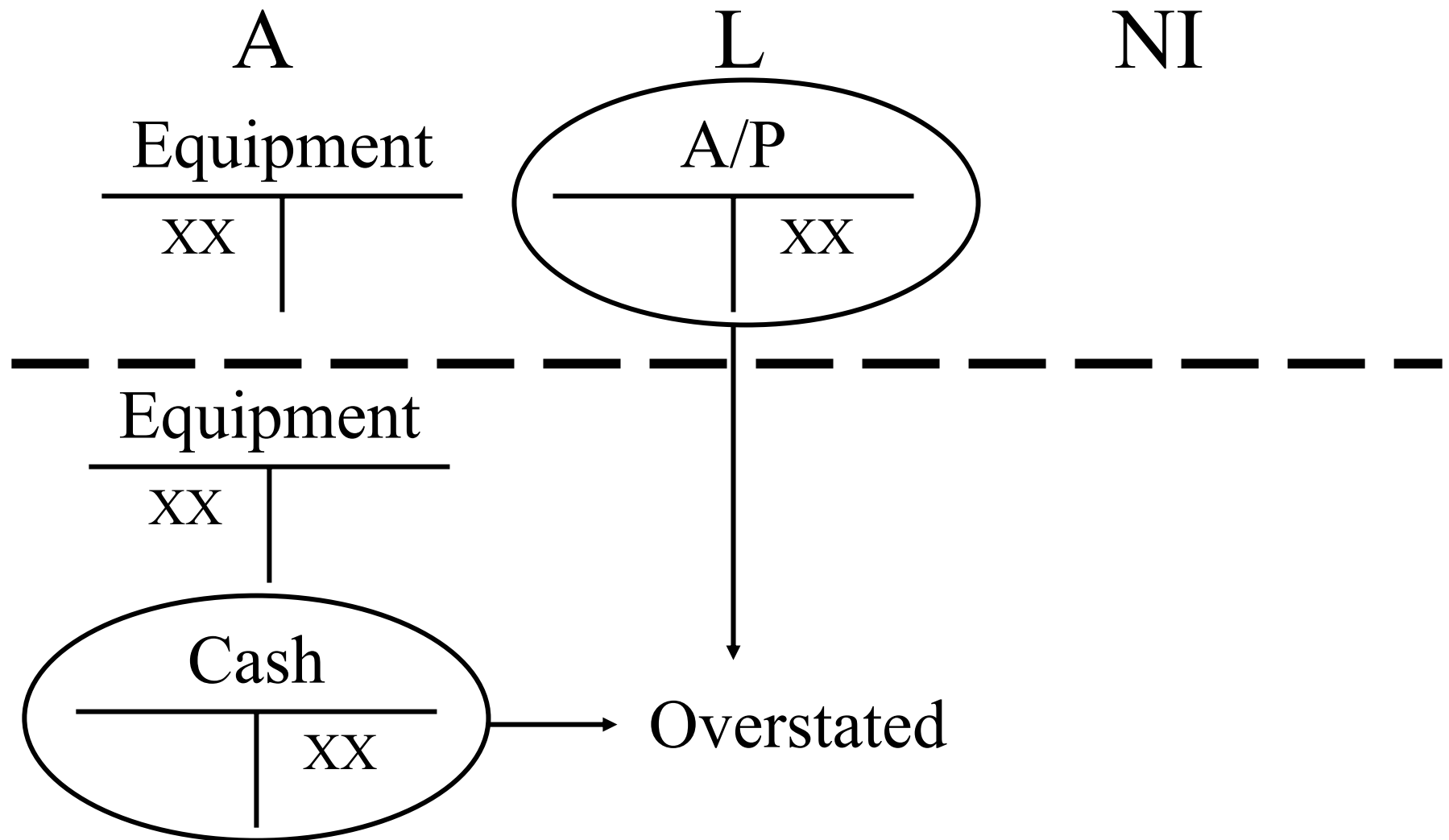


Handout #3			
	A	L	NI
1. Recorded equipment to A/P instead of cash.	O	O	N
2. Recorded receipt of cash as sale instead of A/R payment from customer.	O	N	O
3. Credit sale recorded as cash sale.	N	N	N
4. Recorded loan as sale instead of liability.	N	U	O
5. Depreciation not recorded.	O	N	O

	A	L	NI
6. Salaries Expense \$16,000	N	U	O
7. Prepaid Rent \$1,600	U	N	U
8. Supplies Expense \$3,000	O	N	O
9. Sales Revenue \$13,000	N	O	U
10. Interest Expense \$600	N	U	O

①

The purchase of equipment for cash is recorded as a debit to Equipment and a credit to Accounts Payable.



