



**The Accounting Equation**  
**Effects of Business Transactions Extra**

Name \_\_\_\_\_

*Directions*—Analyze each of the following business transactions, and record how the transaction affects the accounting equation using the chart below. If the transaction effects Owner's Equity provide an explanation.

*Transactions for Brent's Bowling Alley:*

1. Brent invested \$40,000 to start his business.
2. Brent paid \$400 for advertising in the D & C.
3. Weekly sales amounted to \$3,100, of which \$700 was on account.
4. Brent rented store space in town. He paid the rent for the month of September, \$1,200.
5. Brent bought 40 bowling shoes, on account, from Sam's Shoes for \$1,450.
6. Purchased a delivery truck for \$4,000. Brent paid \$2,500 and took a Note for the balance.
7. Collected \$475 of an accounts receivable.
8. Purchased Supplies on account from Meghan's Supply Store for \$550.
9. Paid Utilities expense for the month, \$750 cash
10. Wrote check in amount of \$800 to Sam's Shoes for partial payment on account.
11. Paid his part-time employees for the first two weeks of business, cash \$680

**Assets = Liabilities + OE**

Tran #	Cash	A/R	Delivery Truck	<sup>Shoes</sup> Pizza Oven	<sup>Supplies</sup> Pizza Supplies	A/P	N/P	Brent, Capital	Explanation
1	+40000							+40,000	Investment
2	-400							-400	Ad exp.
3	+2400	+700						3100	Sales
4	-1200							-1200	rent exp.
5			<del>to</del>	+1450		+1450			
6	-2500		+4000				+1500		
7	+475	-475							
8					+550	+550			
9	-750							-750	U. Exp
10	-800	<del>to</del>			-	-800			
11	-680							-680	Sal exp.
	36545	225	4000	1450	550	1200	1500	40070	

42770

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