Equity
For the month ended January 31, 2020

BEGINNING CAPITAL												0	00
ADD: INVESTMENTS													
ADD: NET INCOME (from the Income Statement)													
LESS: WITHDRAWALS													
CHANGE IN OWNER'S EQUITY													
ENDING CAPITAL													

Mr. T Accounts
Balance Sheet
As of January 31, 2020

ASSETS						LIABILITIES					
CASH						ACCOUNTS PAYABLE					
ACCOUNTS RECEIVABLE						TOTAL LIABILITIES					
SUPPLIES						OWNER'S EQUITY					
EQUIPMENT						MR. T, CAPITAL					
						TOTAL OWNER'S EQUITY					
TOTAL ASSETS						TOTAL LIABILITIES & OE					