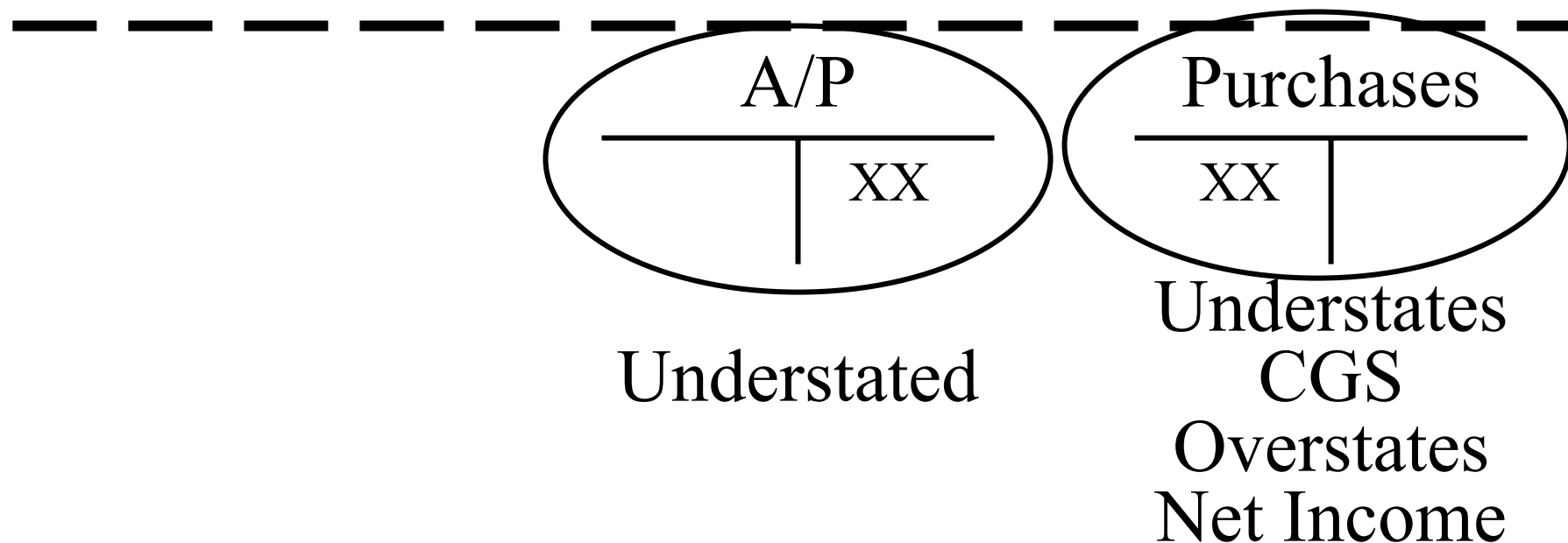
2

Failed to record the purchase of merchandise on account.

