Accounting Fundamentals
Chapter 1: The Purpose and Use of Financial Statements

1. Solve for the missing value:

<table>
<thead>
<tr>
<th></th>
<th>Total Assets</th>
<th>Total Liabilities</th>
<th>Total Shareholders’ Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>A</td>
<td>$45,000</td>
<td>$105,000</td>
</tr>
<tr>
<td>B</td>
<td>$335,000</td>
<td>B</td>
<td>$85,000</td>
</tr>
<tr>
<td>C</td>
<td>$205,000</td>
<td>$65,000</td>
<td>C</td>
</tr>
</tbody>
</table>

2. Ron’s Services Corp. had the following information available from its accounting records after the first month of operation ending September 30. The accounts are listed in alphabetical order. Identify which statement the account goes on:

   Statement of...?

   Accounts Receivables  $2,000
   Accounts Payable      1,500
   Advertising Expense   500
   Bank Loan Payable     350
   Cash                  4,975
   Common Shares         5,000
   Dividends Declared    300
   Equipment             1,500
   Income Tax Expense    625
   Rent Expense          500
   Salaries Expense      500
   Service Revenue       4,000
   Supplies              400
   Utilities Expense     225

3. XYZ Corp had a January 1, 2021 cash balance of $45,000. During the year, the following activities were recorded for XYZ Corp. Determine where the following activities belong on the statement of cash flows:

   Activity
   Cash dividends paid $15,000
   Cash paid to purchase equipment 55,000
   Cash payments for operating activities 150,000
   Cash receipts from operating activities 185,000
   Cash received from issue of long-term debt 50,000
   Cash received from issue of shares 50,000