

Jim's Lawn Care ... Revisited



Business Transactions

- 5/1 Jim Hamilton began a lawn care business in May by depositing \$800 in a business bank account.
- 5/3 Purchased lawnmowers and other lawn equipment on account, \$1,000.
- 5/5 Paid cash for supplies, \$50.
- 5/6 Performed lawn care services (revenues) for credit customers and billed them \$700.
- 5/10 Received \$700 cash from the customers billed on 5/6.
- 5/12 Paid \$1,000 cash on accounts payable for purchase on 5/3.
- 5/15 Paid for an advertisement in a local newspaper, \$150 (advertising expense).
- 5/19 Performed lawn care services (revenues) for cash customers and immediately received \$420.
- 5/22 Paid wages to a part-time assistant, \$85 (wages expense).
- 5/26 Performed lawn care services (revenues) for credit customers and billed them \$600.
- 5/28 Received an invoice for gas expenses paid on account during May, \$110. The invoice will not be paid until next month.
- 5/31 At the end of May, Jim withdrew \$100 from the business for personal use.

Accounting Equation Chart

		ASSETS				LIABILITIES	OWNER'S EQUITY	
		Cash	Accounts Receivable	Supplies	Equipment	Accounts Payable	Jim H., Capital	Description
Beginning		\$0	\$0	\$0	\$0	\$0	\$0	
5/1		+800					+800	Investment
5/3					+1000	+1000		
5/5		-50		+50				
5/6			+700				+700	Fees Earned
5/10		+700	-700					
5/12		-1000				-1000		
5/15		-150					-150	Advertising Expense
5/19		+420					+420	Fees Earned
5/22		-85					-85	Wages Expense
5/26			+600				+600	Fees Earned
5/28						+110	-110	Gas Expense
5/31		-100					-100	Withdrawal
Ending		\$535	\$600	\$50	\$1000	\$110	\$2075	
		\$2185				\$2185		

REVENUES:											
FEES EARNED											
EXPENSES:											
ADVERTISING EXPENSE											
GAS EXPENSE											
WAGES EXPENSE											
TOTAL EXPENSES											
NET INCOME											

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

<u>ASSETS</u>						<u>LIABILITIES</u>					
CASH						ACCOUNTS PAYABLE					
ACCOUNTS RECEIVABLE						TOTAL LIABILITIES					
SUPPLIES						<u>OWNER'S EQUITY</u>					
EQUIPMENT						JIM H., CAPITAL					
LAND						TOTAL OWNER'S EQUITY					
TOTAL ASSETS						TOTAL LIABILITIES & OE					