

a) I/S

Lesson Revenue		7500
_ Exp		
Advertising Exp	500	
Rent	1200	
Repair	400	
Fuel	2500	
Insurance Exp	400	
Total exp		5000
Net Income		2500

O/E Statement

Beg O/E	45000
+ Net Income	2500
_ Drawings	1500
Ending Owners Equity	46000

B/S

Asset

Cash	5600
A/R	7200
Equipment	64000
Total Asset	76800

Liabilities and O/E

N/P	30000
A/P	800
O/E	46000
Total liability & O/E	76800

b) I/S

Lesson Revenue 7500+900=8400

_ Exp

Advertising Exp	500	
Rent "	1200	
Repair	400	
Fuel	2500+1500	
Insurance Exp	400	
Total exp		6500

Net Income 1900

O/E Statement

Beg O/E	45000	
+ Net Income	1900	
_ Drawings	1500	

Ending Owners Equity 46400

B/S

Asset

Cash	5600	
A/R	7200+900	
Equipment	64000	

Total Asset 77700

Liabilities and O/E

N/P	30000	
A/P	800+1500	

O/E 46400

Total liability & O/E 77700

Prob No 4: Transaction Analysis

A			=	L+O/E				
CASH	A/R	Supplies	Delivery Van	A/P	N/P	Owners Equity	Explanation	
+10000						+10000	Beginning Capital	1
-2000			+12000		+10000			2
-500						-500	Rent Exp	3
	+4400					+4400	Service rev	5
-200						-200	Drawing	9
		+150		+150				12
+1250	-1250							15
				+100		-100	Gasoline exp	17
+1500						+1500	Service Rev	20
-500					-500			23
-250						-250	Utility exp	26
-100				-100				29
-1000						-1000	Salary exp	30

23500 = 23500

a) I/S

Service Revenue 4400

Service Revenue 1500
TR 5900

_ Exp

Rent " 500
Gasoline 100
Utility 250
Salary 1000
Total exp 1850

Net Income 4050

O/E Statement

Beg O/E	10000
+ Net Income	4050
_ Drawings	200
Ending Owners Equity	13850
O/E	

BEGINNING CAPITAL
+ADDITIONAL CAPITAL
+NET PROFIT
_ NET LOSS
_ DRAWINGS

B/S

Asset

Cash	8200
A/R	3150
SUPPLIES	150
Delivery Van	12000

Total Asset 23500

Liabilities and O/E

N/P	9500
A/P	150

O/E 13850

Total liability & O/E 23500

Prob 5

A=L+O/E

Ending O/E= Beg O/E+ Add. Capital+ Revenue-Expense-Drawing

=60000= 45000+Add.cap+350000-320000-25000

60000-45000-350000+320000+25000 =Add Cap

10000=A.Capital

Karma Company

Jan 1 ,2010 (BEG)

A=L+O/E

95000=50000+O/E

45000=O/E

Dec 31,2010 (ending)

A=55000+60000

A=115000

O/E statement

Particulars	Tk	Tk
Beg Cap	45000	
+Add Cap	10000	
+Net profit	30000	
-Drawings	-25000	
Ending O/E		60000