

Name _____

Date _____

Quiz 1

Compute the amounts missing below and place them in the appropriate blanks following the financial statements:

PAULA'S PASSIONS
Income Statement
For the Month Ended February 28, 20A

Revenues:	
Sales revenue	\$ 3,800
Costs and expenses:	
Cost of goods sold	2,100
Advertising expense	-a-
Wages expense	420
Repair expense	<u>118</u>
Total costs and expenses	<u>-b-</u>
Net Income	<u>\$ -c-</u>

PAULA'S PASSIONS
Statement of Retained Earnings
For the Month Ended February 28, 20A

Retained earnings, February 1, 20A	\$ 2,000
Net income	-d-
Dividends	<u>(1,000)</u>
Retained earnings, February 28, 20A	<u>\$ 1,737</u>

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PAULA'S PASSIONS
Balance Sheet
February 28, 20A

Assets

Current assets:

Cash	\$ -e
Accounts receivable	2,225
Supplies	300
Merchandise inventory	2,900
Prepaid rent	<u>-f</u>
Total current assets	22,237
Furniture and fixtures	7,500
Equipment	<u>2,500</u>
Total Assets	<u>\$ -g-</u>

Liabilities

Current liabilities:

Accounts payable	\$ 4,500
Total current liabilities	<u>4,500</u>
Note payable	<u>10,000</u>
Total Liabilities	14,500

Stockholders' Equity

Contributed capital	-h-
Retained earnings	<u>1,737</u>
Total Stockholders' Equity	<u>17,737</u>
Total Liabilities and Stockholders' Equity	<u>\$32,237</u>

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PAULA'S PASSIONS
Statement of Cash Flows
For the Month Ended February 28, 20A

Operating Activities

Cash received from customers	\$ 3,575
Cash paid to employees	(420)
Cash paid to suppliers	<u>(3,743)</u>
Total cash used in operating activities	<u>(588)</u>

Investing Activities

Purchased fixed assets	<u>(10,000)</u>
Total cash used in investing activities	<u>(10,000)</u>

Financing Activities

Issued stock	16,000
Borrowed from bank	10,000
Dividends paid	<u>(-i)</u>
Total cash from financing activities	<u>25,000</u>

Increase in cash	\$14,412
Beginning cash balance	<u>0</u>
Ending cash balance	<u>\$ -j-</u>

Answer:

a. _____

f. _____

b. _____

g. _____

c. _____

h. _____

d. _____

i. _____

e. _____

j. _____