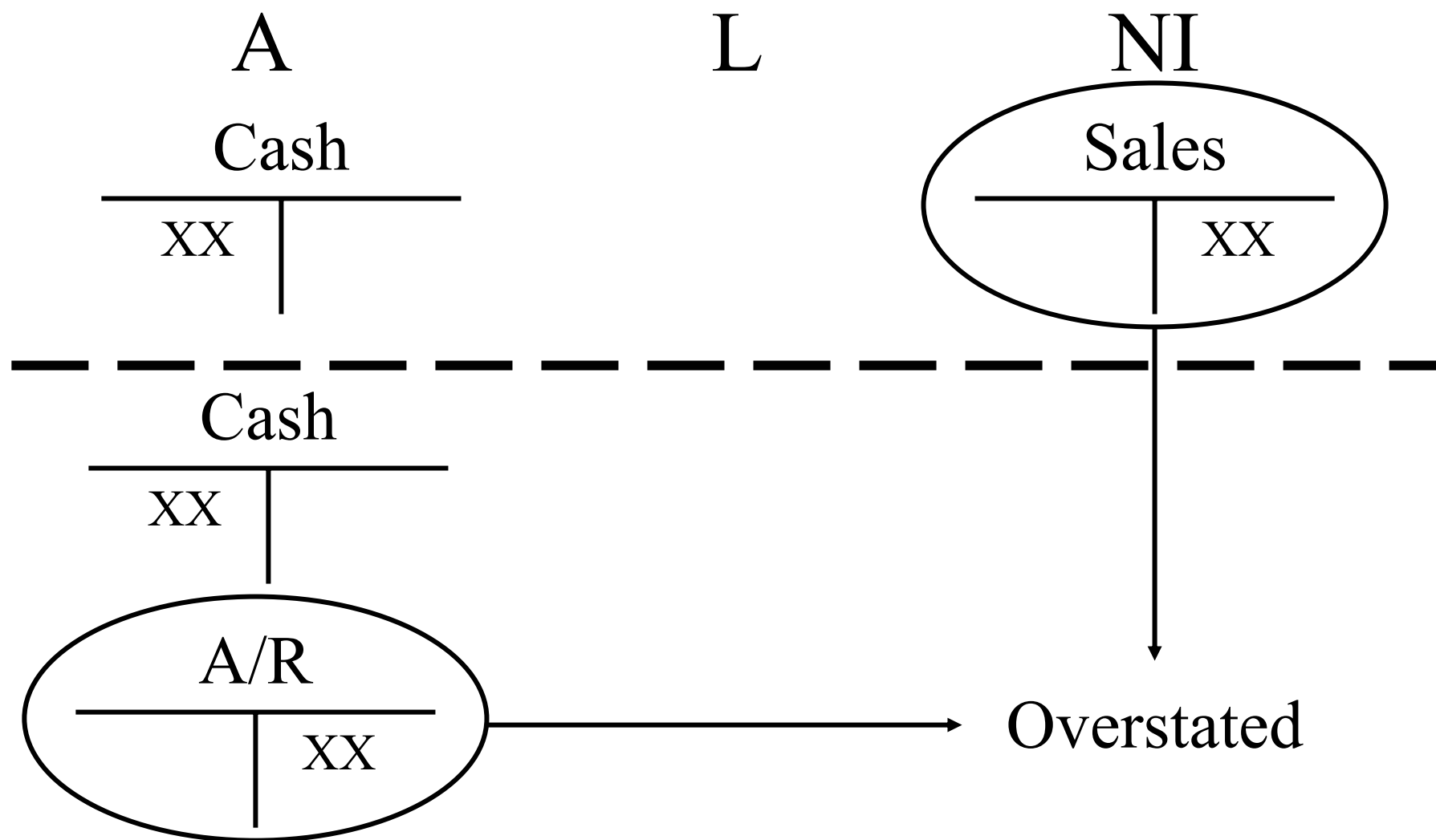
A

L

NI



- ③ Cash received from a customer as payment of its account is recorded as if the receipt were for a current period sale.



