

# I Drew It Myself



## Accounting for Business Transactions

Nancy Drew started an art gallery business, I Drew It Myself Inc., at the beginning of October 2023. The business transactions for I Drew It Myself Inc.'s first month of operations can be found below. Complete the following chart to show the effects of these transactions on the relevant ALOE accounts. Describe each transaction that affects owner's equity and calculate the ending balance in each column. Make sure that the accounting equation balances.

- 10/1 Owner invested \$32,000 cash to start I Drew It Myself Inc.
- 10/2 Customers paid cash for paintings (revenues) during the month, totaling \$18,000.
- 10/5 Purchased art supplies on account (AP), \$5,500.
- 10/14 Paid rent expense on the art studio for the month, \$1,000 cash.
- 10/15 Customers purchased paintings on account (AR) during the month, totaling \$2,600.
- 10/17 Purchased art studio equipment for cash, \$3,000.
- 10/19 Paid utilities expense for the month, \$500 cash.
- 10/27 Received \$600 in cash from customers paying on their accounts (AR).
- 10/29 Completed inventory and found that the amount of art supplies on hand at the end of month was \$2,500, meaning that \$3,000 of supplies had been used during the period (supplies expense).
- 10/31 Owner withdrew \$2,000 cash for personal use.

	ASSETS				LIABILITIES	OWNER'S EQUITY	
	Cash	Accounts Receivable	Supplies	Equipment	Accounts Payable	Nancy D., Capital	Description
Beginning	\$0	\$0	\$0	\$0	\$0	\$0	
Ending							

Don't forget to add the columns, and calculate the total assets, liabilities, owner's equity. Make sure it balances!