

EXERCISE E12-3

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<u>Date</u>	<u>Account Titles</u>	<u>Ref</u>	<u>Debit</u>	<u>Credit</u>
1/1	Cash		12,000	
	Accounts Receivable		14,000	
	Equipment		13,500	
	Allow for Doubtful Accts			3,000
	Tyler, Capital			36,500

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<u>Date</u>	<u>Account Titles</u>	<u>Ref</u>	<u>Debit</u>	<u>Credit</u>
	Gumpus, Capital		10,000	
	Rhoop, Capital			10,000

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<u>Date</u>	<u>Account Titles</u>	<u>Ref</u>	<u>Debit</u>	<u>Credit</u>
	Cash		52,000	
	Gael, Capital		5,950	
	Nausus, Capital		5,950	
	Slaver, Capital			63,900

EXERCISE E12-4

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(1) Net Income is \$50,000

<u>Description</u>	<u>Martha</u>	<u>Jones</u>	<u>Total</u>
“Salaries”	20,000	12,000	32,000
“Interest”	5,000	4,000	9,000
Remainder	<u>5,400</u>	<u>3,600</u>	<u>9,000</u>
Totals	<u>30,400</u>	<u>19,600</u>	<u>50,000</u>

<u>Date</u>	<u>Account Titles</u>	<u>Ref</u>	<u>Debit</u>	<u>Credit</u>
12/31	Income Summary		50,000	
	Martha, Capital			30,400
	Jones, Capital			19,600

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(2) Net Income is \$36,000

<u>Description</u>	<u>Martha</u>	<u>Jones</u>	<u>Total</u>
“Salaries”	20,000	12,000	32,000
“Interest”	5,000	4,000	9,000
Remainder	<u>(3,000)</u>	<u>(2,000)</u>	<u>(5,000)</u>
Totals	<u>22,000</u>	<u>14,000</u>	<u>36,000</u>

<u>Date</u>	<u>Account Titles</u>	<u>Ref</u>	<u>Debit</u>	<u>Credit</u>
12/31	Income Summary		36,000	
	Martha, Capital			22,000
	Jones, Capital			14,000

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(1) Net Income is \$50,000

<u>Description</u>	<u>Martha</u>	<u>Jones</u>	<u>Total</u>
“Salaries”			
“Interest”			
Remainder			
Totals			50,000

<u>Date</u>	<u>Account Titles</u>	<u>Ref</u>	<u>Debit</u>	<u>Credit</u>
12/31	Income Summary		50,000	
	Martha, Capital			30,400
	Jones, Capital			19,600

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(2) Net Income is \$36,000

<u>Description</u>	<u>Martha</u>	<u>Jones</u>	<u>Total</u>
“Salaries”			
“Interest”			
Remainder			
Totals			36,000

<u>Date</u>	<u>Account Titles</u>	<u>Ref</u>	<u>Debit</u>	<u>Credit</u>
12/31	Income Summary		36,000	
	Martha, Capital			22,000
	Jones, Capital			14,000

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<u>Date</u>	<u>Account Titles</u>	<u>Ref</u>	<u>Debit</u>	<u>Credit</u>
1.	K. Gillan, Capital		15,000	
	C. Harkness, Capital			15,000
2.	C. Coduri, Capital		13,000	
	C. Harkness, Capital			13,000
3.	C. Tate, Capital		6,000	
	C. Harkness, Capital			6,000

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<u>Date</u>	<u>Account Titles</u>	<u>Ref</u>	<u>Debit</u>	<u>Credit</u>
1.	Cash		90,000	
	S. Noble, Capital			7,200
	T. Wells, Capital			4,800
	W. Trinity, Capital			78,000
2.	Cash		50,000	
	S. Noble, Capital		9,600	
	T. Wells, Capital		6,400	
	W. Trinity, Capital			66,000

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<u>Item</u>	<u>Cash</u>	<u>Noncash Assets</u>	<u>Liabilities</u>	<u>Dalek 60%</u>	<u>Briggs 40%</u>
Balances	20,000	100,000	55,000	45,000	20,000
Realization	<u>110,000</u>	<u>- 100,000</u>		<u>6,000</u>	<u>4,000</u>
Balances	130,000	-0-	55,000	51,000	24,000
Pd creditors	<u>- 55,000</u>		<u>- 55,000</u>		
Balances	75,000	-0-	-0-	51,000	24,000
Pd partners	<u>- 75,000</u>			<u>- 51,000</u>	<u>- 24,000</u>
Balances	-0-	-0-	-0-	-0-	-0-

EXERCISE E12-9

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<u>Date</u>	<u>Account Titles</u>	<u>Ref</u>	<u>Debit</u>	<u>Credit</u>
1.	Cash		110,000	
	Loss or Gain on Realization			10,000
	Noncash Assets			100,000
2.	Loss or Gain on Realization		10,000	
	Dalek, Capital			6,000
	Briggs, Capital			4,000
3.	Liabilities		55,000	
	Cash			55,000
4.	Dalek, Capital		51,000	
	Briggs, Capital		24,000	
	Cash			75,000

EXERCISE E12-10

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(a)

<u>Item</u>	<u>Cash</u>	<u>Noncash Assets</u>	<u>Liabilities</u>	<u>5 T</u>	<u>3 S</u>	<u>2 M</u>
Balances						
Realization						
Balances						
Pd creditors						
Balances	28,000			17,000	15,000	(4,000)
Rec'd cash	<u>+ 4,000</u>					<u>+ 4,000</u>
Balances	32,000			17,000	15,000	-0-
Pd partners	<u>-32,000</u>			<u>-17,000</u>	<u>-15,000</u>	<u>-0-</u>
Balances	-0-	-0-	-0-	-0-	-0-	-0-

