**Problem 2-4**

Muanim company was organized on October 1, 20XX to provide transportation for office and household furniture. The account titles, numbers and beginning balances on November 1 are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| 110 | Cash $300,000 | 202 | Unearned service revenue |
| 150 | Accounts receivable $100,000 | 300 | Share capital – ordinary $200,000 |
| 180 | Land | 301 | Retained earnings $102,000 |
| 191 | Equipment $52,000 | 302 | Dividends |
| 192 | Building | 400 | Moving service revenue |
| 194 | Trucks | 500 | Gasoline expense |
| 200 | Notes payable | 501 | Salaries expense |
| 201 | Accounts payable $150,000 | 502 | Utilities expenses |
| The transactions for November were as follows: | | | |

|  |  |
| --- | --- |
| 1 | Paid the amount due of $30,000 on the October 20 invoice, from EquipTox Company. |
| 3 | Purchased land for $170,000 and building for $360,000 and signed a note payable for the same to Meanoi Company. |
| 5 | Purchased six moving vans from Kotono Company at a total cost of $ 300,000. A note payable was issued for the purchase price. |
| 7 | Collected $80,000 of the amounts billed to Miss Susy, a customer on October 29. |
| 9 | Additional investments were made by the shareholders in exchange for ordinary shares $200,000. |
| 11 | Moved furniture for various clients for $50,000 and collected the cash in full. |
| 13 | Mr. Stup paid $8,000 in advance for services to be provided in December. |
| 15 | Paid dividends to shareholders $8,000. |
| 17 | Paid $300,000 to Kotono Company for the amount due. |
| 19 | Purchased facsimile equipment on account $1,900 from Sonyo Co. |
| 21 | Moved furniture for Wook Adver Agency from New york to LA for $29,500 on credit. |
| 23 | Received a gasoline bill for the month of November from Red Gas in the amount of $25,000 to be paid by December 10. |
| 25 | Paid salaries to employees in November $19,000. |
| 27 | Accrued utilities expense not yet paid for November $6,000. |

##### Instructions:

1. Journalize the transactions with the explanation.
2. Post to the ledger accounts.
3. Prepare a trial balance as on November 30, 20XX.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
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| Date | Account Titles and Explanations | Ref | Debit | Credit |
| Nov. 1 | Accounts Payable | 201 | 30,000 |  |
|  | Cash | 110 |  | 30,000 |
|  | (Paid invoice from Equiptox Company) |  |  |  |
| Nov. 3 | Land | 180 | 170,000 |  |
|  | Building | 192 | 360,000 |  |
|  | Notes Payable | 200 |  | 530,000 |
|  | (Purchased land and building and signed a note payable) |  |  |  |
| Nov. 5 | Truck | 194 | 300,000 |  |
|  | Notes Payable | 200 |  | 300,000 |
|  | (Purchased six moving trucks via note payable) |  |  |  |
|  |  |  |  |  |
| Nov. 7 | Cash | 110 | 80,000 |  |
|  | Accounts Receivable | 150 |  | 80,000 |
|  | (Collected billed to /miss Susy) |  |  |  |
| Nov. 9 | Cash | 110 | 200,000 |  |
|  | Shard Capital-Ordinary | 300 |  | 200,000 |
|  | (Additional Investment) |  |  |  |
|  |  |  |  |  |
| Nov. 11 | Cash | 110 | 50,000 |  |
|  | Moving service revenue | 400 |  | 50,000 |
|  | (Moved furniture for clients and collect cash) |  |  |  |
|  |  |  |  |  |
| Nov. 13 | Cash | 110 | 8,000 |  |
|  | Unearned service revenue | 202 |  | 8,000 |
|  | (Mr.Stup paid in advance for December) |  |  |  |
|  |  |  |  |  |
| Nov. 15 | Dividends | 302 | 8,000 |  |
|  | Cash | 110 |  | 8,000 |
|  | (Paid dividends to shareholders) |  |  |  |
| Nov. 17 | Note Payable | 200 | 300,000 |  |
|  | Cash | 110 |  | 300,000 |
|  | (Paid the amount due to Kotono Company) |  |  |  |
|  |  |  |  |  |
| Nov. 19 | Equipment | 191 | 1,900 |  |
|  | Accounts Payable | 201 |  | 1,900 |
|  | (Purchased facsimile equipment on account) |  |  |  |
|  |  |  |  |  |
| Nov. 21 | Accounts Receivable | 150 | 29,500 |  |
|  | Moving Service Revenue | 400 |  | 29,500 |
|  | (moved furniture for Wook Adver Agency on account) |  |  |  |
|  |  |  |  |  |
| Nov. 23 | Gasoline Expense | 500 | 25,000 |  |
|  | Accounts Payable | 201 |  | 25,000 |
|  | (Received a gasoline bill to be paid on December 10) |  |  |  |
|  |  |  |  |  |
| Nov. 25 | Salaries Expense | 501 | 19,000 |  |
|  | Cash | 110 |  | 19,000 |
|  | (Paid salaries to employees) |  |  |  |
|  |  |  |  |  |
| Nov. 27 | Utilities Expense | 502 | 6,000 |  |
|  | Accounts Payable | 201 |  | 6,000 |
|  | (Accrued utilities expense not yet paid) |  |  |  |
|  |  |  |  |  |

