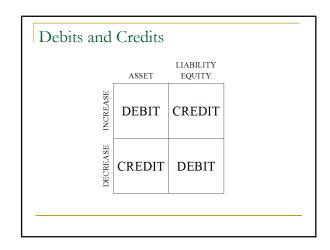
Construction Accounting and Financial Management

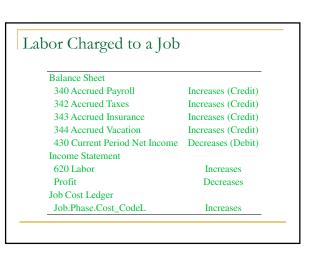
Chapter 3 Accounting Transactions



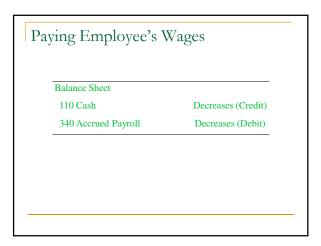
| without Retention | |
|-------------------------------|--------------------|
| Balance Sheet | |
| 310 Accounts Payable-Trade | Increases (Credit) |
| 430 Current Period Net Income | Decreases (Debit) |
| Income Statement | |
| 610 Materials | Increases |
| Profit | Decreases |
| Job Cost Ledger | |
| Job.Phase.Cost_CodeM | Increases |

| nvoice (Subcontractor) | Charged to a |
|--------------------------------|--------------------|
| ob with Retention: | |
| Balance Sheet | |
| 310 Accounts Payable-Trade | Increases (Credit) |
| 311 Accounts Payable-Retention | Increases (Credit) |
| 430 Current Period Net Income | Decreases (Debit) |
| Income Statement | |
| 630 Subcontract | Increases |
| Profit | Decreases |
| Job Cost Ledger | |
| Job.Phase.Cost_CodeS | Increases |

| 110 Cash | Decreases (Credit) |
|---------------------------|--------------------|
| 10 Accounts Payable-Trade | Decreases (Debit) |



| abor Charged to Gener | al Overhead |
|---------------------------------|--------------------|
| C | |
| Balance Sheet | |
| 340 Accrued Payroll | Increases (Credit) |
| 342 Accrued Taxes | Increases (Credit) |
| 343 Accrued Insurance | Increases (Credit) |
| 344 Accrued Vacation | Increases (Credit) |
| 430 Current Period Net Income | Decreases (Debit) |
| Income Statement | |
| 820 Employee Wages and Salaries | Increases |
| 821 Employee Benefits | Increases |
| 825 Employee Taxes | Increases |
| 830 Insurance | Increases |
| Profit | Decreases |



| Balance Sheet | |
|-------------------|--------------------|
| 110 Cash | Decreases (Credit) |
| 342 Accrued Taxes | Decreases (Debit) |

| Duiuii | ce Sheet | |
|--------|-------------------|--------------------|
| 110 | Cash | Decreases (Credit) |
| 343 | Accrued Insurance | Decreases (Debit) |

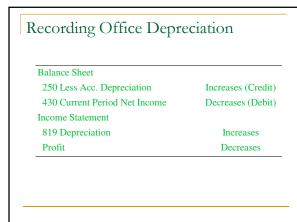
Vacation Time for Jobsite Employees

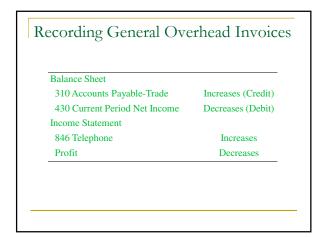
Balance Sheet

340 Accrued Payroll342 Accrued Taxes343 Accrued Insurance344 Accrued Vacation

Increases (Credit) Increases (Credit) Increases (Credit) Decreases (Debit)

