

1.

Award: 50.00 points Problems? Adjust credit for all students.

CH 2
Assessment

Nina Miller opens a web consulting business called Miller Consulting and completes the following transactions in March.

Using the following transactions, record journal entries, create financial statements, and assess the impact of each transaction on the financial statements.

- March 1** Miller invested \$189,000 cash along with \$23,300 in office equipment in the company in exchange for common stock.
- March 2** The company prepaid \$8,000 cash for six months' rent for an office. The company's policy is to record prepaid expenses in balance sheet accounts.
- March 3** The company made credit purchases of office equipment for \$4,300 and office supplies for \$2,500. Payment is due within 10 days.
- March 6** The company completed services for a client and immediately received \$5,300 cash.
- March 9** The company completed a \$8,800 project for a client, who must pay within 30 days.
- March 12** The company paid \$6,800 cash to settle the account payable created on March 3.
- March 19** The company paid \$6,500 cash for the premium on a 12-month insurance policy. The company's policy is to record prepaid expenses in balance sheet accounts.
- March 22** The company received \$5,300 cash as partial payment for the work completed on March 9.
- March 25** The company completed work for another client for \$5,200 on credit.
- March 29** The company paid \$5,600 cash in dividends.
- March 30** The company purchased \$1,100 of additional office supplies on credit.
- March 31** The company paid \$1,000 cash for this month's utility bill.

Requirement	General Journal	General Ledger	Trial Balance	Income Statement	St Retained Earnings	Balance Sheet	Impact on Equity
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General Journal Tab - For each transaction, prepare the required journal entry on the General Journal tab. List debits before credits. Each journal entry is automatically posted to the General Ledger.

General Ledger Tab - To see the detail of all transactions that affect a specific account, or the balance in an account at a specific point in time, click on the General Ledger tab. Abnormal balances appear in parentheses. Click on any amount to see the underlying journal entry.

Trial Balance Tab - A trial balance lists each account from the General Ledger, along with its balance, either a debit or a credit. Total debits should always equal total credits. If your trial balance doesn't balance, review your journal entries on the general journal tab.

Income Statement Tab - Using the dropdown buttons, select the financial statement elements and account titles to be included on the income statement. The account balances will automatically populate.

Statement of Retained Earnings Tab - Using the dropdown buttons, select the item that accurately describes the values that either increase or decrease the retained earnings balance.

Balance Sheet Tab - Using the dropdown buttons, select the financial statement elements and account titles to be included on the balance sheet. The account balances will automatically populate.

Impact on Equity Tab - Using the dropdown buttons, indicate the impact each item has on total equity. Compare the total with the amount of equity reported on the balance sheet.

< Requirement General Journal >

rev: 06_08_2021_QC_CS-266676, 09_17_2021_QC_CS-278345

Explanation:

No further explanation details are available for this problem.

P # 19711



Requirement	General Journal	General Ledger	Trial Balance	Income Statement	St Retained Earnings	Balance Sheet	Impact on Equity
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Every journal entry must keep the accounting equation in balance. **Prepare the journal entries for each of the transactions of Miller Consulting, entering the debits before the credits.** Each transaction will automatically be posted to the General Ledger and the Trial Balance as soon as you click "Record Entry".

Show less ▲

No	Date	Account Title	Debit	Credit
1	March 01	Cash	189,000	
		Office equipment	23,300	
		Common stock		212,300
2	March 02	Prepaid rent	8,000	
		Cash		8,000
3	March 03	Office equipment	4,300	
		Office supplies	2,500	
		Accounts payable		6,800
4	March 06	Cash	5,300	
		Services revenue		5,300
5	March 09	Accounts receivable	8,800	
		Services revenue		8,800
6	March 12	Accounts payable	6,800	
		Cash		6,800
7	March 19	Prepaid insurance	6,500	
		Cash		6,500
8	March 22	Cash	5,300	
		Accounts receivable		5,300
9	March 25	Accounts receivable	5,200	
		Services revenue		5,200
10	March 29	Dividends	5,600	
		Cash		5,600
11	March 30	Office supplies	1,100	
		Accounts payable		1,100
12	March 31	Utilities expense	1,000	
		Cash		1,000

