Name: _____ Period: _____ Date: _____

Accounting Chapter 1

Amanda Bishop owns and operates a service business called AB Designs. AB Design uses the accounts shown in the following accounting equation. Complete the transactions and calculate the new balance for each account. If the transaction affects the capital account, write the classification in parenthesis (I=investment, W=withdrawal, R=revenue, or E=expense).

Transactions:

1. Received cash from owner as an investment, $3,000.
2. Paid cash for rent, $850.
3. Paid cash for telephone, $120.00.
4. Received cash from sales, $2,100.
5. Bought supplies on account from Creative Designs, $410.
6. Sold services on account to Resort World, $300.
7. Paid cash for advertising, $310.
8. Paid cash for supplies, $250.
9. Received cash on account from Resort World, $300.
10. Paid cash on account to Creative Designs, $1,710.
11. Paid cash for insurance, $250.
12. Received cash from sales $800.
13. Owner withdrew equity in the form of cash, $900.

Owner's Equity Classifications: I=investment, W=withdrawal, R=revenue, E=expense

Trans. No.	Assets =				Liabilities +	Owner's Equity
	Cash	A.R. – Resort World	Supplies	Prepaid Insurance	AP – Creative Designs	Amanda Bishop, Capital
Beg. Bal. 1	2,500	0	200	100	1,300	1,500
Beg. Bal. 2						
Beg. Bal. 3						
Beg. Bal. 4						
Beg. Bal. 5						
Beg. Bal. 6						
Beg. Bal. 7						
Beg. Bal. 8						
Beg. Bal. 9						
Beg. Bal. 10						
Beg. Bal. 11						
Beg. Bal. 12						
Beg. Bal. 13						
New Bal.						