

I Drew It Myself



Accounting for Business Transactions

Nancy Drew started an art gallery business, I Drew It Myself Inc., at the beginning of October 2018. The business transactions for I Drew It Myself Inc.'s first month of operations can be found below. Complete the following chart to show the effects of these transactions on the relevant ALOE accounts. Describe each transaction that affects owner's equity and calculate the ending balance in each column. Make sure that the accounting equation balances.

- 10/1 Owner invested \$32,000 cash to start I Drew It Myself Inc.
- 10/2 Customers paid cash for paintings during the month, totaling \$18,000.
- 10/5 Purchased art supplies (brushes, paint, etc.) on account, \$5,500.
- 10/14 Paid rent expense on the art studio for the month, \$1,000.
- 10/15 Customers purchased paintings on account during the month, totaling \$2,600.
- 10/17 Purchased art studio equipment for cash, \$3,000.
- 10/19 Paid utilities expense for the month, \$500.
- 10/27 Received \$600 in cash from customers paying on their charge accounts.
- 10/29 Completed inventory and found that the amount of art supplies on hand at the end of month was \$2,500, meaning that \$3,000 of supplies had been used during the period.
- 10/31 Owner withdrew \$2,000 for personal use.

		ASSETS				LIABILITIES	OWNER'S EQUITY		
		Cash	Accounts Receivable	Supplies	Equipment	Land	Accounts Payable	Nancy D., Capital	Description
<i>Beginning</i>		\$0	\$0	\$0	\$0	\$0	\$0		
<i>Ending</i>									

Don't forget to add the columns, and calculate the total assets, liabilities, owner's equity. Make sure it balances!