< Requirement

General Ledger >





Requirement	General Journal	General Ledger	Trial Balance	Income Statement	St Retained Earnings	Balance Sheet	Impact on Equity
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Each journal entry is posted automatically to the general ledger. Think of the general ledger as sorting all of your journal entries by account title. *Click on any of the individual amounts to return to the underlying journal entry.*

General Ledger Account

Cash

No.	Date	Debit	Credit	Balance
	March 01			0
1	March 01	189,000		189,000
2	March 02		8,000	181,000
4	March 06	5,300		186,300
6	March 12		6,800	179,500
7	March 19		6,500	173,000
8	March 22	5,300		178,300
10	March 29		5,600	172,700
12	March 31		1,000	171,700

Accounts receivable

No.	Date	Debit	Credit	Balance
	February 28			0
5	March 09	8,800		8,800
8	March 22		5,300	3,500
9	March 25	5,200		8,700

Office supplies

No.	Date	Debit	Credit	Balance
	February 28			0
3	March 03	2,500		2,500
11	March 30	1,100		3,600

Prepaid insurance

No.	Date	Debit	Credit	Balance
	February 28			0
7	March 19	6,500		6,500

Prepaid rent

No.	Date	Debit	Credit	Balance
	February 28			0
2	March 02	8,000		8,000

Office equipment

No.	Date	Debit	Credit	Balance
	February 28			0
1	March 01	23,300		23,300
3	March 03	4,300		27,600

Accounts payable

No.	Date	Debit	Credit	Balance
	February 28			0
3	March 03		6,800	6,800
6	March 12	6,800		0
11	March 30		1,100	1,100

Common stock

No.	Date	Debit	Credit	Balance
				0
1	March 01		212,300	212,300

Dividends

No.	Date	Debit	Credit	Balance
				0
10	March 29	5,600		5,600

Services revenue

No.	Date	Debit	Credit	Balance
	February 28			0
4	March 06		5,300	5,300
5	March 09		8,800	14,100
9	March 25		5,200	19,300

Utilities expense

No.	Date	Debit	Credit	Balance
	February 28			0
12	March 31	1,000		1,000

< General Journal

Trial Balance >



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Requirement	General Journal	General Ledger	Trial Balance	Income Statement	St Retained Earnings	Balance Sheet	Impact on Equity
-------------	-----------------	----------------	----------------------	------------------	----------------------	---------------	------------------

The trial balance is a listing of all account balances from the General Ledger as of a specific date. **Click on any individual account balance to return to the General Ledger. The trial balance is only as accurate as the underlying journal entries.** If the total debits do not equal total credits, then there is a journal entry that is out of balance. If you have an abnormal ending balance (indicated with brackets in the general ledger), you should review the journal entries that affected that account to ensure that the journal entries are correct.

Show less ▲

MILLER CONSULTING
Trial Balance
March 31, 2021

Account Title	Debit	Credit
Cash	\$ 171,700	
Accounts receivable	8,700	
Office supplies	3,600	
Prepaid insurance	6,500	
Prepaid rent	8,000	
Office equipment	27,600	
Accounts payable		1,100
Common stock		212,300
Dividends	5,600	
Services revenue		19,300
Utilities expense	1,000	
Total	\$ 232,700	\$ 232,700

< General Ledger
Income Statement >

rev: 06_08_2021_QC_CS-266676, 09_17_2021_QC_CS-278345

Explanation:

No further explanation details are available for this problem.

4

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Requirement	General Journal	General Ledger	Trial Balance	Income Statement	St Retained Earnings	Balance Sheet	Impact on Equity
-------------	-----------------	----------------	---------------	------------------	----------------------	---------------	------------------

Using the dropdown buttons, **select the financial statement elements and account titles** to be included on the income statement. The account balances will automatically populate.

