

**ACC1701XA**  
**SEMESTER 1 2025 / 2026**

**LECTURE 03**

**IN-CLASS EXERCISE**

SodaPup is a boutique catering company serving fizzy signature beverages and star-powered finger foods—delivered with high energy, big smiles, and a dancing crew that brings the party to life.

(1) Prepare **journal entries** for the following transactions for SodaPup that occurred in **July 2025** (there is no need for journal entry description):

- a. On 7<sup>th</sup> July 2025, SodaPup received \$15,000 in cash for services it has fully performed.
- b. On 15<sup>th</sup> July 2025, SodaPup received \$3,700 cash in advance from its customer PartyLife Company for services to be performed in September 2025.
- c. On 25<sup>th</sup> July 2025, SodaPup bought insurance and paid \$1,200 in cash. Coverage of the insurance will start on 1<sup>st</sup> August 2025 for a year.
- d. On 26<sup>th</sup> July 2025, SodaPup bought a new drink mixing equipment costing \$2,500 on credit from its supplier Yummy Beverages Company.

(2) Prepare **adjusting journal entries (AJEs)** for the following transactions at **30<sup>th</sup> September 2025**:

- a. SodaPup fully performed its services to PartyLife Company in September.
- b. SodaPup has not recorded insurance for the month of September.
- c. SodaPup owes its dance crew \$700 in September wages, which it plans to pay in October.
- d. Depreciation allocation for the month of September is \$80.
- e. SodaPup provided service to a customer for \$1,350 in September. Customer promises to pay in November 2025.