

E3-4
ACC 290

- (a).
1. Stockholders invested \$20,000 cash in the business.
 2. Purchased equipment for \$5,000, paying \$1,000 in cash and the balance of \$4,000 on account.
 3. Paid \$750 cash for supplies.
 4. Earned \$9,800 in revenue, receiving \$4,100 cash and \$5,400 on account.
 5. Paid \$1,500 cash on accounts payable.
 6. Paid \$2,000 cash dividends to stockholders.
 7. Paid \$800 cash for rent.
 8. Collected \$450 cash from customers on account.
 9. Paid salaries of \$3,000.
 10. Incurred \$500 of utilities expense on account.

(b) Issued common stock.....	\$20,000
Service revenue 9,800
Dividends	(2,000)
Rent expense	(800)
Salaries and wages expense	(3,000)
Utilities expense.....	... (300)
Increase in stockholders' equity \$23,400

(c) Service revenue	\$ 9,500
Rent expense (800)
Salaries and wages expense	(3,000)
Utilities expense..... (500)
Net income.....	\$ 5,400