Asset Dr A=L+O/E

{+rev-exp-drawings}

Liability Cr “

Capital Cr

Rev Cr

Exp Dr

Drawings Dr

Asset increase Dr

Asset decrease cr

25. Cash Dr 100\*25=2500

Unearned revenue cr 2500

30.A/P dr 900

Cash cr 900

Prob -1

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Explanation | ref | Dr | Cr |
| April 1  4    8    11  12  13  17  20  25  30  30 | Cash dr  Capital cr  Land dr  Cash cr  Advertising exp dr  A/P cr  Salary exp Dr  Cash cr  No entry  (its not a financial transaction)  Prepaid insurance exp Dr  Cash cr  Drawings dr  Cash cr  Cash dr  Admission revenue cr  Cash dr  Unearned coupon  revenue(liability) cr  Cash dr  Admission revenue cr  A/P dr  Cash cr |  | 40000  30000  1800  1500  1500  1000  5700  2500  8900  900 | 40000  30000  1800  1500  1500  1000  5700  2500  8900  900 |

Ledger

Cash

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | ex | Ref | dr | cr | bal |
| April 1  April 4  April 11  April 13  April 17  April 20  April 25  April 30  April 30 |  |  | 40000  5700  2500  8900 | 30000  1500  1500  1000  900 | 40000 dr  10000 dr  8500 dr  7000 dr  6000  11700  14200  23100  22200 dr |

Capital

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | dr | cr | bal |
| April 1 |  |  |  | 40000 | 40000 cr |

Land

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
| April 4 |  |  | 30000 |  | 30000 Dr |

Advertising exp

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
| April 8 |  |  | 1800 |  | 1800 |

A/p

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
| April 8  April 30 |  |  | 900 | 1800 | 1800cr  900 cr |

Salary exp

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
| April 11 |  |  | 1500 |  | 1500 dr |

Prepaid insurance

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
| April 13 |  |  | 1500 |  | 1500 dr |

Admission rev

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
| April 20  April 30 |  |  |  | 5700  8900 | 5700 cr  14600 cr |

Drawings

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
| April 17 |  |  | 1000 |  | 1000 dr |

Unearned revenue

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
| April 25 |  |  |  | 2500 | 2500 cr |

Trial Balance

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| A/C no | Account title | ref | Dr | Cr |
| 1  2  3  4  5  6  7.  8  9  10  Total | Cash  Capital  Land  Advertising exp  A/P  Salary exp  Prepaid insurance  Drawing  Admission revenue  Unearned Admission rev |  | 22200  30000  1800  1500  1500  1000  58000 | 40000  900  14600  2500  58000 |

Hire, Order, Contract, Promise - Not financial event

**Problem set A: Problem no 3**

Transaction no 6 :Repair parts exp dr

Repair parts cr

Transaction no 7: Cash dr 6000

A/R dr 9000

Service rev cr 15000

**Problem set A: Problem no 5**

Cash dr 85

A/R dr 85

Concession revenue 170

Prepaid rent dr

Cash cr

Prob 1:

Journal

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Explanation | ref | Dr | Cr |
| April 1  4    8    11  12  13  17  20  25  30  30 | Cash dr  Capital cr  Land dr  Cash cr  Advertising exp dr  A/P cr  Salary exp Dr  Cash cr  No entry  (its not a financial transaction)  Prepaid insurance exp Dr  Cash cr  Drawings dr  Cash cr  Cash dr  Admission revenue cr  Cash dr  Unearned coupon  revenue(liability) cr  Cash dr  Admission revenue cr  A/P dr  Cash cr |  | 40000  30000  1800  1500  1500  1000  5700  2500  8900  900 | 40000  30000  1800  1500  1500  1000  5700  2500  8900  900 |

Ledger

Cash

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Explanation | Ref | Dr | Cr | Balance |
| April 1    4    11  13  17    20  25  30  30 |  |  | 40000  5700  2500  8900 | 30000  1500  1500  1000  900 | 40000 Dr  10000 Dr  8500 Dr  7000 Dr  6000 Dr  11700 Dr  14200 Dr  23100 Dr  22200 Dr |

Capital

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Explanation | Ref | Dr | Cr | Balance |
| April 1 |  |  |  | 40000 | 40000 Cr |

