

1. April 1, 2013 Jiro Nozomi created a new travel agency, Adventure Travel. The following transactions

occurred during the company's first month.

1. Nozomi invested \$30,000 cash and computer equipment worth \$20,000 in the company.
2. The company rented furnished office space by paying \$1,800 cash for the first month's

(April) rent

3. The company purchased 51,000 of office supplies for cash.

10. The company paid \$2,400 cash for the premium on a 12-month insurance policy. Coverage

begins on April 11.

14. The company paid \$1,600 cash for two weeks' salaries earned by employees.

24. The company collected \$8,000 cash on commissions from airlines on tickets obtained for customers.

28. The company paid \$1,600 cash for two weeks' salaries earned by employees.

29. The company paid \$350 cash for minor repairs to the company's computer.

30. The company paid \$750 cash for this month's telephone bill.

Nozomi withdrew \$1,500 cash from the company for personal use.

Date	Accounts	Ref.No	Debit	Credit
Apr - 01	Cash	101	30,000	
	Computer equipment	167	20,000	
	Common stock	301		50,000
Apr - 02	Rent expense	640	1,800	
	Cash	101		1,800
Apr - 03	Office supplies	124	1,000	
	Cash	101		1,000
Apr - 10	Prepaid insurance	128	2,400	

	Cash	101		2,400
Apr - 14	Salaries expense	622	1,600	
	Cash	101		1,600
Apr - 24	Cash	101	8,000	
	Commission Earned	405		8,000
Apr - 28	Salaries expense	622	1,600	
	Cash	101		1,600
Apr - 29	Repairs expense	684	350	
	Cash	101		350
Apr - 30	Telephone expense	688	750	
	Cash	101		750
Apr - 30	Dividends	302	1,500	
	Cash	101		1,500

Unadjusted Trail Balance		
	Debit	Credit
Cash	27,000	
Computer Equipment	20,000	
Office supplies	1,000	
Common stock		50,000
Prepaid insurance	2,400	
Commission earned		8,000
Rent expense	1,800	
Salaries expense	3,200	
Repairs expense	350	
Telephone expense	750	
Dividends	1,500	
Total	58,000	58,000

S.No.	Accounts	Debit	Credit
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1	Insurance expense	133	
	Prepaid insurance		133
2	Office supplies expense	400	
	Office supplies		400
3	Depreciation expense - Computer equipment	500	
	Accumulated depreciation - computer equipment		500
4	Salaries expense	420	
	Salaries payable		420
5	Accounts receivable	1750	
	Commission earned		1750

	Unadjusted Trial balance		Adjustments		Adjusted trial balance	
	Debit	Credit	Debit	Credit	Debit	Credit
Cash	27,000				27,000	
Computer equipment	20,000				20,000	
Office supplies	1,000			400	600	
Common stock		50,000				50,000
Prepaid insurance	2,400			133	2,267	
Commission earned		8,000		1,750		9,750
Rent expense	1,800				1,800	
Salaries expense	3,200		420		3,620	
Repairs expense	350				350	
Telephone expense		750			750	

Dividends	1,500				1,500	
Insurance expense			133		133	
Office supplies expense			400		400	
Depreciation expense - computer expense			500		500	
Accumulated depreciation - computer equipment				500		500
Salaries payable				420		420
Accounts receivable			1,750		1,750	
	58,000	58,000	3,203	3,203	60,670	60,670

Income statement	
Commission earned	9750
Less: Expenses	
Rent expenses	1800
Salaries expense	3620
Repairs expense	350
Telephone expense	750
Insurance Expense	133
Office supplies expense	400
Depreciation expense - computer equipment	500
Net income	2197

Statement of retained earnings	
Net income for the year	2197
Less: Dividend	1500

Retained earnings		697
Balance Sheet		
Assets		
Cash		27000
Accounts receivable		1750
Office supplies		600
Prepaid insurance		2267
Total current assets		31617
Computer equipment	20000	
Less : Accumulated depreciation	500	19500
Total assets		51117

Liabilities and shareholders equity		
Salaries payable		420
Shareholder's equity		
Common stock	50000	
Retained earnings	697	50697
Total liabilities and shareholder's equity		51117

S.No.	Accounts	Debit	Credit
1	Commission earned	9750	
	Income summary		9750
2	Income summary	7553	
	Rent expense		1800
	Salaries expense		3620
	Repairs expense		350
	Telephone expense		750
	Insurance expense		133
	Office supplies expense		400
	Depreciation expense - computer		500

	equipment					
3	Income summary dividend		1500			
					1500	
4	Income summary		697			
	Retained earnings				697	
	Adjusted trial balance		Closing entries		Post-closing trial balance	
	Debit	Credit	Debit	Credit	Debit	Credit
Cash	27,000				27,000	
Computer equipment	20,000				20,000	
Office supplies	600				600	
Common stock		50,000				50,000
Prepaid insurance	2,267				2,267	
Commission earned		9,750	9,750			
Rent expense	1,800			1,800		
Salaries expense	3,620			3,620		
Repairs expense	350			350		
Telephone expense	750			750		
Dividends	1,500			1,500		
Insurance expense	133			133		
Office supplies expense	400			400		
Depreciation expense - computer equipment	500			500		
Accumulated depreciation		500				500

- computer equipment						
Salaries payable		420				420
Accounts receivable	1,750				1,750	
Retained earnings						697
Total	60,670	60,670	9,750	9,053	51,617	51,617

2.

Adjusting Entries						
1	Supplies expense			6600		
		Supplies				6600
2	Insurance expense			3800		
		Prepaid insurance				3800
3	Depreciation expense			8400		
		Accumulated Depreciation				8400
4	Utilities expense			650		

		Accounts payable				650
5	Wages expense			1800		
		Wages payable				1800
6	Rent expense			500		
		Rent payable				500
7	Property tax expense			1000		
		Property tax payable				1000
8	Interest expense			250		
		Interest payable				250

	Unadjusted Trail Balance	Adjustment	Adjusted trial Balance	Income Statement	Balance Sheet
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Account Names	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Cash	18500				18500				18500	
Supplies	9900			6600	3300				3300	
Prepaid Insurance	7200			3800	3400				3400	
Equipment	132000				132000				132000	
Accumulated Depreciation Equipment		26250		8400		34650				34650
Account payable		6800		650		7450				7450
Interest payable				250		250				250
Rent Payable				500		500				500
Wagers Payable				1800		1800				1800

Property tax payable		0		1000		1000				1000
Long-Term notes payable		25000				25000				25000
V. Ace Capital		88660				88660				88660
V. Ace Withdrawals	33000				33000				33000	
Construction fees earned		132100				132100		132100		
Depreciation expense-equipment			8400		8400		8400			
Wage expense	45860		1800		48660		48660			
Interest expense	2750		250		3000		3000			
Insurance expense			3800		3800		3800			
Rent expense	12000		500		12500		12500			
Supplies expense			6600		6600		6600			
Property tax expense	7800		1000		8800		8800			
Repairs expense	2910				2910		2910			
Utilities expense	5890		650		6540		6540			
Totals	278810	278810	23000	23000	291410	291410	101210	132100	190200	159310
Net income							132100	132100	190200	190200