

Cor + 2-27A

- Paid \$9,000 cash on October 1 to purchase a one-year insurance policy.
- Purchased \$2,000 of supplies on account. Paid \$500 cash on accounts payable. The ending balance in the Supplies account, after adjustment, was \$300.
- Provided services for \$10,000 cash.
- Collected \$2,400 in advance for services to be performed in the future. The contract called for services to start on May 1 and to continue for one year.
- Accrued salaries amounting to \$5,600.
- Sold land that cost \$3,000 for \$3,000 cash.
- Acquired \$15,000 cash from the issue of common stock.
- Earned \$12,000 of revenue on account. Collected \$8,000 cash from accounts receivable.
- Paid cash operating expenses of \$4,500.

LO 2-8, 2-9

Exercise 2-28A *Transactions that affect the elements of financial statements***Required**

Give an example of a transaction that will do the following:

- Increase an asset and increase equity (asset source event).
- Decrease an asset and decrease equity (asset use event).
- Increase an asset and decrease another asset (asset exchange event).
- Decrease a liability and increase equity (claims exchange event).
- Increase a liability and decrease equity (claims exchange event).
- Increase an asset and increase a liability (asset source event).
- Decrease an asset and decrease a liability (asset use event).

LO 2-9

Exercise 2-29A *Identifying source, use, and exchange transactions***Required**

Indicate whether each of the following transactions is an asset source (AS), asset use (AU), asset exchange (AE), or claims exchange (CE) transaction.

- Acquired cash from the issue of stock.
- Paid a cash dividend to the stockholders.
- Paid cash on accounts payable.
- Incurred other operating expenses on account.
- Paid cash for rent expense.
- Performed services for cash.
- Performed services for clients on account.
- Collected cash from accounts receivable.
- Received cash for services to be performed in the future.
- Purchased land with cash.

LO 2-9

Exercise 2-30A *Identifying asset source, use, and exchange transactions***Required**

- Name an asset use transaction that will *not* affect the income statement.

decreases (D)
flows column
financing act

Event	Type
a	
b	

- Provided
- Purchased
- Paid cash
- Paid cash
- Paid a cash
- Received
- Paid cash
- Collected
- Received
- Incurred
- Performed
- Adjusted
- Paid cash
- Adjusted
- Recorded
- Paid cash
- Recorded

Exercise 2-31A**Required**

Name and
AICPA Co

Exercise 2-32A

The follow

- Started
- Purchased
- Earned
- Paid