Advertising Expense

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Explanation | Ref | Dr | Cr | Balance |
| April 8 |  |  | 1800 |  | 1800 Dr |

A/P

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Explanation | Ref | Dr | Cr | Balance |
| April 8    30 |  |  | 900 | 1800 | 1800 Cr  900 Cr |

Land

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Explanation | Ref | Dr | Cr | Balance |
| April 4 |  |  | 30000 |  | 30000 Dr |

Salary Exp

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Explanation | Ref | Dr | Cr | Balance |
| April 11 |  |  | 1500 |  | 1500 Dr |

Prepaid Insurance

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Explanation | Ref | Dr | Cr | Balance |
| April 13 |  |  | 1500 |  | 1500 Dr |

Admission Revenue

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Explanation | Ref | Dr | Cr | Balance |
| April 20    30 |  |  |  | 5700  8900 | 5700  14600 |

Drawings

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Explanation | Ref | Dr | Cr | Balance |
| April 17 |  |  | 1000 |  | 1000 Dr |

Unearned Revenue

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Explanation | Ref | Dr | Cr | Balance |
| April 25 |  |  |  | 2500 | 2500 Cr |

Trial Balance

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Account No | Account title | Ref | Dr | Cr |
| 1  2  3  4  5  6  7  8  9  10 | Cash  Capital  Land  A/P  Advertising Exp  Prepaid Insurance  Admission Revenue  Salary Exp  Unearned Admission Revenue  Drawings |  | 22200  30000  1800  1500  1500  1000 | 40000  900  14600  2500 |

58000 58000

Prob no 2

Journal

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| May 1  2    3  7  11  12  17  31  31 | Cash Dr  Capital Cr  No entry  Supplies Dr  A/P Cr  Rent exp Dr  Cash Cr  A/R Dr  Service Revenue Cr  Cash Dr  Unearned Revenue Cr  Cash Dr  Service revenue Cr  Salary Exp Dr  Cash Cr  A/P Dr  Cash Cr |  | 25000  2500  900  2100  3500  1200  2000  1000 | 25000  2500  900  2100  3500  1200  2000  1000 |

Problem no :5

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Explanation | Ref | Dr | Cr |
| April 1 | Cash Dr  Land Dr  Building Dr  Equipment Dr  Accounts payable Cr  Mortgage payable Cr  Capital Cr |  | 6000  10000  8000  6000 | 2000  8000  20000 |
| 2 | Film rental expense Dr  Cash Cr |  | 800 | 800 |
| 3 | No entry |  |  |  |
| 9 | Cash Dr  Admission revenue Cr |  | 2800 | 2800 |
| 10 | Mortgage payable Dr  Accounts payable Dr  Cash Cr |  | 2000  1000 | 3000 |
| 11 | No entry |  |  |  |
| 12 | Advertising expense Dr  Cash Cr |  | 500 | 500 |
| 20 | Film rental expense Dr  A/P Cr |  | 1000 | 1000 |
| 25 | Cash Dr  Admission revenue Cr |  | 5200 | 5200 |
| 29 | Salary expense Dr  Cash Cr |  | 2000 | 2000 |
| 30 | Cash Dr  A/R Dr  Service Revenue Cr |  | 85  85 | 170 |
| 30 | Prepaid rent expense Dr  Cash Cr |  | 900 | 900 |

**Hire, order, contract, promise**

Prob no 3:

Journal

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date/SL no | Explanation | Ref | Dr | Cr |
| Jan 1  1    2  3    4  5  6    7  8  9 | Cash Dr  A/R Dr  Parts Inventory Dr  Prepaid rent Dr  Shop equipment Dr  A/P Cr  Capital Cr  Advertising expense Dr  Cash Cr  Parts Inventory Dr  A/P Cr  Miscellaneous exp Dr  Cash Cr  Cash Dr  A/R Cr  A/P Dr  Cash Cr  Repair parts expense Dr  Repair parts inventory Cr  Cash Dr  A/R Dr  Service Revenue Cr  Wage expense Dr  Cash Cr  Drawing Dr  Cash Cr |  | 8000  15000  13000  3000  21000  1000  4000  2000  14000  15000  4000  6000  9000  3000  3000 | 19000  41000  1000  4000  2000  14000  15000  4000  15000  3000  3000 |