Problem 4

The following narratives describe transactions impacting cash, accounts receivable, accounts payable, revenues, and selected expense accounts. Use T-accounts to analyze this activity and determine the ending balances for accounts receivable and accounts payable. At the beginning of the period, accounts receivable totaled \$108,600, while accounts payable totaled \$62,550. The company started the period with \$170,000 in cash.

Transaction #1	Services were provided to customers for cash in the amount of \$30,460.					
Transaction #2	Supplies were purchased and used. This purchase occurred on account,					
	in the amount of \$4,800.					
Transaction #3	Collections of outstanding receivables occurred in the amount					
	of \$38,820.					
Transaction #4	Utilities costs in the amount of \$1,526 were incurred and paid in cash.					
Transaction #5	Payments on outstanding accounts payable were made for \$47,800.					
Transaction #6	Services were provided to customers on account in the amount					
	of \$97,308.					

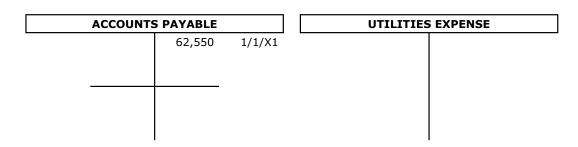


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Worksheet 4

CASH				REVENUES				
1/1/X1	170,000				15,230	#1		
#1	15,230							
ACCOUNTS RECEIVABLE			SUPPLIES	EXPENSE				
1/1/X1	108,600	·	•	_				





The T-accounts reveal that ending Accounts Receivable amount to \$______, and ending Accounts Payable amount to \$

Solution 4

CASH				REVENUES			
1/1/X1	170,000	1,526	#4		30,460	#1	
#1	30,460	47,800	#5		97,308	#6	
#3	38,820						

ACCOUNTS RECEIVABLE				SUPPLIES EXPENSE			
1/1/X1	108,600	38,820	#3	#2	4,800		
#6	97,308						
	205,908	38,820					
	167,088						

ACCOUNTS PAYABLE				UTILITIES EXPENSE			
#5	47,800	62,550	1/1/X1	#4	1,526		
		4,800	#2				
	47,800	67,350					
		19,550					

The T-accounts reveal that ending Accounts Receivable amount to \$167,088, and ending Accounts Payable amount to \$19,550.

