

P 1 exercise 2

Genie Car Wash, Inc. is owned by w/rit Genet and is founded on February 2010

- (1) the company Received \$50,000 cash from the owner w/rit Genet
- (2) Paid \$40,000 cash to buy a building
- (3) Made cash purchase of land for a future building site, \$10,000.
- (4) Bought \$3,700 of supplies on account
- (5) Received \$7,000 cash from customers for service revenue earned
- (6) Performed services for a customer on account, \$3,000
- (7) Performed services for a customer for cash \$15,000
- (8) Purchased equipment and signed a \$100,000 promissory note in payment.
- (9) Paid cash expenses: rent, \$1,100; employee salary, \$1,200; utilities, \$400
- (10) Paid cash \$2,100 for a one year insurance policy
- (11) Collected \$1,500 due from customers on accounts
- (12) Paid \$1,900 on the account payable created in transaction 4
- (13) Received \$1,000 on account
- (14) W/rit Genet took \$2,100 as a withdrawal

Required

- 1.** Arrange a table similar to the one in class and on the handout and Show the effects of each transaction using the accounting equation.
- 2.** Prepare statement of comprehensive income for February.
- 3.** Prepare a statement of owner's equity for February.
- 4.** Prepare a statement of financial position in as of February 28.
- 5.** Prepare a statement of cash flows for February.