

5. Anne's Cake House, Inc. was formed in January 1, 2013. On January 31, the balance sheet showed: Cash \$7000; Accounts Receivable \$2000; Supplies \$500; Office Equipment \$5000, Accounts Payable \$5,500, Common Stock \$7,500 and Retained Earnings \$1,500, During February, the following transactions occurred:

- i. Collected \$1,000 of accounts receivable
- ii. Paid \$1,200 cash on accounts payable
- iii. Earned revenues of \$10,000, of which \$3,000 was collected in cash and the balance is due in March
- iv. Purchased additional office equipment for \$2,000, paid \$250 in cash and the balance on account
- v. Paid salaries \$2,000, rent for February \$1,500, and advertising expenses \$450
- vi. Paid dividends of \$550
- vii. Received \$1,000 from Allied Bank-money borrowed on a note payable
- viii. Incurred utility expense for the month on account \$500.

Instructions: Prepare a tabular analysis of the February transactions in the table provided. Prepare an income statement, a retained earnings statement, and a balance sheet for February.

No.	ASSETS				LIABILITIES		STOCKHOLDERS' EQUITY	
	Cash	Accounts Receivable	Supplies	Equipment	Notes Payable	Accounts Payable	Common Stock	Retained Earnings
Starting Amount (if any)								
1								
2								
3								
4								
5								
6								
7								
8								
Balance								



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