Spreadsheet Guide
Step-by-Step Instructions

Problem 3-9 Determining the Effects of Business Transactions on the Accounting Equation

Complete the Spreadsheet

Step 1 Read the instructions for Problem 3-9 in your textbook.
Step 2 Launch the Spreadsheet Problem.

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PROBLEM 3-9
DETERMINING THE EFFECTS OF BUSINESS
TRANSACTIONS ON THE ACCOUNTING EQUATION

(name)
(date)


                                    ASSETS                              LIABILITIES  OWNER'S EQUITY

Transaction     Cash      Accounts     Hiking      Rafting     Office    Accounts    Juanita Ortega,
in Bank      Receivable  Equipment   Equipment   Equipment  = Payable    Capital
     1
     2
     3
     4
     5
     6
     7
     8
     9
    10

    BALANCE        $0         $0          $0          $0         $0         $0            $0

TOTAL ASSETS                              $0

TOTAL LIABILITIES                         $0
TOTAL OWNER'S EQUITY                      $0
TOTAL LIABILITIES + OWNER'S EQUITY        $0
```

Step 3 Type your name in the cell containing the *(name)* placeholder. After you type your name and press **Enter,** the *(name)* placeholder will be replaced by the information you just typed.
Step 4 Type today's date in the cell containing the *(date)* placeholder. After you type the date and press **Enter,** the *(date)* placeholder will be replaced by the information you just keyed. When you work with any of the other spreadsheet templates, your name and date should always be typed in the cells containing the *(name)* and *(date)* placeholders.

TIP: Options you select in the regional options of the Control Panel determine the default format for the current date and time and the characters recognized as date and time separators—for example, the slash (/) and colon (:) on United States-based systems. Be careful not to enter an equal sign before entering a date with slashes, as your spreadsheet application may view the date as a formula and the slashes as division symbols

Step 5 In the first transaction, Ms. Ortega opened a checking account for the business. Cash in Bank is increasing, and Juanita Ortega, Capital, is increasing. To record this transaction in the spreadsheet template, move the cell pointer to cell B12 and type **60000**.

TIP: To enter data into the cell, you must first type the data and then press **Enter.** Do not type a dollar sign or a comma when you enter the data—the spreadsheet template will automatically format the data when it is entered.

TIP: Depending on the spreadsheet program you are using, the spreadsheet templates may be formatted to protect you from accidentally erasing information in selected cells. For example, the column headings in the spreadsheet for Problem 3-9 are protected. If you attempt to type a number or label into a protected cell, the spreadsheet program displays a message indicating that the cell is locked or protected. Simply move to the correct cell and retype the information.

Step 6 Next, move the cell pointer to cell J12. Type **60000** in cell J12 to record the increase in Juanita Ortega, Capital. Again, do *not* include a dollar sign or a comma as part of the cell entry—the spreadsheet template will automatically format the data when it is entered. Move the cell pointer to cell J23. Notice that the spreadsheet automatically calculates the balance in each account as you enter the data.

Step 7 To check your work, look at rows 26 through 30 in column D. Total assets equal $60,000. Total liabilities plus owner's equity also equal $60,000. The accounting equation is in balance.

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Step 8   Analyze the remaining transactions in Problem 3-9 and type the appropriate data into the spreadsheet template.

TIP: To decrease an account balance, precede the amount entered by a minus sign. For example, to decrease Cash in Bank by $3,000, type –**3000** in the Cash in Bank column.

Check the totals at the bottom of the spreadsheet after each transaction has been entered. Remember, total assets should always equal total liabilities plus owner's equity. If the accounting equation becomes out of balance, check your work to find the error.

Step 9   Save the spreadsheet using the **Save** option from the *File* menu. You should accept the default location for the save, as this is handled by the Accounting Management System.

TIP: It is good practice to always move your cursor to cell A1 before saving your spreadsheet. This will ensure that your spreadsheet opens in the first cell when you reopen it. For many spreadsheet applications, a shortcut for moving to cell A1 is by holding down the **Ctrl** key while pressing the **Home** key. Check your software's Help file for its specific shortcut commands.

Step 10   Print the completed spreadsheet.

TIP: If your spreadsheet is too wide to fit on an 8½-inch wide piece of paper, you can change your print settings to print the worksheet *landscape.* Some spreadsheet applications also allow you to choose a "fit to page" option. This function will reduce the width and depth of the worksheet to fit on one page.

Step 11   Exit the spreadsheet program.
Step 12   In the Close Options window, select the location where you would like to save your work.
Step 13   Complete the Analyze activity from your textbook for this problem.

What-If Analysis

> **TIP:** Always save your work before performing What-If Analysis. It is not necessary to save your work after performing What-If Analysis unless your teacher instructs you to do so. If you are required to save your work after performing What-If Analysis, be sure to rename the spreadsheet to avoid saving over your original work.

If Ms. Ortega withdrew an additional $1,500 from the business for personal use, what would the balance in the Juanita Ortega, Capital account be?

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