EXERCISE E12-10 (continued)

(b)

<u>Item</u>	<u>Cash</u>	<u>Noncash Assets</u>	<u>Liabilities</u>	<u>5 T</u>	<u>3 S</u>	<u>2 M</u>
Balances						
Realization						
Balances						
Pd creditors						
Balances	28,000			17,000	15,000	(4,000)
Absorb loss				<u>- 2,500</u>	<u>- 1,500</u>	<u>+ 4,000</u>
Balances	28,000			14,500	13,500	-0-
Pd partners	<u>-28,000</u>			<u>-14,500</u>	<u>- 13,500</u>	<u>-0-</u>
Balances	-0-	-0-	-0-	-0-	-0-	-0-

textbook solution: absorb loss then distribute cash

EXERCISE E12-10 (continued)

(b) (alternate)

<u>Item</u>	<u>Cash</u>	<u>Noncash Assets</u>	<u>Liabilities</u>	<u>5 T</u>	<u>3 S</u>	<u>2 M</u>
Balances	28,000			17,000	15,000	(4,000)
Pd partners				-	-	
Balances	28,000					
Balances						

realistic solution: distribute cash; wait as long as possible; maybe collect some from deficient partner; absorb loss

BRIEF EXERCISE BE12-1

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<u>Date</u>	<u>Account Titles</u>	<u>Ref</u>	<u>Debit</u>	<u>Credit</u>
	Cash		10,000	
	Equipment		5,000	
	Will Poulter, Capital			15,000

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<u>Date</u>	<u>Account Titles</u>	<u>Ref</u>	<u>Debit</u>	<u>Credit</u>
	Income Summary		70,000	
	Pug, Capital			42,000
	Bern, Capital			28,000

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<u>Description</u>	<u>S</u>	<u>D</u>	<u>T</u>	<u>Total</u>
“Salaries”	15,000	5,000	5,000	25,000
Remainder				
Totals				<u>55,000</u>

<u>Description</u>	<u>S</u>	<u>D</u>	<u>T</u>	<u>Total</u>
“Salaries”	15,000	5,000	5,000	25,000
Remainder				<u>30,000</u>
Totals				<u>55,000</u>

<u>Description</u>	<u>S</u>	<u>D</u>	<u>T</u>	<u>Total</u>
“Salaries”	15,000	5,000	5,000	25,000
Remainder	<u>15,000</u>	<u>9,000</u>	<u>6,000</u>	<u>30,000</u>
Totals	<u>30,000</u>	<u>14,000</u>	<u>11,000</u>	<u>55,000</u>

BRIEF EXERCISE BE12-5 – page 581

<u>Description</u>	<u>Lill</u>	<u>Dil</u>	<u>Total</u>
“Interest”	7,000	5,000	12,000
“Salaries”	15,000	10,000	25,000
Remainder	_____	_____	_____
Totals	<u>_____</u>	<u>_____</u>	<u>28,000</u>

<u>Description</u>	<u>Lill</u>	<u>Dil</u>	<u>Total</u>
“Interest”	7,000	5,000	12,000
“Salaries”	15,000	10,000	25,000
Remainder	<u>(4,500)</u>	<u>(4,500)</u>	<u>(9,000)</u>
Totals	<u>17,500</u>	<u>10,500</u>	<u>28,000</u>

BRIEF EXERCISE BE12-6 – page 581

<u>Item</u>	<u>Cash</u>	<u>Noncash Assets</u>	<u>Liabilities</u>	<u>A</u>	<u>B</u>	<u>C</u>
Balances						
Realization						
Balances						
Pd creditors						
Balances	19,000			8,000	7,000	4,000
Pd partners	<u>-19,000</u>			<u>- 8,000</u>	<u>- 7,000</u>	<u>- 4,000</u>
Balances	-0-	-0-	-0-	-0-	-0-	-0-

<u>Date</u>	<u>Account Titles</u>	<u>Ref</u>	<u>Debit</u>	<u>Credit</u>
12/31	A, Capital		8,000	
	B, Capital		7,000	
	C, Capital		4,000	
	Cash			19,000

Chapter 12, Question 16 – page 580

<u>Item</u>	<u>Cash</u>	<u>Noncash Assets</u>	<u>Liabilities</u>	<u>P (5)</u>	<u>P (3)</u>	<u>J (2)</u>
Balances						
Realization						
Balances						
Pd creditors						
Balances	23,000			19,000	12,000	(8,000)
Pd partners	<u>-23,000</u>			<u>14,000</u>	<u>-9,000</u>	
Desired Bal	-0-	-0-	-0-	5,000	3,000	(8,000)
Next?						
Balances	-0-	-0-	-0-	-0-	-0-	-0-

Chapter 12, Question 16 – page 580

<u>Item</u>	<u>Cash</u>	<u>Noncash Assets</u>	<u>Liabilities</u>	<u>P (5)</u>	<u>P (3)</u>	<u>J (2)</u>
Balances						
Realization						
Balances						
Pd creditors						
Balances				19,000	12,000	(8,000)
Pd partners						
Desired Bal						
Next?						
Balances	-0-	-0-	-0-	-0-	-0-	-0-

Chapter 12, Question 15 – page 580

<u>Item</u>	<u>Cash</u>	<u>Noncash Assets</u>	<u>Liabilities</u>	<u>L (5)</u>	<u>K (3)</u>	<u>F (2)</u>
Balances				34,000	31,000	28,000
Realization						
Balances						
Pd creditors						
Balances	109,000					
Pd partners						
Balance						
Balances	-0-	-0-	-0-	-0-	-0-	-0-