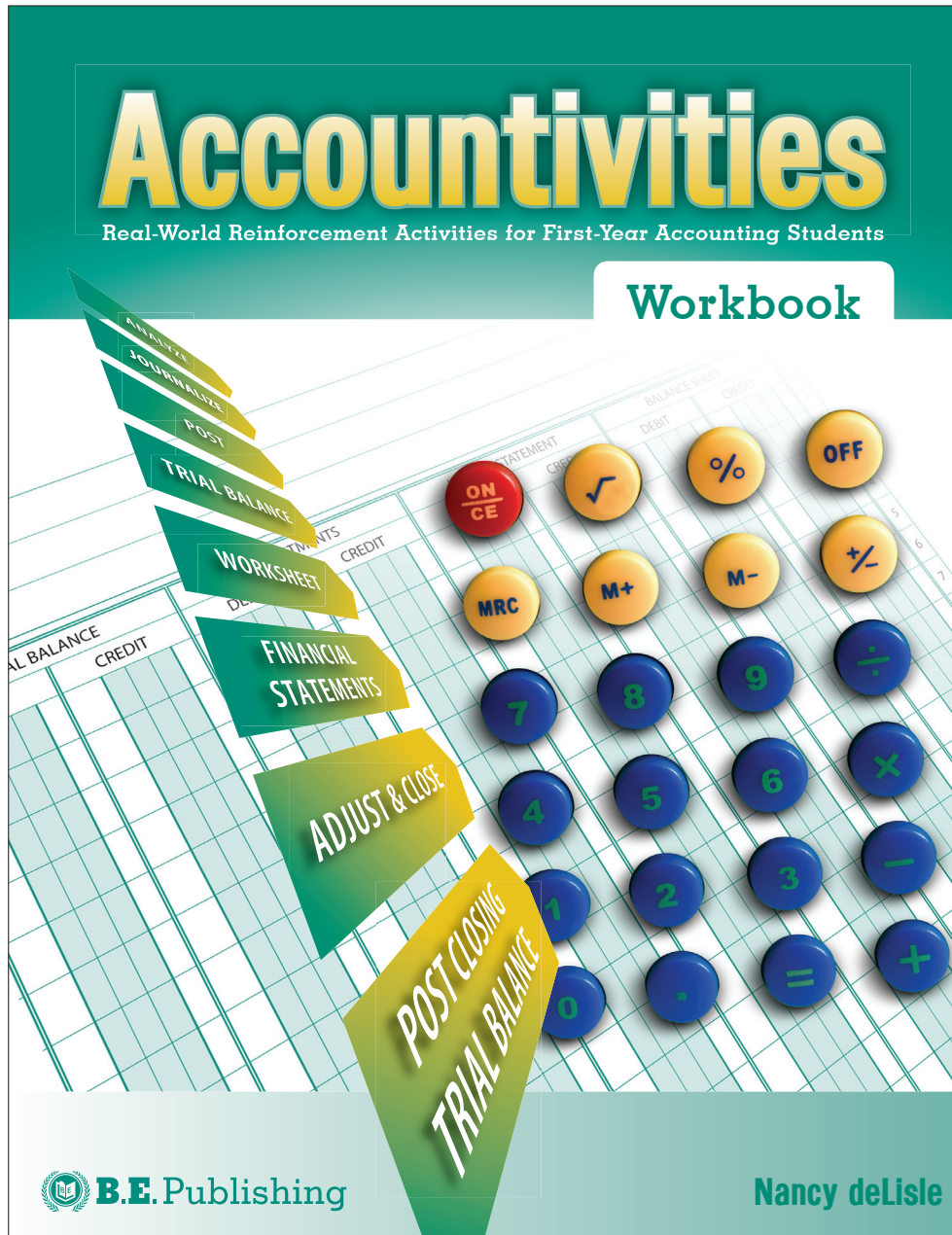


Free Sample Activity From The Book:



©COPYRIGHT. ALL RIGHTS RESERVED.

 **B.E. Publishing**

For more information and to purchase this book, visit www.bepublishing.com.

Here's where we are in the Accounting Cycle:

ANALYZE

JOURNALIZE

POST

TRIAL BALANCE

WORKSHEET

FINANCIAL
STATEMENTS

ADJUST & CLOSE

POST CLOSING
TRIAL BALANCEANALYZE
AGAIN

5

T-Time

Use T-accounts to analyze business transactions

Skills

- Analyzing transactions into their debit and credit parts
- Using T-accounts

Overview

This activity is designed to give you practice analyzing business transactions, identifying the accounts affected, their classification, and how that transaction affected the account balance.

Review the basics of T-account analysis below:

Account Name	
Left	Right
Debit	Credit

	NORMAL BALANCE	INCREASE	DECREASE
Assets	debit	debit	credit
Liabilities	credit	credit	debit
Capital	credit	credit	debit
Revenue	credit	credit	debit
Expenses	debit	debit	credit
Drawing	debit	debit	credit

Instructions

Analyze the following transactions. Use the questions listed as a guide to complete the table.

