

**Ex. 1–20**

In each case, solve for a single unknown, using the following equation:

$$\text{Owner's equity (beginning)} + \text{Investments} - \text{Withdrawals} + \text{Revenues} - \text{Expenses} = \text{Owner's equity (ending)}$$

<b>Earth</b>	Owner's equity at end of year (\$670,500 – \$292,500) .....	\$378,000	
	Owner's equity at beginning of year (\$540,000 – \$324,000) .	<u>216,000</u>	
	Increase in owner's equity.....	\$162,000	
	Deduct increase due to net income (\$177,975 – \$97,200).....	<u>80,775</u>	
		\$ 81,225	
	Add withdrawals.....	<u>36,000</u>	
	Additional investment in the business .....	(a) <u>\$117,225</u>	
<b>Mars</b>	Owner's equity at end of year (\$175,000 – \$55,000) .....	\$120,000	
	Owner's equity at beginning of year (\$125,000 – \$65,000) ...	<u>60,000</u>	
	Increase in owner's equity.....	\$ 60,000	
	Add withdrawals.....	<u>8,000</u>	
		\$ 68,000	
	Deduct additional investment.....	<u>25,000</u>	
	Increase due to net income .....	\$ 43,000	
	Add expenses .....	<u>32,000</u>	
	Revenue .....	(b) <u>\$ 75,000</u>	
<b>Neptune</b>	Owner's equity at end of year (\$180,000 – \$160,000) .....	\$ 20,000	
	Owner's equity at beginning of year (\$200,000 – \$152,000) .	<u>48,000</u>	
	Decrease in owner's equity .....	\$(28,000)	
	Deduct decrease due to net loss (\$230,000 – \$245,000) .....	<u>(15,000)</u>	
		\$(13,000)	
	Deduct additional investment.....	<u>20,000</u>	
	Withdrawals from the business .....	(c) <u>\$(33,000)</u>	
<b>Pluto</b>	Owner's equity at end of year (\$248,000 – \$136,000) .....	\$112,000	
	Add decrease due to net loss (\$112,000 – \$128,000) .....	<u>16,000</u>	
		\$128,000	
	Add withdrawals.....	<u>60,000</u>	
	Owner's equity at beginning of year	\$188,000	
	Deduct additional investment.....	<u>40,000</u>	
		\$148,000	
	Add liabilities at beginning of year .....	<u>120,000</u>	
	Assets at beginning of year .....	(d) <u>\$268,000</u>	