

Due Date:

Student Name:

Student ID:

**Plagiarism – a Zero mark will be given if you copy someone else's work or you let someone copy your work.**

**Martin Company had the following transactions during its first month of operations:**

- June 1 The company received cash of \$35,000 and issued common stock to the shareholders.
- 2 Borrowed \$20,000 from the bank and signed a longterm note payable.
- 8 Purchased equipment with a shortterm note payable for \$10,000.
- 9 Performed services billed at \$3,000 and received cash of \$3,000.
- 10 Performed services for a client on account, \$6,500.
- 12 Employees worked two weeks and were paid salaries of \$1,000.
- 15 Paid the shortterm note payable from the June 8 purchase.
- 22 Purchased office supplies on account for \$7,000.
- 30 Paid amount due for office supplies.
- 30 Paid June's monthly rent of \$500.
- 30 Paid the monthly income taxes of \$2,200.
- 30 The Board of Directors declared and paid dividends of \$1,000.

Required:

1. Journalize the entries.
2. Prepare a single step income statement for the first month of operations. Include a proper heading.
3. Prepare a statement of retained earnings for the first month of operations. Include a proper heading.