MILLER CONSULTING			
Income Statement			
For Month Ended March 31			
Revenues:			
Services revenue	\$	19,300	
<hr/>			
Total revenues	F \$	19,300	
Expenses:			
Utilities expense	F	1,000	
<hr/>			
Total expenses	F	1,000	
Net income	F \$	18,300	

< Trial Balance
St Retained Earnings >

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Explanation:

No further explanation details are available for this problem.

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Requirement	General Journal	General Ledger	Trial Balance	Income Statement	St Retained Earnings	Balance Sheet	Impact on Equity
-------------	-----------------	----------------	---------------	------------------	----------------------	---------------	------------------

Using the dropdown buttons, **select the item that accurately describes the values** that either increase or decrease the retained earnings.

MILLER CONSULTING			
Statement of Retained Earnings			
For Month Ended March 31			
Retained earnings, March 1			
Add: Net income	F	18,300	F 18,300
			F 18,300
Less: Dividends	F	5,600	
			F 5,600
Retained earnings, March 31	F		F \$ 12,700

< Income Statement
Balance Sheet >

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Explanation:

No further explanation details are available for this problem.

6

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Requirement	General Journal	General Ledger	Trial Balance	Income Statement	St Retained Earnings	Balance Sheet	Impact on Equity
MILLER CONSULTING							
Balance Sheet							
March 31							
Assets:							
Cash			\$ 171,700				
Accounts receivable			8,700				
Office supplies			3,600				
Prepaid insurance			6,500				
Prepaid rent			8,000				
Office equipment			27,600				
Total Assets					\$ 226,100		
Liabilities:							
Accounts payable			1,100				
Total Liabilities					\$ 1,100		
Equity:							
Common stock			212,300				
Retained earnings			12,700				
Total Equity					225,000		
Total Liabilities and Stockholders' Equity					\$ 226,100		

< St Retained Earnings
Impact on Equity >

rev: 06_08_2021_QC_CS-266676, 09_17_2021_QC_CS-278345

Explanation:

No further explanation details are available for this problem.

7

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Requirement	General Journal	General Ledger	Trial Balance	Income Statement	St Retained Earnings	Balance Sheet	Impact on Equity
-------------	-----------------	----------------	---------------	------------------	----------------------	---------------	------------------

The expanded accounting equation shows the four subsets of equity: Revenues, Expenses, stockholder investments and dividends. **Using the dropdown buttons, indicate the impact each transaction has on total equity (if any).** Compare the total with the amount of equity reported on the balance sheet.

Show less ▲

Transaction	Impact on Equity		
March 1) Miller invested \$189,000 cash along with \$23,300 in office equipment in the company in exchange for common stock.	Increased equity - Stockholder investment	F \$	212,300 212300
March 2) The company prepaid \$8,000 cash for six months' rent for an office. The company's policy is to record prepaid expenses in balance sheet accounts.	No change in equity	F	0 8000
March 3) The company made credit purchases of office equipment for \$4,300 and office supplies for \$2,500. Payment is due within 10 days.	No change in equity	F	0 6800
March 6) The company completed services for a client and immediately received \$5,300 cash.	Increased equity - Revenue	F	5,300 5300
March 9) The company completed a \$8,800 project for a client, who must pay within 30 days.	Increased equity - Revenue	F	8,800 8800
March 12) The company paid \$6,800 cash to settle the account payable created on March 3.	No change in equity	F	0 11100
March 19) The company paid \$6,500 cash for the premium on a 12-month insurance policy. The company's policy is to record prepaid expenses in balance sheet accounts.	No change in equity	F	0 6500
Mar. 22) The company received \$5,300 cash as partial payment for the work completed on March 9.	No change in equity	F	0 5300
Mar. 25) The company completed work for another client for \$5,200 on credit.	Increased equity - Revenue	F	5,200 5200
March 29) The company paid \$5,600 cash in dividends.	Decreased equity - Dividends	F	(\$,600) 5600
March 30) The company purchased \$1,100 of additional office supplies on credit.	No change in equity	F	0 1100
March 31) The company paid \$1,000 cash for this month's utility bill.	Decreased equity - Expense	F	(1,000) 1000
Total impact on equity		F \$	225,000
What is the balance in the total equity as reported on the balance sheet?		F \$	225,000 225000
F Congratulations! You've successfully identified the impact each transaction has on equity.			

