PROBLEM 1: TRANSACTION ANALYSIS

WHEN NO EXCHANGE IS MADE IT IS N/A AND DON'T MAKE A CHART/T-ACCOUNT -

Example: X Inc. signed 2 yr. lease agreement to rent space beginning immediately at a monthly fee of $3,500

Accounts Receivable – money owed to a company by its debtors (Balance Sheet, current asset)
Accounts Payable - money owed by a company to its creditors (Balance Sheet, current liab)
Additional Paid-in Capital – excess paid by an investor over the par-value price of a stock issue. Arise from issuing common stock. (Balance Sheet, stockholder's equity)
Cash – physical money (bank notes, cash, checks, deposits) (Balance Sheet, current asset)
Common Stock – shares entitling their holder to dividends that vary in amount (Balance Sheet, stockholder's equity)
Interest Payable – the amount of interest that has been incurred (earned) but has not yet been paid (Balance Sheet, liability)
Maintenance Expense – cost incurred to keep an item in good conditions and/or good working order. Requires upkeep (Income Statement)
Notes Payable – amount due on a formal written promise to pay. Includes loans from banks. (Balance Sheet, current liability)
Office Equipment – asset used for the operating functions of a company (desks, chairs, computers, lights) (Balance Sheet, asset)
Office Equipment Expense – if a company buys/sells office equipment. Cost to operate office equipment. (Income Statement)
Office Supplies – small items used within the office (paper clips, paper, pens, scissors, ink) (Balance Sheet, asset)
Office Supplies Expense – the cost of consumables used during a reporting period. Remained on hand (Income Statement)
Prepaid Rent – future rent expense that was paid in advance of the rental period (Balance Sheet, asset)
Rent Expense – cost incurred (earned/given to) by a business to utilize property (Income Statement)
Service Revenue – operating revenue account and includes work that has been fully performed, irrespective of whether or not it has yet been billed for (Income Statement)
Unearned Service Revenue – liability account that reports amounts received in advance of providing goods or services (Balance Sheet, liability)

PROBLEM 2: YEAR END ADJUSTMENTS (also vocab for PROBLEM 3)

(Transaction Analysis is INCLUDED so ADD from ABOVE)

Accumulated Depreciation – total amount of depreciation that has been taken on a company's assets up to date on the (Balance Sheet) (decrease in value of an asset w/ passage of time)
Advertising Expense – reports the $ of ads that run during the period shown (Income Statement)
Buildings – buildings owned by the business (Balance Sheet, asset)
Cost of Goods Sold – beginning inventory + purchases – ending inventory (formula) (Income Statement)
Depreciation Expense – distributed portion of the cost of a company's fixed assets. Pertains only to the period of time indicated in the heading of the (Income Statement)
Dividends – sum of money paid (quarterly) by a company to its shareholders out of its profits (Balance Sheet, stockholder's equity)
Income Tax Expense – amount of expense that a business recognizes in a period. Owing to federal, state, provincial and municipal governments. (Income Statement)
Income Taxes Payable – taxes that must be paid to the government. (Balance Sheet, liab)
Insurance Expense – expired premium paid by a business to an insurer (Income Statement)
Interest Expense – Used borrowed money bonds, loans, convertible debt, lines of credit (Income Statement)
Interest Payable – amount of interest that has been incurred but not yet paid (Balance Sheet, liability)
Interest Receivable – income a business has earned but for which a debtor has yet to pay (Income Statement)
Interest Revenue – non-operating income for companies not in the business of lending money (Income Statement)
Inventory – goods & materials held by a business for the purpose of sale (Balance Sheet asset)
Land – includes cost of all the land owned by the business & cost of land with building on it (Balance Sheet, asset)
Sales Revenue – when the place sold goods w/ discount (2/10, n/30). The amount of sales generated by a company after the deduction of returns, allowances for damaged or missing goods and any discounts allowed. W/ Accounts Receivable (Income Statement)
Notes Receivable – money owed to a business by outsiders for which there is a formal document for proof of debt (interest, loans) (Balance Sheet)
Prepaid Advertising – paid for advertising that has not yet taken place (Balance Sheet)
Prepaid Insurance – insurance has been paid in advance and has not expired (Balance Sheet, asset)
Prepaid Interest – Interest that is paid in advance (usually mortgage) (Balance Sheet)
Prepaid Salaries – pay salaries in advance (Balance Sheet)
Purchases – when the place purchased goods w/ discount (2/10, n/30) (debit). W/ Accounts Payable (credit)
Purchase Return – when a buyer returns merchandise that it has purchased (credit) w/ Accounts Payable (debit)
Rent Receivable – amount of rent recorded, but money has not yet been collected (Balance Sheet, asset)
Rent Revenue – the amount of rent that has been earned during a period of time (Income Statement)
Retained Earnings – portion of net income that is kept rather than distributed to shareholders as dividends (Balance Sheet, stockholder's equity)
Salaries Expense – salaries that employees have earned during the period indicated (Income Statement)
Salaries Payable – amount of salaries owed to employees, which have not yet been paid to them (Balance Sheet, liability)
Salaries Revenue –
Sales Discount – reduction in the price of a product/service if payment was early(debit). Paired with Accounts Receivable (credit)
Sales Return – merchandise sent back to seller by buyer (debit). Paired with Accounts Receivable (credit)
Service Fees Receivable –
Service Fees Payable –
Subscriptions Revenue – a fixed payment for a specific period of time (Income Statement)
Subscriptions Receivable – expected to be paid with an offsetting credit to a stock subscription account (Balance Sheet)
Unearned Revenue – income that you have received but not yet earned (Balance Sheet, liability)
Unearned Rent Revenue – amount received in advance and to be earned in the future (Balance Sheet, liability)
Unearned Subscriptions Revenue – (Balance Sheet)
Utilities Expense – cost consumed in a reporting period related to (electricity, heat, sewer, water) (Balance Sheet)

PROBLEM 3: MERCHANDISING TRANSACTIONS

2/10, n/30
2 = discount
10 = discount period
n = net = the discount is taken on the net balance due
30 = normal days allowed until bill must be settled
Example: