Problem I-01.05 provided the following data for Bingo Corporation. In that problem, financial statements were prepared after each transaction. This problem requires you to use T-accounts to capture the transactions and produce a final set of financial statements.

(1) Issued capital stock for $50,000 cash.

(2) Purchased building for $120,000, making a $20,000 down payment and signing a promissory note payable for the balance.

(3) Paid wages expense of $5,000.

(4) Provided services to customers for $15,000 cash.

(5) Paid utilities expense of $2,000.

(6) Reduced note payable with an $8,000 cash payment (ignore interest costs).

(7) Provided services to customers on account, $10,000.

(8) Incurred wages expense of $3,000, to be paid in the future.

(9) Collected $4,000 on an outstanding account receivable.

(10) Declared and paid dividend of $6,000.

(a) Prepare T-accounts for the above transactions.

(b) Prepare the resulting trial balance.

(c) Prepare the income statement, statement of retained earnings, and balance sheet that results from these 10 transactions.

(d) Comment on the value of an information processing system. Would T-accounts provide a sufficient data processing system?