

Jahavheed George

Principles of Financial Accounting

Chapter 2: Problem Solving Assignment

8/26/2020

1. Prepare general journal entries to record these transactions.

Date	Description	Post Ref.	Debit	Credit
4/1	Cash	101	80,000	
	Office Equipment	163	26,000	
	K. Tanner Capital	301		106,000
	<i>Tanner invests Office Equipment and Cash</i>			
4/2	Prepaid Rent	131	9,000	
	Cash	101		9,000
	<i>Prepaid rent for 12 months</i>			
4/3	Office Equipment	163	8,000	
	Office Supplies	124	3,600	
	Accounts Payable	-		11,600
	<i>Purchased office equipment and supplies on acct.</i>			
4/6	Cash	101	4,000	
	Services Revenue	403		4,000
	<i>Performed services for client</i>			
4/9	Accounts Receivable	106	60,000	
	Service Revenue	403		60,000
	<i>Performed Services on account</i>			
4/13	Accounts Payable	-	11,600	
	Cash	101		11,600
	<i>Settled account payable from 6/3</i>			
4/19	Prepaid Insurance	128	2,400	
	Cash	101		2,400
	<i>Purchased 12-month insurance policy</i>			
4/22	Cash	101	4,400	

	<i>Accounts Receivable</i>	106		4,400
	<i>Received partial payment for service from 6/9</i>			
4/25	<i>Accounts Receivable</i>	106	2,890	
	<i>Service Revenue</i>	403		2,890
	<i>Performed Services on account</i>			
4/28	<i>K. Tanner Withdrawals</i>	302	5,500	
	<i>Cash</i>	101		5,500
	<i>Tanner Withdrew 5,500 for personal use</i>			
4/29	<i>Office Supplies</i>	124	600	
	<i>Accounts Payable</i>	-		600
	<i>Purchased office supplies on account</i>			
4/30	<i>Utilities Expense</i>	690	435	
	<i>Cash</i>	101		435
	<i>Paid monthly utility bills</i>			
	Total		218, 425	218, 425

2. Post Journal entries to ledger accounts.

Cash (101)

<i>Date</i>	<i>Description</i>	<i>Post Ref.</i>	<i>Debit</i>	<i>Credit</i>	<i>Balance</i>	
					<i>Debit</i>	<i>Credit</i>
4/1	<i>Starting Capital</i>	<i>G1</i>	80,000		80,000	
4/2	<i>Rent</i>	<i>G1</i>		9,000	71,000	
4/6	<i>Revenue</i>	<i>G1</i>	4,000		75,000	
4/13	<i>Accounts Pay.</i>	<i>G1</i>		11,600	63,400	
4/19	<i>Insurance</i>	<i>G1</i>		2400	61,000	
4/22	<i>Payment for 6/9</i>	<i>G1</i>	4,400		65,400	
4/28	<i>Withdrawal</i>	<i>G1</i>		5,500	59,900	
4/30	<i>Utilities</i>	<i>G1</i>		435	59,465	

Accounts Receivable (106)

<i>Date</i>	<i>Description</i>	<i>Post Ref.</i>	<i>Debit</i>	<i>Credit</i>	<i>Balance</i>	
					<i>Debit</i>	<i>Credit</i>
4/9	Services Performed	G1	60,000		60,000	
4/22	Partial Payment	G1		4,400	55,600	
4/25	Services Performed	G1	2,890		58,490	

Office Supplies (124)

<i>Date</i>	<i>Description</i>	<i>Post Ref.</i>	<i>Debit</i>	<i>Credit</i>	<i>Balance</i>	
					<i>Debit</i>	<i>Credit</i>
4/3	Office Sup. Bought	G1	8,000		8,000	
4/29	Office Sup. Bought	G1	600		8,600	

Prepaid Insurance (128)

<i>Date</i>	<i>Description</i>	<i>Post Ref.</i>	<i>Debit</i>	<i>Credit</i>	<i>Balance</i>	
					<i>Debit</i>	<i>Credit</i>
4/19	Insurance	G1	2,400		2,400	

Prepaid Rent (131)

<i>Date</i>	<i>Description</i>	<i>Post Ref.</i>	<i>Debit</i>	<i>Credit</i>	<i>Balance</i>	
					<i>Debit</i>	<i>Credit</i>
4/2	Rent	G1	9,000		9,000	

Office Equipment (163)

<i>Date</i>	<i>Description</i>	<i>Post Ref.</i>	<i>Debit</i>	<i>Credit</i>	<i>Balance</i>	
					<i>Debit</i>	<i>Credit</i>
4/1	Starting Office Eqp.	G1	26,000		26,000	
4/3	Office Eqp. Bought	G1	3,600		29,600	

Accounts Payable (-)

<i>Date</i>	<i>Description</i>	<i>Post Ref.</i>	<i>Debit</i>	<i>Credit</i>	<i>Balance</i>	
					<i>Debit</i>	<i>Credit</i>
4/3	Office Sup. & Eqp.	G1		11,600		11,600
4/13	Paid Off	G1	11,600			0
4/29	Office Sup.	G1		600		600

K. Tanner Capital (301)

<i>Date</i>	<i>Description</i>	<i>Post Ref.</i>	<i>Debit</i>	<i>Credit</i>	<i>Balance</i>	
					<i>Debit</i>	<i>Credit</i>
6/1	Starting Capital	G1		106,000		106,000

K. Tanner Withdrawals (302)

<i>Date</i>	<i>Description</i>	<i>Post Ref.</i>	<i>Debit</i>	<i>Credit</i>	<i>Balance</i>	
					<i>Debit</i>	<i>Credit</i>
4/28	Personal Withdrawal	G1	5,500		5,500	

Services Revenue (403)

<i>Date</i>	<i>Description</i>	<i>Post Ref.</i>	<i>Debit</i>	<i>Credit</i>	<i>Balance</i>	
					<i>Debit</i>	<i>Credit</i>
4/6	Services Performed	G1		4,000		4,000
4/9	Services Performed	G1		60,000		64,000
4/25	Services Performed	G1		2,890		66,890

Utilities Expense (690)

<i>Date</i>	<i>Description</i>	<i>Post Ref.</i>	<i>Debit</i>	<i>Credit</i>	<i>Balance</i>	
					<i>Debit</i>	<i>Credit</i>
4/30	Utility Bills	G1	435		435	

3. Prepare a trial balance as of April 30.

<i>Trial Balance</i>			
<i>As of April 30</i>			
<i>Acct. No.</i>	<i>Account</i>	<i>Debit</i>	<i>Credit</i>
101	Cash	59,465	
106	Accounts Receivable	58,490	
124	Office Supplies	8,600	
128	Prepaid Insurance	2,400	
131	Prepaid Rent	9,000	
163	Office Equipment	29,600	
-	Accounts Payable		600
301	K. Tanner Capital		106,000
302	K. Tanner Withdrawals	5,500	
403	Services Revenue		66,890
690	Utilities Expense	435	
	Total	173,490	173,490