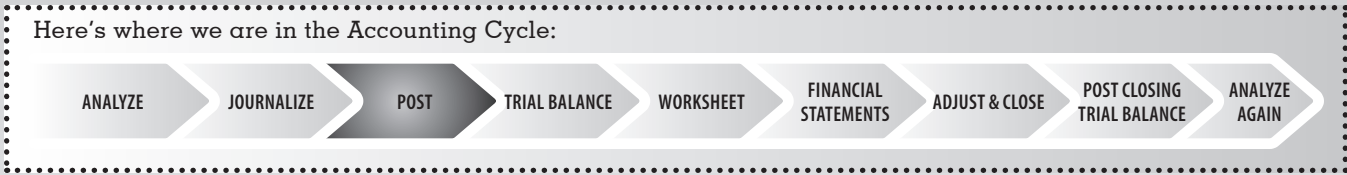
1. What accounts are involved?
2. What classification is each account? (A, L, or OE)
3. Did the account increase or decrease?
4. Consider which side the normal balance is on. Do you debit or credit?
5. Arrange the transaction into T-accounts.
6. Do the debits equal the credits for the transaction?

NAME _____

SCORE _____

Transaction	Accounts		Classification (A, L, or OE)	(+) or (-)	Debit or Credit?	T-iti	
	Cash	Capital				Cash	Capital
1. Owner deposited \$10,000 in a checking account as an investment in the business.	Cash	Capital	A	+	Debit	10,000	10,000
2. Purchased supplies for \$500 in cash.							
3. Owner purchased a 12-month insurance policy for \$1,200 cash.							
4. Owner provided services for \$2,000 cash.							
5. Took out an ad in the local newspaper for the business, paid \$125.							
6. Purchased equipment for \$800, payment due next month.							
7. Provided services to a client on account, due in 15 days, \$1,000.							
8. Paid on account for the equipment purchased previously, \$800.							
9. Owner withdrew \$1,500 from the business.							
10. Received payment from client on account, \$1000.							

Here's where we are in the Accounting Cycle:



5 T-Time

Use T-accounts to analyze business transactions

Skills

- Analyzing transactions into their debit and credit parts
- Using T-accounts

SUGGESTED GRADING RUBRIC:		
Description	Points Each	Total Points
Instructions 1 - 6 (9 Entries)	12	108
Total Possible Points		108

Overview

This activity is designed to give you practice analyzing business transactions, identifying the accounts affected, their classification, and how that transaction affected the account balance.

Review the basics of T-account analysis below:

Account Name	
Left	Right
Debit	Credit

	NORMAL BALANCE	INCREASE	DECREASE
Assets	debit	debit	credit
Liabilities	credit	credit	debit
Capital	credit	credit	debit
Revenue	credit	credit	debit
Expenses	debit	debit	credit
Drawing	debit	debit	credit

Instructions

Analyze the following transactions. Use the questions listed as a guide to complete the table.

1. What accounts are involved?
2. What classification is each account? (A, L, or OE)
3. Did the account increase or decrease?
4. Consider which side the normal balance is on. Do you debit or credit?
5. Arrange the transaction into T-accounts.
6. Do the debits equal the credits for the transaction?

ANSWER KEY

NAME _____

SCORE _____

Transaction	Accounts	Classification (A, L, or OE)	(+) or (-)	Debit or Credit?	T-iti
1. Owner deposited \$10,000 in a checking account as an investment in the business.	Cash	A	+	Debit	Cash _____ 10,000
	Capital	OE	+	Credit	Capital _____ 10,000
2. Purchased supplies for \$500 in cash.	Supplies	A	+	Debit	Supplies _____ 500
	Cash	A	-	Credit	Cash _____ 500
3. Owner purchased a 12-month insurance policy for \$1,200 cash.	Prepaid Ins.	A	+	Debit	Prepaid Insurance _____ 1,200
	Cash	A	-	Credit	Cash _____ 1,200
4. Owner provided services for \$2,000 cash.	Cash	A	+	Debit	Cash _____ 2,000
	Revenue	OE	+	Credit	Revenue _____ 2,000
5. Took out an ad in the local newspaper for the business, paid \$125.	Adv. Exp.	OE	+	Debit	Advertising Expense _____ 125
	Cash	A	-	Credit	Cash _____ 125
6. Purchased equipment for \$800, payment due next month.	Equipment	A	+	Debit	Equipment _____ 800
	A/P	L	+	Credit	Accounts Payable _____ 800
7. Provided services to a client on account, due in 15 days, \$1,000.	A/R	A	+	Debit	Account Receivable _____ 1,000
	Revenue	OE	+	Credit	Revenue _____ 1,000
8. Paid on account for the equipment purchased previously, \$800.	A/P	L	-	Debit	Accounts Payable _____ 800
	Cash	A	-	Credit	Cash _____ 800
9. Owner withdrew \$1,500 from the business.	Drawing	OE	+	Debit	Owner, Drawing _____ 1,500
	Cash	A	-	Credit	Cash _____ 1,500
10. Received payment from client on account, \$1000.	Cash	A	+	Debit	Cash _____ 1,000
	A/R	A	-	Credit	Accounts Receivable _____ 1,000