

Trudy Company

XACC/291 Principles of Accounting II

Trudy Company incurred the following costs:

Sales tax on factory machinery purchased	\$5,000	Plant
Painting of and lettering on truck immediately upon purchase	\$700	Plant
Installation and testing of factory machinery	\$2,000	Equipment
Real estate broker's commission on land purchased	\$3,500	Land
Insurance premium paid for first year's insurance on new truck	\$880	Insurance expense or prepaid insurance
Cost of landscaping on property purchased	\$7,200	Land Improvements
Cost of paving parking lot for new building constructed	\$17,900	Land Improvements
Cost of clearing, draining, and filling land	\$13,300	Land
Architect's fee on self-constructed building	\$10,000	Building

Reference

Weygandt, J. J., Kimmel, P. D., & Kieso, D. E. (2010). *Financial accounting (7th ed.)*. Hoboken, NJ: John Wiley & Sons.

