

SUPPLEMENTAL PROBLEM 1

On July 1 the account balances for the Management Service Company were: Cash \$6,600; Accounts Receivable \$4,700; Equipment \$45,000; Accounts Payable \$25,600; JoAnne Bulger, Capital \$(Find the amount). Set up an accounting equation and show the effect of the following selected transactions.

Total the columns when finished with the transactions. Be sure that the accounting equation is in balance.

- a. JoAnne Bulger invested an additional \$900 cash in the business.
- b. Bought additional computer equipment worth \$2,500. JoAnne paid \$500 cash and will pay the balance next month.
- c. Received \$850 from a customer on account.
- d. Received \$60 from performing management services for a client.
- e. Wrote a check for \$800 to pay July rent.
- f. JoAnne withdrew \$2,300 to pay property taxes on her house.
- g. Performed services amounting to \$1,500 for a client. The client paid \$500 cash and agreed to pay the balance next month.
- h. Paid \$1,200 to a creditor on account.
- i. Sold an office calculator for \$80 on account.
- j. JoAnne paid \$1,000 toward the amount due on the equipment purchased in transaction b.