AC499: Bachelors Capstone in Accounting | Unit 2

Unit 2 Assignment: Management Tools Application

For the past several years, Dustin Larkin has operated a part-time consulting business from his home. As of June 1, 2013, Dustin decided to move to rented quarters and to operate the business, which was to be known as Quixote Consulting, on a full-time basis. Quixote Consulting entered into the following transactions during June:

Date	Transaction
June 1	The following assets were received from Dustin Larkin: Cash, $10,000; Accounts receivable $1,500; supplies, $1,250; and office equipment, $7,500. There were no liabilities received.
June 1	Paid three months' rent on a lease rental contract, $4,500.
June 2	Paid the premiums on property and casualty insurance policies, $1,800.
June 4	Received cash from clients as an advance payment for services to be provided (Record it as unearned fees), $3,000.
June 5	Purchased additional office equipment on account from Crawford Company, $1,800. June 6.
June 6	Received cash from clients on account, $800.
June 10	Paid cash for a newspaper advertisement to run during June, $120.
June 12.	Paid Crawford Company for part of the debt incurred on June 5, $800.
June 12.	Recorded services provided on account for the period June 1 to June 12, $2,250.
June 14	Paid part-time receptionist for 2 weeks' salary, $400. (Note: Ignore any payroll tax or withholdings).
June 17	Recorded cash from cash clients for fees earned during the period June 1-16, $3,175.
June 18	Paid cash for supplies, $750.
June 20	Recorded services provided on account for the period June 13-20, $1,100.
June 24	Recorded cash from cash clients for fees earned for the period June 17-24, $1,850.
June 26	Received cash from clients on account, $1,600.
June 27	Paid part-time receptionist for two weeks' salary, $400. (Note: Ignore any payroll tax or withholdings).
June 29	Paid telephone bill for June, $130.

AC499: Bachelors Capstone in Accounting | Unit 2

June 30	Paid electricity bill for June, $200.
June 30	Recorded cash from cash clients for fees earned for the period June 25-30, $2,050
June 30	Recorded services provided on account for the remainder of June, $1,000.
June 30	Dustin withdrew $4,500 for personal use.

Instructions-Use the Excel template provided in the class titled "Unit 2 and 3 Management Tools Assignment" to complete the following 3 requirements for Unit 2:

1. Journalize each transaction in the two-column journal tab, referring to the following chart of accounts in selecting the accounts to be debited and credited.

11-Cash	31-Dustin Larkin, Capital
12-Accounts Receivable	32-Dustin Larkin, Drawing
14-Supplies	41-Fees Earned
15-Prepaid Rent	51-Salary Expense
16-Prepaid Insurance	52-Rent Expense
18-Office Equipment	53-Supplies Expense
19-Accumulated Depreciation	54-Depreciation Expense
21-Accounts Payable	55-Insurance Expense
22-Salaries Payable	59-Miscellaneous Expense
23-Unearned Fees	

2. Post the journal to a ledger of four-column accounts, see the Excel tab labeled accordingly.
3. Prepare a trial balance as of June 30, 2013 – using the tab in the Excel workbook labeled accordingly.

Be sure and save your work, you will complete the accounting cycle in Unit 3 using the same Excel Template and information.

Notes:

1) Proper Journal Entry Formatting is mandatory.
    a. Debit Account Descriptions are to be fully left-justified in the line.
    b. Credit Account Descriptions are to be indented in the cell.
    c. A short description is required for every journal entry.

AC499: Bachelors Capstone in Accounting | Unit 2

2) You will be required to create at least ONE additional general Ledger Account to accommodate a few Journal Entries.
3) You may need to add the “Miscellaneous Expense" account to the General Ledger.
4) Or, you may create 2 or 3 new G/L accounts. For example "Utilities."
5) Be sure that you use proper formatting when you create the Financial Statements. For example:
    a. Add required underlining,
    b. "$" signs must be properly formatted.
6) The templates are NOT fully “pre-formatted.” You must reformat them for proper presentation in a number of places.

Remember, if you have any questions, concerns, or doubts about any of the instructions, please contact your instructor in the Virtual Office as soon as possible.

Once completed, submit your assignment to the Unit 2 assignment Dropbox. The assignment is due Tuesday 11:59 p.m. ET of their assigned unit.

AC499 Unit 2 Assignment: Management Tools Application		
Item criteria:	**Points Possible**	**Points Earned**
1-Prepare the Initial Journal Entries. ***Scoring Criteria:*** **(13 – 15 Points):** Entries use accurate accounts and amounts; and debits and credits are used correctly. **(10 – 12 Points):** Journal Entries mostly use accurate accounts and amounts; and debits and credits are used correctly. **(7.5 – 9 Points):** Journal Entries have some errors in use of accounts and amounts; debits and credits are only somewhat used correctly. **(0 – 7 Points):** Journal Entries have some errors in use of accounts and amounts; and debits and credits are not used correctly.	15	
2-Post the journal entries to the G/L. ***Scoring Criteria:*** **(13 – 15 Points):** Posting is correct - trial balance is accurate. **(10 – 12 Points):** Posting and T/B are mostly correct. **(7.5 – 9 Points):** Posting and T/B have several errors. **(0 – 7 Points):** Posting and T/B have significant errors.	15	
3-Prepare the Unadjusted Trial Balance. ***Scoring Criteria:*** **(9 - 10 Points):** All Accounts properly presented in correct order with correct balances. **(7 - 8 Points):** Trial Balance mostly correct, 1 or 2 accounts listed incorrectly, 1 or 2 balances incorrect, and based on carry-forward errors from Parts 1 & 2. **(5 - 6 Points):** Trial Balance has several errors, but they are independent of any carry forward errors.	10	

AC499: Bachelors Capstone in Accounting | Unit 2

(0 - 4 Points): Trial Balance is poorly prepared, numerous errors, balances incorrect, accounts out of order.		
Preliminary Totals	40	
Additional Items:		
Late Penalty (If applicable) (Enter as a negative amount -->)		
Total Points	**40**	