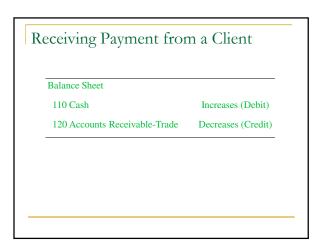


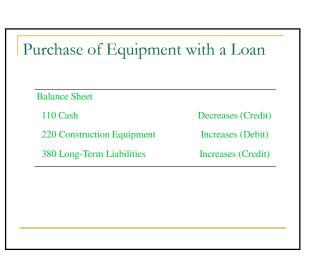




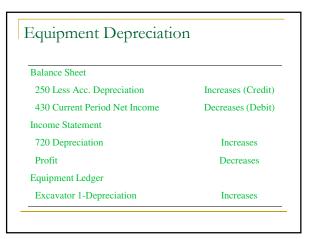


| 120 Accounts Receivable-Trade | Increases (Debit) |
|----------------------------------|--------------------|
| 21 Accounts Receivable-Retention | Decreases (Credit) |





| Balance Sheet | |
|-------------------------------|--------------------|
| 110 Cash | Decreases (Credit) |
| 380 Long-term Liabilities | Decreases (Debit) |
| 430 Current Period Net Income | Decreases (Debit) |
| Income Statement | |
| 881 Interest Expense | Increases |
| Profit | Decreases |



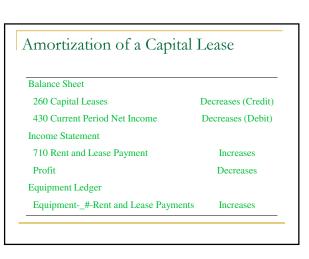
| Leased Equipment with an | n Operating |
|------------------------------------|--------------------|
| Lease | |
| Balance Sheet | |
| 310 Accounts Payable-Trade | Increases (Credit) |
| 430 Current Period Net Income | Decreases (Debit) |
| Income Statement | |
| 710 Rent and Lease Payments | Increases |
| Profit | Decreases |
| Equipment Ledger | |
| Equipment#-Rent and Lease Payments | Increases |

Leased Equipment with a Capital Lease

Balance Sheet 260 Capital Leases 350 Capital Lease Payable

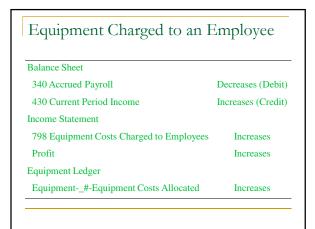
Increases (Debit) Increases (Credit)

Lease Payment on a Capital Lease Balance Sheet Decreases (Credit) 110 Cash Decreases (Credit) 350 Capital Lease Payable Decreases (Debit) 430 Current Period Net Income Decreases (Debit) Income Statement 881 Interest Expense 881 Interest Expense Increases Profit Decreases



| Balance Sheet | |
|------------------------------------|--------------------|
| | |
| 310 Accounts Payable-Trade | Increases (Credit) |
| 430 Current Period Net Income | Decreases (Debit) |
| Income Statement | |
| 730 Repairs | Increases |
| Profit | Decreases |
| Equipment Ledger | |
| Equipment#-Repairs and Maintenance | Increases |

Equipment Charge to Job Income Statement 640 Equipment Increases 799 Equipment Costs Charged to Jobs Increases Job Cost Ledger Increases Job.Phase.Cost_CodeE Increases Equipment Ledger Equipment-_#-Equipment Costs Allocated



| Sale of Equipment | |
|-------------------------------|--------------------|
| Balance Sheet | |
| 110 Cash | Increases (Debit) |
| 220 Construction Equipment | Decreases (Credit) |
| 250 Less Acc. Depreciation | Decreases (Debit) |
| 430 Current Period Net Income | Increases (Credit) |
| Income Statement | |
| 910 Other Income | Increases |
| Profit | Increases |

| Balance Sheet | |
|----------------------------|--------------------|
| 130 Inventory | Increases (Debit) |
| 310 Accounts Payable-Trade | Increases (Credit) |
| | |
| | |



Recording Changes in Costs and Profits in Excess of Billings

Balance Sheet

140 Costs and Profits in Excess of Increases (Debit)

430 Current Period Net Income Increases (Credit)

Income Statement

500 Revenue

Profit



Recording Changes in Billings in Excess of Costs and Profits

Balance Sheet

320 in Excess of Costs and Profits

430 Current Period Net Income

Income Statement 500 Revenue

Profit

Increases (Credit) Decreases (Debit)

Decreases

Decreases