

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:
- Collected \$1,000 of accounts receivable
 - Paid \$1,200 cash on accounts payable
 - Earned revenues of \$10,000, of which \$3,000 was collected in cash and the balance is due in March
 - Purchased additional office equipment for \$2,000, paid \$250 in cash and the balance on account
 - Paid salaries \$2,000, rent for February \$1,500, and advertising expenses \$450
 - Paid dividends of \$550
 - Received \$1,000 from Allied Bank-money borrowed on a note payable
 - 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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