

a. Set up an expanded accounting equation spreadsheet using the following accounts:

Assets	Liabilities	Owner's Equity
Cash	Accounts Payable	Freedman, Capital
Supplies		Freedman, Withdrawal
Computer Shop		Service Revenue
Equipment		Expenses (notate type)
Office Equipment		

b. Analyze and record each transaction in the expanded accounting equation.

c. Prepare the financial statements ending July 31 for Sanchez Computer Center.

2. On July 1, 201X, Tony Freedman decided to begin his own computer service business. He named the business the Sanchez Computer Center. During the first month Tony conducted the following business transactions. Record them into the basic accounting equation.

a. Invested \$4,500 of his savings into the business.

b. Paid \$1,200 (check #8095) for the computer from Multi Systems, Inc.

c. Paid \$600 (check #8096) for office equipment from Office Furniture, Inc.

d. Set up a new account with Office Depot and purchased \$250 in office supplies on credit.

e. Paid July rent, \$400 (check #8097).

- f. Repaired a system for a customer and collected \$250.
- g. Collected \$200 for system upgrade labor charge from a customer.
- h. Electric bill due but unpaid, \$85.
- i. Collected \$1,200 for services performed on Taylor Golf computers.
- j. Withdrew \$100 (check #8098) to take his wife, Carol, out in celebration of opening the new business.

3. Mike Ackerman decided to open Mike's Nail Spa. Mike completed the following transactions. Record them into the basic accounting equation.

- a. Invested \$24,000 cash from his personal bank account into the business.
- b. Bought store equipment for cash, \$3,700.
- c. Bought additional store equipment on account, \$6,100.
- d. Paid \$900 cash to partially reduce what was owed from transaction c.

4. From the following account balances, prepare in proper form for September (a) an income statement, (b) a statement of owner's equity, and (c) a balance sheet for Frechette Realty.

Cash	\$7,050	S. Frechette, Withdrawals	\$800
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Accounts Receivable	1,060	Professional Fees	4,000
Office Equipment	6,700	Salaries Expense	400
Accounts Payable	2,000	Utilities Expense	360
S. Frechette, Capital, September 1, 201X	10,770	Rent Expense	400