General Ledgers

|  |  |
| --- | --- |
| Cash | No. 110 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Explanation | Ref | Debit | Credit | Balance |
| **Nov. 1** | **Beginning Balance** | **/** |  |  | **300,000** |
| 1 |  | J1 |  | 30,000 | 270,000 |
| 7 |  | J1 | 80,000 |  | 350,000 |
| 9 |  | J1 | 200,000 |  | 550,000 |
| 11 |  | J1 | 50,000 |  | 600,000 |
| 13 |  | J1 | 8,000 |  | 608,000 |
| 15 |  | J1 |  | 8,000 | 600,000 |
| 17 |  | J1 |  | 300,000 | 300,000 |
| 25 |  | J1 |  | 19,000 | **281,000** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Accounts Receivable | | | | | No. 150 |
| Date | Explanation | Ref. | Debit | Credit | Balance |
| **Nov. 1** | **Beginning Balance** | **/** |  |  | **100,000** |
| 7 |  | J1 |  | 80,000 | 20,000 |
| 21 |  | J1 | 29,500 |  | 49,500 |
|  |  |  |  |  |  |
| Land | | | | | No. 180 |
| Date | Explanation | Ref. | Debit | Credit | Balance |
| Nov. 3 |  | J1 | 170,000 |  | 170,000 |
|  |  |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Equipment | | | | | No. 191 |
| Date | Explanation | Ref. | Debit | Credit | Balance |
| **Nov. 1** | **Beginning Balance** | **/** |  |  | **52,000** |
| 19 |  | J1 | 1,900 |  | 53,900 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Building | | | | | No. 192 |
| Date | Explanation | Ref. | Debit | Credit | Balance |
| Nov. 3 |  | J1 | 360,000 |  | 360,000 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Trucks | | | | | No. 194 |
| Date | Explanation | Ref. | Debit | Credit | Balance |
| Nov. 5 |  | J1 | 300,000 |  | 300,000 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Notes Payable | | | | | No. 200 |
| Date | Explanation | Ref. | Debit | Credit | Balance |
| Nov. 3 |  | J1 |  | 530,000 | 530,000 |
| 5 |  | J1 |  | 300,000 | 830,000 |
| 17 |  | J1 | 300,000 |  | 530,000 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Accounts Payable | | | | | No. 201 |
| Date | Explanation | Ref. | Debit | Credit | Balance |
| **Nov. 1** | **Beginning Balance** | **/** |  |  | **150,000** |
| 1 |  | J1 | 30,000 |  | 120,000 |
| 19 |  | J1 |  | 1,900 | 121,900 |
| 23 |  | J1 |  | 25,000 | 146,900 |
| 27 |  | J1 |  | 6,000 | 152,900 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Unearned Service Revenue | | | | | No. 202 |
| Date | Explanation | Ref. | Debit | Credit | Balance |
| 13 |  | J1 |  | 8,000 | 8,000 |
|  |  |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Share Capital – Ordinary | | | | | No. 300 |
| Date | Explanation | Ref. | Debit | Credit | Balance |
| **Nov. 1** | **Beginning Balance** | **/** |  |  | **200,000** |
| 9 |  | J1 |  | 200,000 | 400,000 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Retained Earnings | | | | | No. 301 |
| Date | Explanation | Ref. | Debit | Credit | Balance |
| **Nov. 1** | **Beginning Balance** | **/** |  |  | **102,000** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Dividends | | | | | No. 302 |
| Date | Explanation | Ref. | Debit | Credit | Balance |
| Nov. 15 |  | J1 | 8,000 |  | 8,000 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Moving Service Revenue | | | | | No. 400 |
| Date | Explanation | Ref. | Debit | Credit | Balance |
| Nov.11 |  | J1 |  | 50,000 | 50,000 |
| 21 |  | J1 |  | 29,500 | 79,500 |
|  |  |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Gasoline Expense | | | | | No. 500 |
| Date | Explanation | Ref. | Debit | Credit | Balance |
| Nov. 23 |  | J1 | 25,000 |  | 25,000 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Salaries Expense | | | | | No. 501 |
| Date | Explanation | Ref. | Debit | Credit | Balance |
| Nov. 25 |  | J1 | 19,000 |  | 19,000 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Utilities Expense | | | | | No. 502 |
| Date | Explanation | Ref. | Debit | Credit | Balance |
| Nov. 27 |  | J1 | 6,000 |  | 6,000 |

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| --- |
| Muanim Company |
| Trial Balance |
| November 30, 20xx |

|  |  |  |  |
| --- | --- | --- | --- |
| Account Number | Account Titles | Debit | Credit |
| 110 | Cash | 281,000 |  |
| 150 | Accounts Receivable | 49,500 |  |
| 180 | Land | 170,000 |  |
| 191 | Equipment | 53,900 |  |
| 192 | Building | 360,000 |  |
| 194 | Trucks | 300,000 |  |
| 200 | Note Payable |  | 530,000 |
| 201 | Accounts Payable |  | 152,900 |
| 202 | Unearned Service revenue |  | 8,000 |
| 300 | Share Capital-Ordinary |  | 400,000 |
| 301 | Retained Earnings |  | 102,000 |
| 302 | Dividends | 8,000 |  |
| 400 | Moving service revenue |  | 79,500 |
| 500 | Gasoline Expense | 25,000 |  |
| 501 | Salaries Expense | 19,000 |  |
| 502 | Utilities Expense | 6,000 |  |
|  | Total | 1,272,400 | 1,272,400 |
|  |  |  |  |