

Using the following information to answer questions 1 and 2

The following items are from the assets section of Ottawa Limited's December 31, 2015, statement of financial position:

Accounts receivable	\$ 4,145
Accumulated amortization—patents	10,190
Accumulated depreciation—buildings	22,470
Accumulated depreciation—equipment	85,900
Buildings	53,150
Cash	97,625
Equipment	166,750
Goodwill	42,425
Patent	29,415
Land	5,860
Trading investments	71,630
Merchandise inventory	93,320
Prepaid expenses	25,950

Questions 1 and 2 are shown on Echo360.

Using the following information to answer questions 3 to 5

The financial statements of Fast Corporation are presented here:

FAST CORPORATION
Income Statement
Year Ended December 31, 2015

Sales		\$706,000
Expenses		
Cost of goods sold	\$420,000	
Operating expenses	144,000	
Interest expense	10,000	574,000
Profit before income taxes		132,000
Income tax expense		35,400
Profit		\$ 96,600

FAST CORPORATION
Statement of Financial Position
December 31, 2015

Assets		
Current assets		
Cash	\$ 23,100	
Trading investments	34,800	
Accounts receivable	86,200	
Merchandise inventory	109,750	\$253,850
Property, plant, and equipment		465,300
Total assets		\$719,150
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	\$134,200	
Income tax payable	10,350	
Current portion of mortgage payable	12,000	\$156,550
Mortgage payable		132,000
Total liabilities		288,550
Shareholders' equity		
Common shares	\$100,000	
Retained earnings	330,600	430,600
Total liabilities and shareholders' equity		\$719,150

Questions 3 to 5 are on Echo360.

Using the information below to answer questions 6 to 8

On May 1, 2015, Novia Ltd. was formed. Its assets, liabilities, share capital, revenues, expenses, and dividends as at May 31 follow:

Cash	\$ 5,300	Rent expense	\$2,200
Accounts receivable	10,200	Repair and maintenance expense	700
Equipment	60,300	Fuel expense	3,300
Accounts payable	2,200	Office expense	2,300
Bank loan payable	22,000	Salaries expense	1,000
Service revenue	12,600	Income tax expense	600
Interest expense	100	Dividends	800
Common shares	50,000		

Questions 6 to 8 can be found on Echo360.

Questions 9 to 14 are based on the following information.

The following is the unadjusted trial balance for Rocky Mountain Resort Inc. at its year end, August 31, 2015. The company adjusts its accounts annually.

	Debit	Credit
Cash	\$ 38,820	
Supplies	6,990	
Prepaid insurance	12,720	
Land	70,000	
Buildings	290,000	
Accumulated depreciation—buildings		\$ 87,000
Furniture	57,200	
Accumulated depreciation—furniture		22,880
Accounts payable		13,000
Unearned revenue		71,000
Mortgage payable, due 2019		120,000
Common shares		40,000
Retained earnings		72,000
Dividends	10,000	
Rent revenue		497,000
Salaries expense	306,000	
Utilities expense	75,200	
Repairs and maintenance expense	28,250	
Interest expense	7,700	
Income tax expense	20,000	
	\$922,880	\$922,880

Additional information:

1. The one-year insurance policy was purchased on May 31 for \$12,720.
2. A count of supplies on August 31 shows \$1,380 of supplies on hand.
3. The buildings have an estimated useful life of 50 years.
4. The furniture has an estimated useful life of 10 years.
5. Customers must pay a \$200 deposit if they want to book a cottage during the peak period. An analysis of these bookings indicates 355 deposits were received and credited to Unearned Revenue. Only 45 of these deposits have not been earned by August 31.
6. Salaries of \$1,680 were unpaid at August 31.
7. The August utility bill of \$3,120 has not yet been recorded or paid.

8. On August 25, a local business contracted with Rocky Mountain to rent one of the cottages for six months, starting October 1, at a rate of \$3,000 per month. An advance payment equal to two months' (October and November) rent was received on August 31 and credited to Rent Revenue.
9. The mortgage interest rate is 7%. Interest has been paid to August 1; the next payment is due September 1.
10. Income tax payable is estimated to be \$2,000.
11. During the month of May, \$5,000 of common shares were issued. (*Note:* This has already been recorded.)