④ Recorded a credit sale as a debit to Cash and credit to Sales

A

L

NI

Cash

Sales

XX

XX

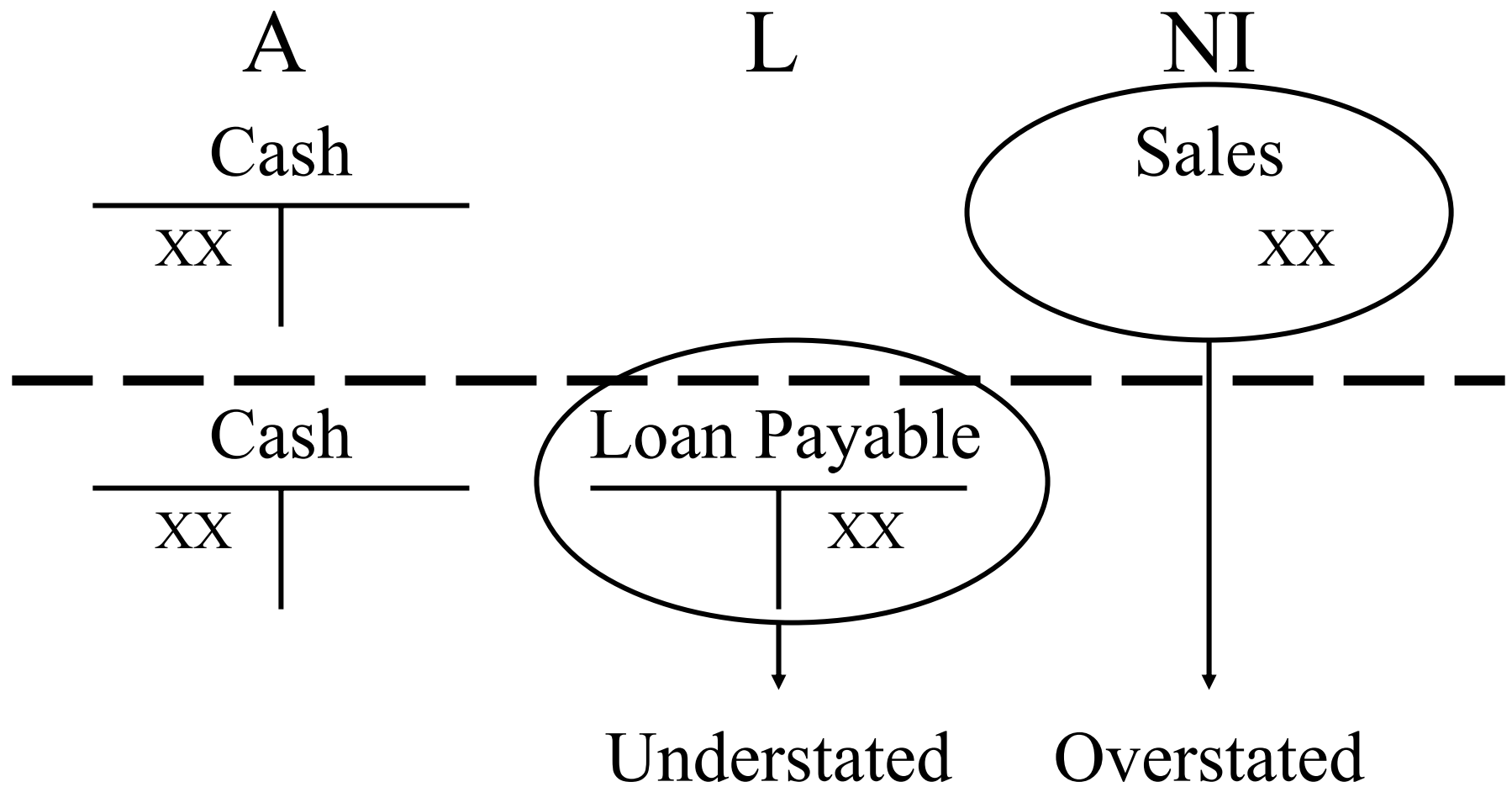
A/R

Sales

XX

XX

- ⑤ The receipt of money from a bank loan is recorded as a debit to Cash and a credit to Sales Revenue.

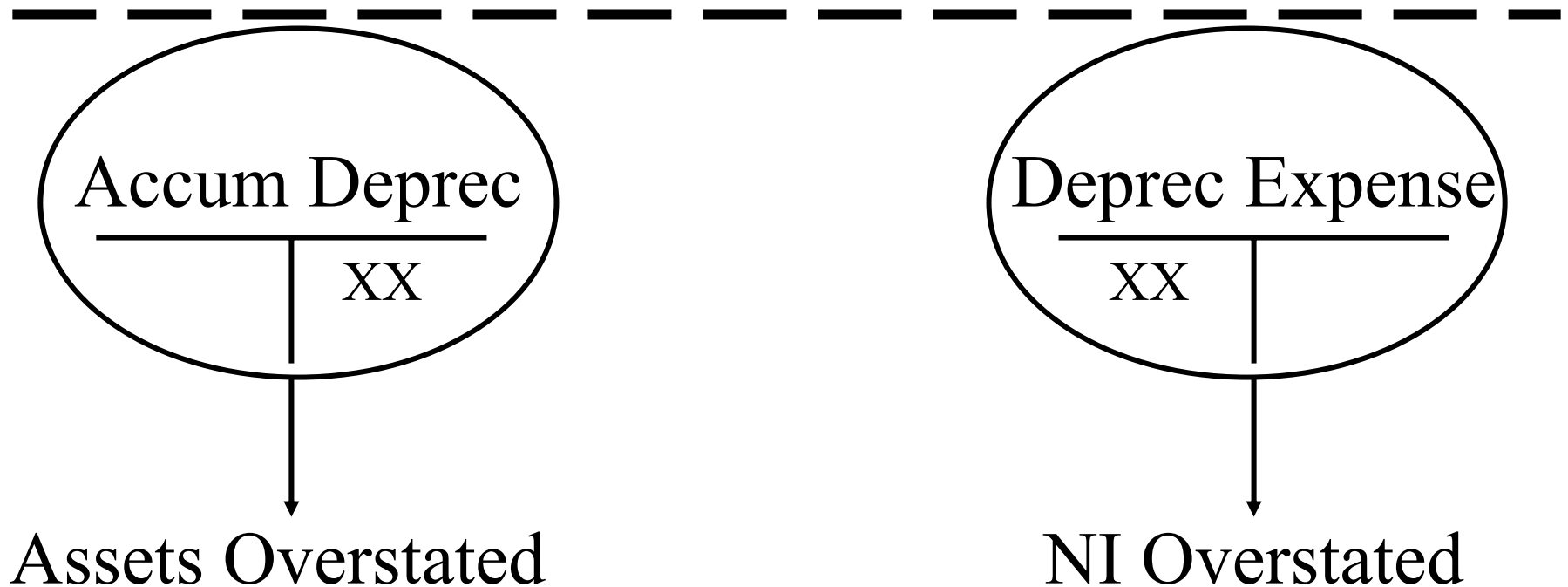


- ⑥ Failed to record the depreciation at the end of the current period.

A

L

NI



② Failed to record the purchase of merchandise on account.

