ACG 2021
Learning Commons Review Test 1.0

1. These financial statement items are for Snoop Corporation at year-end, July 31, 2023.

Salaries and wages payable	$ 2,580
Salaries and wages expense	50,700
Utilities expense	22,600
Equipment	15,000
Accounts payable	4,100
Service revenue	72,100
Rent revenue	8,500
Notes payable (due 2026)	1,800
Common stock	6,000
Cash	30,200
Accounts receivable	12,780
Dividends	2,000
Rent expense	4,000
Retained earnings (beginning of the year)	42,200

Instructions

(a) Prepare an income statement and a statement of retained earnings for the year ended July 31, 2016. Snoop Corporation did not issue any new stock during the year.

(b) Prepare a classified balance sheet at July 31, 2023.

Journalize the following business transactions in general journal form. Identify each transaction by number. You may omit explanations of the transactions.

1. Issued Common Stock for $100,000 cash.
2. Purchased $500 of supplies on credit.
3. Purchased equipment for $25,000, paying $3,500 in cash and signed a note for the balance.
4. Paid $250 cash on account for office supplies purchased in transaction 2.
5. Paid rent of $9,900 for the months of August, September and October.
6. Paid $2,500 for salaries in the current period.
7. Performed services and collected $1,200 cash from customers.
8. Performed services and billed customers $750 on account.
9. Collected $750 from a customer on account.
10. Borrowed $15,000 cash from a local bank, payable in 3 years
11. On the last day of the month received $1,300 in advance for services to be performed during the following month.