< Balance Sheet

Impact on Equity >

9

[The following information applies to the questions displayed below.]

Carmen Camry operates a consulting firm called Help Today, which began operations on December 1. On December 31, the company's records show the following selected accounts and amounts for the month of December.

Cash	\$ 25,260	Dividends	\$ 5,890
Accounts receivable	22,270	Consulting revenue	26,910
Office supplies	5,130	Rent expense	9,440
Office equipment	19,900	Salaries expense	5,500
Land	43,930	Telephone expense	750
Accounts payable	10,780	Miscellaneous expenses	420
Common stock	100,800		

2.

Award: 20.00 points Problems? Adjust credit for all students.

Required information

Use the above information to prepare a December income statement for the business.

HELP TODAY		
Income Statement		
For Month Ended December 31		
Revenues:		
Consulting revenue	\$ 26,910	
F Total Revenues		F \$ 26,910
Expenses:		
Rent expense	\$ 9,440	
Salaries expense	5,500	
Telephone expense	750	
Miscellaneous expenses	420	
F Total Expenses		F 16,110
Net income		\$ 10,800

Explanation:

No further explanation details are available for this problem.

Hints

Hint #1

9

[The following information applies to the questions displayed below.]

Carmen Camry operates a consulting firm called Help Today, which began operations on December 1. On December 31, the company's records show the following selected accounts and amounts for the month of December.

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Accounts payable	10,780	Miscellaneous expenses	420
Common stock	100,800		

3.

Award: 10.00 points Problems? Adjust credit for all students.

Required information

Use the above information to prepare a December statement of retained earnings for Help Today. The Retained Earnings account balance at December 1 was \$0. Hint: Net income for December is \$10,800.

HELP TODAY	
Statement of Retained Earnings	
For Month Ended December 31	
Retained earnings, December 1	
Add: Net income	10,800
	F 10,800
Less: Dividends	(5,890)
Retained earnings, December 31	F \$ 4,910

Explanation:

HELP TODAY		
Income Statement		
For Month Ended December 31		
Revenues:		
Consulting revenue		\$ 26,910
Expenses:		
Rent expense	\$ 9,440	
Salaries expense	5,500	
Telephone expense	750	
Miscellaneous expenses	420	
Total expenses		<u>16,110</u>
Net income		<u><u>\$ 10,800</u></u>

Hints

Hint #1

10

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Accounts payable	10,780	Miscellaneous expenses	420
Common stock	100,800		

4.

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Required information

Use the above information to prepare a December 31 balance sheet for Help Today. *Hint:* The ending Retained Earnings account balance as of December 31 is \$4,910.

HELP TODAY			
Balance Sheet			
As of December 31			
Assets:		Liabilities:	
Cash	\$ 25,260	Accounts payable	\$ 10,780
Accounts receivable	22,270		
Office supplies	5,130	Total Liabilities	10,780
Office equipment	19,900	Equity:	
Land	43,930	Common stock	100,800
		Retained earnings	4,910
		Total Equity	105,710
Total Assets	\$ 116,490	Total Liabilities and Equity	\$ 116,490

Explanation:

HELP TODAY
Income Statement
For Month Ended December 31

Revenues:		
Consulting revenue		\$ 26,910
Expenses:		
Rent expense	\$ 9,440	
Salaries expense	5,500	
Telephone expense	750	
Miscellaneous expenses	420	
Total expenses		16,110
Net income		\$ 10,800

HELP TODAY
Statement of Retained Earnings
For Month Ended December 31

Retained earnings, December 1	\$ 0
Add: Net income	10,800
	10,800
Less: Dividends	5,890
Retained earnings, December 31	\$ 4,910

Hints

Hint #1

11