** COMSATS University Islamabad, Lahore Campus, Lahore**

# Financial Accounting

# Fall 22 Semester

**Class BSSE**

**Instructor:** Haroon Abbas

**Class Quiz 2**

Sanlucas, Inc., provides home inspection services to its clients. The company’s trial balance dated June 1, 2011, is shown below:

**SANLUCAS, INC.**

**TRIAL BALANCE**

**JUNE 1, 2011**

Cash . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $ 5,100

Accounts receivable . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 2,600

Inspection supplies . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 800

Accounts payable . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $ 850

Notes payable . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 2,000

Dividends . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 600

Capital stock . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 3,000

Retained earnings . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 1,800

Inspection revenue . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 8,350

Salaries expense . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 4,900

Advertising expense . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 300

Testing expense . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 1,700

$16,000 $16,000

Sanlucas engaged in the following transactions in June:

June 4 Borrowed cash from Community Bank by issuing a $1,500 note payable.

June 9 Collected a $1,600 account receivable from Nina Lesher.

June 10 Purchased $150 of inspection supplies on account.

June 17 Billed home owners $1,650 for inspection services. The entire amount is due on July 17.

June 25 Paid WLIR Radio $200 for ads to be aired on June 27.

June 28 Recorded and paid $1,300 for testing expenses incurred in June.

June 30 Recorded and paid June salaries of $1,100.

**Instructions**

a . Record the company’s June transactions in general journal form. Include a brief explanation

of the transaction as part of each journal entry.

b . Post each entry to the appropriate ledger accounts.

c. Prepare a trial balance dated June 30, 2011.

d . Has the company paid all of the dividends that it has declared? Explain.