

Print by: Tiara Moore
ACC206015VA016-1186-001: Accounting II / Homework - Chapter 15

***Brief Exercise 15-7**

Prepare the journal entries that the lessee should make to record the following transactions.
(Credit account titles are automatically indented when amount is entered. Do not indent manually.)

1. The lessee makes a lease payment of \$78,510 to the lessor in an operating lease transaction.
2. Imhoff Company leases a new building from Noble Construction, Inc. The present value of the lease payments is \$636,800. The lease qualifies as a capital lease.

No.	Account Titles and Explanation	Debit	Credit
1.	<input type="text"/>	<input type="text"/>	<input type="text"/>
	<input type="text"/>	<input type="text"/>	<input type="text"/>
2.	<input type="text"/>	<input type="text"/>	<input type="text"/>
	<input type="text"/>	<input type="text"/>	<input type="text"/>

Question Attempts: 0 of 3 used

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***Brief Exercise 15-8**

Presented below are long-term liability items for Lind Company at December 31, 2014.

Bonds payable, due 2016	\$455,000
Lease liability	78,500
Notes payable, due 2019	78,220
Discount on bonds payable	31,850

Prepare the long-term liabilities section of the balance sheet for Lind Company. *(For Bonds Payable, Notes Payable and Mortgage payable enter the account name only and do not provide any additional descriptive information e.g. due 2019.)*

Lind Company
 Balance Sheet
 December 31, 2014

		\$	
			\$
			\$

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*Exercise 15-2

Gilliland Airlines is considering two alternatives for the financing of a purchase of a fleet of airplanes. These two alternatives are:

1. Issue 75,000 shares of common stock at \$30 per share. (Cash dividends have not been paid nor is the payment of any contemplated.)
2. Issue 8%, 10-year bonds at face value for \$2,250,000.

It is estimated that the company will earn \$816,000 before interest and taxes as a result of this purchase. The company has an estimated tax rate of 40% and has 115,500 shares of common stock outstanding prior to the new financing.

Determine the effect on net income and earnings per share for these two methods of financing.
(Round earnings per share to 2 decimal places, e.g. 2.25.)

	<u>Plan One Issue Stock</u>	<u>Plan Two Issue Bonds</u>
Net income	\$ <input type="text"/>	\$ <input type="text"/>
Earnings per share	<input type="text"/>	\$ <input type="text"/>

Question Attempts: 0 of 3 used

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*Exercise 15-10

Jernigan Co. receives \$226,800 when it issues a \$226,800, 12%, mortgage note payable to finance the construction of a building at December 31, 2014. The terms provide for semiannual installment payments of \$18,900 on June 30 and December 31.

Prepare the journal entries to record the mortgage loan and the first two installment payments. *(Round answers to 0 decimal places, e.g. 15,250. Credit account titles are automatically indented when amount is entered. Do not indent manually.)*

Date	Account Titles and Explanation	Debit	Credit
Dec. 31, 2014			
June 30, 2015			
Dec. 31, 2015			

Question Attempts: 0 of 3 used

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*Problem 15-2A (Part Level Submission)

Asquith Electric sold \$467,000, 11%, 10-year bonds on January 1, 2014. The bonds were dated January 1 and paid interest on January 1 and July 1. The bonds were sold at 101.

*(a)

Prepare the journal entry to record the issuance of the bonds on January 1, 2014. (*Credit account titles are automatically indented when amount is entered. Do not indent manually.*)

Date	Account Titles and Explanation	Debit	Credit
Jan. 1, 2014	<input type="text"/>	<input type="text"/>	<input type="text"/>
	<input type="text"/>	<input type="text"/>	<input type="text"/>
	<input type="text"/>	<input type="text"/>	<input type="text"/>

Attempts: 0 of 3 used

*(b)

The parts of this question must be completed in order. This part will be available when you complete the part above.

*(c)

The parts of this question must be completed in order. This part will be available when you complete the part above.

ASSIGNMENT RESOURCES**Homework - Chapter 15**[Brief Exercise 15-2 \(Part Level Submission\)](#)[Brief Exercise 15-7](#)[Brief Exercise 15-8](#)[Exercise 15-2](#)[Exercise 15-5 \(Part Level Submission\)](#)[Exercise 15-10](#)[Problem 15-2A \(Part Level Submission\)](#)**Review Score****Review Results by Study Objective****Brief Exercise 15-2 (Part Level Submission)**

Meera Corporation issued 2,900, 6%, 5-year, \$1,000 bonds dated January 1, 2014, at 100.

(a)

Prepare the journal entry to record the sale of these bonds on January 1, 2014. **(Credit account titles are automatically indented when amount is entered. Do not indent manually.)**

Date	Account Titles and Explanation	Debit	Credit
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Jan. 1			
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[SHOW LIST OF ACCOUNTS](#)[LINK TO TEXT](#)**Attempts: 0 of 3 used**[SAVE FOR LATER](#)[SUBMIT ANSWER](#)**(b)**

The parts of this question must be completed in order. This part will be available when complete the part above.

(c)

The parts of this question must be completed in order. This part will be available when complete the part above.