

ACCT UNIT II REVIEW

The Accounting Unit II Test will focus on the Journal, Ledger, Trial Balance, Adjusting Entries, Financial Statements, and Closing Entries.

REVIEW PROBLEM 1

Carlotta Lessa started a skating rink business called “Lotta Skating” at the beginning of December 2021. Use the chart of accounts and the business transactions below to complete the journal on the next page. Then post these transactions to the ledger and prepare a trial balance.

Chart of Accounts

These are the account names and numbers that you should use.

Account Name	Account Number
Cash	11
Accounts Receivable	12
Supplies	13
Equipment	14
Accounts Payable	21
Carlotta Lessa, Capital	31
Carlotta Lessa, Drawing	32
Fees Earned	41
Supplies Expense	51
Wages Expense	52

Business Transactions

- Dec 1 Carlotta invested \$43,000 cash in his business, Lotta Skating. R1.
- 3 Purchased supplies, \$5,300. C1.
- 5 Purchased equipment on account, \$8,500. M1.
- 10 Earned fees totaling \$23,000 in cash from customers. T1.
- 12 Paid wages expense for the month, \$1,900. C2.
- 18 Made a payment of \$4,000 on account. C3.
- 23 Earned fees totaling \$9,000 from customers, on account. S1.
- 27 Completed inventory and found \$1,300 of supplies were left on hand, meaning that \$4,000 had been used during the month. M2.
- 30 Received \$4,000 cash from customers paying on their accounts. R2.
- 31 Carlotta withdrew \$1,000 at the end of the month for personal use. C4.

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Ledger

CASH					Account No. 11				
Date	Item	Post Ref.	Debit	Credit	Balance				
					Debit	Credit			

ACCOUNTS RECEIVABLE					Account No. 12				
Date	Item	Post Ref.	Debit	Credit	Balance				
					Debit	Credit			

SUPPLIES					Account No. 13				
Date	Item	Post Ref.	Debit	Credit	Balance				
					Debit	Credit			

EQUIPMENT					Account No. 14				
Date	Item	Post Ref.	Debit	Credit	Balance				
					Debit	Credit			

ACCOUNTS PAYABLE					Account No. 21				
Date	Item	Post Ref.	Debit	Credit	Balance				
					Debit	Credit			

CARLOTTA LESSA, CAPITAL					Account No. 31				
Date	Item	Post Ref.	Debit	Credit	Balance				
					Debit	Credit			

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CARLOTTA LESSA, DRAWING					Account No. 32				
Date	Item	Post Ref.	Debit	Credit	Balance				
					Debit	Credit			

FEES EARNED					Account No. 41				
Date	Item	Post Ref.	Debit	Credit	Balance				
					Debit	Credit			

SUPPLIES EXPENSE					Account No. 51				
Date	Item	Post Ref.	Debit	Credit	Balance				
					Debit	Credit			

WAGES EXPENSE					Account No. 52				
Date	Item	Post Ref.	Debit	Credit	Balance				
					Debit	Credit			

Trial Balance: December 31, 2021

Account Name	Debit	Credit
Cash		
Accounts Receivable		
Supplies		
Equipment		
Accounts Payable		
Carlotta Lessa, Capital		
Carlotta Lessa, Drawing		
Fees Earned		
Supplies Expense		
Wages Expense		
TOTAL		

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REVIEW PROBLEM 2

Michael Mills started a restaurant called Michael's Meals in March 2021. Use the adjusted trial balance below to complete the restaurant's financial statements that follow.

Adjusted Trial Balance: March 31, 2021

Account Name	Debit				Credit			
Cash	19	00	00	00				
Accounts Receivable	3	00	00	00				
Supplies	1	25	00	00				
Prepaid Insurance		8	00	00				
Equipment	9	00	00	00				
Accumulated Depreciation, Equipment					1	30	00	00
Accounts Payable					2	30	00	00
Wages Payable						9	00	00
Unearned Fees						3	00	00
Michael Mills, Capital						10	20	00
Michael Mills, Drawing	2	00	00	00				
Fees Earned						22	30	00
Depreciation Expense		1	00	00				
Insurance Expense		2	00	00				
Rent Expense		2	00	00				
Supplies Expense		6	00	00				
Wages Expense		2	05	00				
TOTAL	40	00	00	00	40	00	00	00

Michael's Meals Income Statement For the Month Ended March 31, 2021

REVENUES:								
Fees Earned					\$			
EXPENSES:								
Depreciation Expense	\$							
Insurance Expense	\$							
Rent Expense	\$							
Supplies Expense	\$							
Wages Expense	\$							
Total Expenses					\$			
NET INCOME					\$			

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Michael's Meals
Statement of Owner's Equity
For the Month Ended March 31, 2021

BEGINNING CAPITAL						\$			0	00
ADD: INVESTMENTS	\$									
ADD: NET INCOME	\$									
LESS: WITHDRAWALS	\$									
CHANGE IN OWNER'S EQUITY						\$				
ENDING CAPITAL						\$				

Michael's Meals
Balance Sheet
March 31, 2021

<u>ASSETS</u>						<u>LIABILITIES</u>					
Cash	\$					Accounts Payable	\$				
Accounts Receivable	\$					Wages Payable	\$				
Supplies	\$					Unearned Fees	\$				
Prepaid Insurance	\$					TOTAL LIABILITIES	\$				
Equipment	\$										
Accum. Deprec., Equipment	\$					<u>OWNER'S EQUITY</u>					
						MICHAEL MILLS, Capital	\$				
						TOTAL OWNER'S EQUITY	\$				
TOTAL ASSETS	\$					TOTAL LIABILITIES & OE	\$				

