PACT English Department

Question: Tom Jones is the owner and operator of Jones Enterprise, a motivational consulting business. At the end of its accounting period, December 31, 2009, Jones Enterprise has assets of $760,000 and liabilities of 240,000.

- **Use the accounting equation to calculate the answers in each of the following:**

a) Tom Jones, capital, as of December 31, 2009

b) Tom Jones, capital, as of December 31, 2010, assuming that assets increased by $120,000 and liabilities increased by $72,000 during 2010

c) Tom Jones, capital, as of December 31, 2010, assuming that assets decreased by $60,000 and liabilities increased by $21,600 during 2010

d) Tom Jones, capital, as of December 31, 2010, assuming that assets increased by $100,000 and liabilities decreased by $38,400 during 2010

e) Net income during 2010, assuming that as of December 31, 2010, assets were $960,000, liabilities were $156,000, and there were no additional investments or withdrawals.