

Rick and Stan's Business

Rick Antle and Stanley J. Garstka

Rick and Stan started a business, Rick and Stan's Business, on October 1, 20X5. Information about transactions the business executed from October 1 to December 31, 20X5 is given below.

	Dollar amounts in thousands, per share amounts are as written.
a	Issued 10,000 shares of \$5 par value common stock for \$110 in cash.
b	On 10/1/X5, bought equipment to be used for making products for \$60 cash.
c	On 10/1/X5, paid \$3 for one year's rent on a building.
d	Bought \$35 of inventories on credit.
e	Took out a \$20 loan at an interest rate of 1% per month. Interest is to be paid annually.
f	Sold inventory costing \$25 for \$45. All sales were on credit. Use temporary accounts to recognize revenue and match expenses. Recognize revenue here.
g	Recognize expenses related to f here.
h	Paid \$31 to suppliers of the inventory purchased in d.
l	Collected \$36 from customers.
j	Paid salaries of \$16.
k	As of December 31, \$2 of salaries had been earned but not paid.
l	As of December 31, the market value of Rick and Stan's Business inventories was \$27.5.
m	The equipment purchased in b has a useful life of five years and is to be depreciated on a straight-line basis.
n	As of December 31, there is no longer one year of occupancy rights left on the rent prepaid in c.
o	Time has passed, so interest has accrued on the loan in e.
p-u	No entry.
v	Close temporary accounts!

Transaction analysis and recording, moving numbers through the system, and the preparation of Balance Sheets and Income Statements using the Yale Accounting Learning Environment in Excel™ (YALEiE).