

PRACTICAL ACCOUNTING PROBLEM: DON'S PEST CONTROL SERVICE

Class Exercise: Don Mackanos has decided to go into the pest control business and to operate as Don's Pets Control Service. The following transactions were during Don's first month of operations (June).

ANALYZE each transaction and **REVIEW** the **DEBIT** and **CREDIT ACCOUNTS** used to record the transactions. (Note: Refer to **Five Rules for Debits & Credits** and **Seven Questions** lists.)

- a) Mackanos invested \$40,000 cash in the business
- b) Purchased a Truck (\$10,000) and Sprayer & Fogger (\$6,000) for \$16,000 cash
- c) Paid \$600 Rent for garage and office quarters
- d) Purchased chemicals for \$800 from Ralph's Chemical Co. on account
- e) Received \$510 revenue from pest control services
- f) Paid electric bill \$36.75
- g) Paid part time helper's salary for first half of month, \$325
- h) Received \$460 revenue from pest control service
- i) Paid telephone bill, \$27.15
- j) Paid license fee for truck, \$85
- k) Paid \$350 to Ralph's Chemical Co. on account
- l) Paid \$81.40 for gas and oil purchased
- m) Received \$1,000 revenue from pets control service
- n) Received \$600 revenue from pest control service
- o) Paid helper's salary for second half of month, \$325

DON'S PEST CONTROL - ACCOUNTS

CASH	
(a) 40,000.00	(b) 16,000.00
(e) 510.00	(c) 600.00
(h) 460.00	(f) 36.75
(m) 1,000.00	(g) 325.00
(n) 660.00	(i) 27.15
24,799.70	42,630.00
	(j) 85.00
	(k) 350.00
	(l) 81.40
	(o) 325.00
	17,830.30

PEST CONTROL REVENUE	
	(e) 510.00
	(h) 460.00
	(m) 1,000.00
	(n) 660.00
	2,630.00

RENT EXPENSE	
(c) 600.00	

CHEMICAL SUPPLIES	
(d) 800.00	

TELEPHONE EXPENSE	
(i) 27.15	

PEST CONTROL EQUIPMENT	
(b) 16,000.00	

ELECTRICITY EXPENSE	
(f) 36.75	

ACCOUNTS PAYABLE	
(k) 350.00	(d) 800.00
	450.00

TRUCK EXPENSE	
(j) 85.00	
(l) 81.40	
	166.40

DON MACKANOS, CAPITAL	
	(a) 40,000.00

SALARY EXPENSE	
(g) 325.00	
(o) 325.00	
	650.00