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St. John's Rental Company  
Worksheet  
For the Month Ended May 31, 19--

	ACCOUNT TITLE	ACCT. NO.	TRIAL BALANCE		INCOME STATEMENT		BALANCE SHEET		
			DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	
1	Cash	101	5 600				5 600		1
2	Accts. Rec./R. Dowber	105	85				85		2
3	Accts. Rec./Talbot Construction Co.	107	2 400				2 400		3
4	Accts. Rec./Weima Contractors	109	4 850				4 850		4
5	Office Equipment	130	6 500				6 500		5
6	Delivery Truck	150	9 400				9 400		6
7	Bank Loan Payable	201		3 000				3 000	7
8	Accts. Pay./Gautreau Equipment	205		1 200				1 200	8
9	Accts. Pay./Southend Suppliers	208		900				900	9
10	R. McTavish, Capital	301		16 213				16 213	10
11	R. McTavish, Drawing	302	500				500		11
12	Rental Fees Earned	401		12 800		12 800			12
13	Rent Expense	501	4 000		4 000				13
14	Telephone Expense	505	55		55				14
15	Utilities Expense	510	325		325				15
16	Office Supplies Expense	515	103		103				16
17	Advertising Expense	520	210		210				17
18	Truck Expense	525	85		85				18
19			34 113	34 113	4 778	12 800	29 335	21 313	19
20						4 778			20
21	Net Income					8 022	8 022		21
22							29 335	29 335	22

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Louis's Fix-It Shop  
Worksheet  
For the Year Ended October 31, 19--

ACCOUNT TITLE	ACCT. NO.	TRIAL BALANCE		INCOME STATEMENT		BALANCE SHEET	
		DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
1 Cash	101	10 600				10 600	
2 Accts. Rec./P. Doran	105	250				250	
3 Accts. Rec./Kaplan Co.	107	147				147	
4 Repair Supplies	109	2 300				2 300	
5 Land	125	12 000				12 000	
6 Building	128	35 000				35 000	
7 Repair Equipment	130	4 750				4 750	
8 Delivery Truck	150	11 300				11 300	
9 Bank Loan Payable	201		4 500				4 500
10 Accts. Pay./Albert & Son Suppliers	205		986				986
11 Accts. Pay./Packer Parts Ltd.	208		900				900
12 Mortgage Payable	240		29 000				29 000
13 L. Sanchez, Capital	301		26 216				26 216
14 L. Sanchez, Drawing	302	7 500				7 500	
15 Fees Earned	401		32 800		32 800		
16 Property Taxes Expense	501	3 000		3 000			
17 Telephone Expense	505	559		559			
18 Utilities Expense	510	1 375		1 375			
19 Office Supplies Expense	515	587		587			
20 Advertising Expense	520	989		989			
21 Truck Expense	525	1 045		1 045			
22 Interest Expense	530	3 000		3 000			
23		94 402	94 402	10 555	32 800	83 847	61 602
24					10 555		
25 Net Income					22 245	22 245	
26						83 847	83 847

P 5-3 Maritime Survey Co.  
Worksheet  
For the Year Ended December 31, 19--

ACCOUNT TITLE	ACCT. NO.	TRIAL BALANCE		INCOME STATEMENT		BALANCE SHEET		
		DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	
1 Cash	101	9 250				9 250		1
2 Government of Canada Bonds	102	10 000				10 000		2
3 Accts. Rec./Dartmouth Construction	103	2 400				2 400		3
4 Accts. Rec./Halifax Properties	104	1 600				1 600		4
5 Accts. Rec./Saint John Construction	105	3 500				3 500		5
6 Land	110	25 000				25 000		6
7 Building	112	75 000				75 000		7
8 Survey Equipment	114	30 000				30 000		8
9 Office Equipment	116	5 000				5 000		9
10 Trucks	118	36 000				36 000		10
11 Bank Loan Payable	201		4 500				4 500	11
12 Accts. Pay./Fredericton Supply	202		3 000				3 000	12
13 Accts. Pay./Newcastle Motors	203		2 500				2 500	13
14 Salaries Payable	204		1 200				1 200	14
15 Mortgage Payable	220		48 000				48 000	15
16 Don Kelly, Capital	301		50 930				50 930	16
17 Don Kelly, Drawing	302	32 000				32 000		17
18 Fees Earned	401		188 870		188 870			18
19 Interest Revenue	402		1 000		1 000			19
20 Salaries Expense	501	41 970		41 970				20
21 Survey Supplies Expense	502	1 800		1 800				21
22 Office Supplies Expense	503	2 400		2 400				22
23 Telephone Expense	504	890		890				23
24 Totals Carried Forward		276 810	300 000	47 060	189 870	229 750	110 130	24

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Maritime Survey Co.  
Worksheet, Page 2  
For the Year Ended December 31, 19--

ACCOUNT TITLE	ACCT. NO.	TRIAL BALANCE		INCOME STATEMENT		BALANCE SHEET	
		DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
25 Totals Brought Forward.....		276 810	300 000	47 060	189 870	229 750	110 130
26 Utilities Expense.....	505	1 950		1 950			
27 Insurance Expense.....	506	390		390			
28 Maintenance Expense.....	507	11 250		11 250			
29 Gasoline Expense.....	508	3 800		3 800			
30 Truck Repairs Expense.....	509	1 200		1 200			
31 Property Taxes Expense.....	510	1 200		1 200			
32 Bank Interest Expense.....	520	400		400			
33 Mortgage Interest Expense.....	521	3 000		3 000			
		300 000	300 000	70 250	189 870	229 750	110 130
					70 250		
36 Net Income.....					119 620	119 620	
						229 750	229 750

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J. Edgar Consulting Services  
Worksheet  
For the Month Ended November 30, 19-1

ACCOUNT TITLE	ACCT. NO.	TRIAL BALANCE		INCOME STATEMENT		BALANCE SHEET	
		DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
1 Cash	101	9 993				9 993	
2 Accts. Rec./Lambton Industries Ltd.	105	1 200				1 200	
3 Accts. Rec./A. Lee	108	450				450	
4 Office Supplies	115	1 600				1 600	
5 Office Equipment	120	3 000				3 000	
6 Bank Loan Payable	201		5 000				5 000
7 Accts. Pay./G. Health Suppliers	205		600				600
8 Accts. Pay./D. Moyer Computers Ltd.	210		3 000				3 000
9 J. Edgar, Capital	301		3 150				3 150
10 J. Edgar, Drawing	302	250				250	
11 Consulting Fees Earned	401		6 300		6 300		
12 Telephone Expense	505	67		67			
13 Rent Expense	510	700		700			
14 Advertising Expense	515	350		350			
15 Utilities Expense	520	440		440			
		18 050	18 050	1 557	6 300	16 493	11 750
					1 557		
18 Net Income					4 743	4 743	
						16 493	16 493

**MC 5-1a**

Miki should prepare a trial balance, then an income statement, and finally a balance sheet. The trial balance is prepared to check the accuracy of the General Ledger by determining if the debits equal the credits. The income statement will tell Miki if her business had a net income or net loss for the first six months of operation. The balance sheet will provide her with a report stating the business's financial position on assets, liabilities, and the owner's equity as at June 30, 19-1.

**MC 5-1b**

The trial balance and the balance sheet should be dated as at June 30, 19-1. The income statement should be dated for the Six Months Ended June 30, 19-1.

**MC 5-2a**

The worksheet reflects the GAAP called the matching principle.

**MC 5-2b**

The time period for which the revenues and expenses are being matched is identified in the date line of the worksheet heading. The actual dollar values of the revenues and expenses are listed and the net income or net loss figure is calculated under the income statement columns.

**MC 5-3a**

The following errors exist in the worksheet for Scarborough Cleaning Service:

1. The Drawing account is found in the debit column of the income statement. It should be placed in the debit column of the balance sheet because all personal withdrawals by the owner are regarded as a decrease to owner's equity on the balance sheet and not as expenses on the income statement.
2. Equipment Repairs Expense, Utilities Expense, and Telephone Expense have not been transferred. They should be placed in the debit column of the income statement because they are expenses of operating the business.
3. Bank Loan Payable is found in the debit column of the balance sheet. It should be placed in the credit column of the balance sheet because Bank Loan Payable is a liability.

**MC 5-3b**

See the next page for the corrected version of the worksheet for Scarborough Cleaning Service.

**MC 5-3c**

The GAAP involved in the preparation of this worksheet is the matching principle. It is essential that the revenues of this fiscal year be matched with the expenses of this fiscal year.

*Scarborough Clearing Service  
Worksheet  
For the Year Ended December 31, 19-1*

ACCOUNT TITLE	ACCT. NO.	TRIAL BALANCE		INCOME STATEMENT		BALANCE SHEET	
		DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
Cash	101	250000				250000	
Accts. Rec. / Gladin Lamps	104	85000				85000	
Accts. Rec. / Mulam Manoi	106	23500				23500	
Accts. Rec. / Peterson Co.	108	48000				48000	
Cleaning Equipment	120	1020000				1020000	
Truck	125	870000				870000	
Bank Loan Payable	201		350000				350000
Accts. Pay. / ABC Co.	206		28000				28000
Accts. Pay. / Tallbot Equip	208		120000				120000
R. Podgorski, Capital	301		1370500				1370500
R. Podgorski, Drawing	302	800000		800000			
Clearing Service Revenue	401		316500		316500		
Clearing Supplies Exp.	501	136000		136000			
Gas & Oil Expense	505	30000		30000			
Wages Expense	510	1600000		1600000			
Equipment Repairs Expense	515	15000					
Utilities Expense	520	120000					
Telephone Expense	525	36000					
		5088500	5088500	2566000	3165000	2817500	15118500
					2566000		
					599000		599000
						2817500	21117500

MC 5-3b Scarborough Cleaning Service  
Worksheet  
For the Year Ended December 31, 19-1

ACCT. NO.	ACCOUNT TITLE	TRIAL BALANCE		INCOME STATEMENT		BALANCE SHEET		
		DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	
1	Cash	101	2 500			2 500		1
2	Accts. Rec./Aladin Lamps	104	850			850		2
3	Accts. Rec./Milsom Manor	106	235			235		3
4	Accts. Rec./Peterson Co.	108	480			480		4
5	Cleaning Equipment	120	10 200			10 200		5
6	Truck	125	8 700			8 700		6
7	Bank Loan Payable	201					3 500	7
8	Accts. Pay./ABC Co.	206	280				280	8
9	Accts. Pay./Talbot Equipment	208	1 200				1 200	9
10	R. Podgorski, Capital	301	13 705				13 705	10
11	R. Podgorski, Drawing	302	8 000			8 000		11
12	Cleaning Service Revenue	401	31 650		31 650			12
13	Cleaning Supplies Expense	501	1 360	1 360				13
14	Gas and Oil Expense	505	300	300				14
15	Wages Expense	510	16 000	16 000				15
16	Equipment Repairs Expense	515	150	150				16
17	Utilities Expense	520	1 200	1 200				17
18	Telephone Expense	525	360	360				18
19			50 335	19 370	31 650	30 965	18 685	19
20					19 370			20
21	Net Income				12 280		12 280	21
22						30 965	30 965	22