**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.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | GENERAL JOURNAL |  |  | Page 1 |
| Date | Account Titles and Explanations | Ref | Debit | Credit |
| Nov 1 | Account payable  Cash  (Pay amount due to EquipTox Company) | 201  110 | 30,000 | 30,000 |
| Nov 3 | Land  Building  Note payable  (Buy land and building on note payable | 180  192  200 | 170,000  360,000 | 530,000 |
| Nov 5 | Trucks  Note payable  (Buy 6 moving van on note payable) | 194  200 | 300,000 | 300,000 |
| Nov 7 | Cash  Account Receivable  (Receive Cash bill from Miss Sussy) | 110  150 | 80,000 | 80,000 |
| Nov 9 | Cash  Share capital – ordinary  (Additional investments for ordinary shares) | 110  300 | 200,000 | 200,000 |
| Nov 11 | Cash  Moving service revenue  (Moving service revenue) | 110  400 | 50,000 | 50,000 |
| Nov 13 | Cash  Unearned service revenue  (receive payment in advance for service in December) | 110  202 | 8,000 | 8,000 |
| Nov 15 | Dividends  Cash  (Pay Dividends) | 302  110 | 8,000 | 8,000 |
| Nov 17 | Note payable  Cash  (Pay amount due to Kotono Company) | 200  110 | 300,000 | 300,000 |
| Nov 19 | Equipment  Account payable | 191  201 | 1,900 | 1,900 |
| Nov 21 | Account receivable  Moving service revenue  (Receive moving service revenue on credit) | 150  400 | 29,500 | 29,500 |
| Nov 23 | Gasoline expense  Account payable | 5002  01 | 25,000 | 25,000 |
| Nov 25 | Salary  Cash | 501  110 | 19,000 | 19,000 |
| Nov 27 | Utilities  Account payable | 502  201 | 6,000 | 6,000 |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

2. General Ledgers

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Explanation | Ref | Debit | Credit | Balance |
| Nov1 | Pay back amount due | J1 |  | 30,000 | 270,000 |
| Nov 7 |  | J1 | 80,000 |  | 350,000 |
| Nov 9 |  | J1 | 200,000 |  | 550,000 |
| Nov 11 |  | J1 | 50,000 |  | 600,000 |
| Nov 13 |  | J1 | 8,000 |  | 608,000 |
| Nov 15 | Pay for dividends | J1 |  | 8,000 | 600,000 |
| Nov 17 |  | J1 |  | 300,000 | 300,000 |
| Nov 25 |  | J1 |  | 19,000 | 281,000 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Accounts Receivable | | | | | No. 150 |
| Date | Explanation | Ref. | Debit | Credit | Balance |
| Nov 7 |  | J1 |  | 80,000 | 20,000 |
| Nov 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 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 |
| Nov 5 |  | J1 |  | 300,000 | 830,000 |
| Nov 17 |  | J1 | 300,000 |  | 530,000 |

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

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

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Retained Earnings | | | | | No. 301 |
| Date | Explanation | Ref. | Debit | Credit | Balance |
| Nov 11 | Moving service revenue | J1 |  | 50,000 | 152,000 |
| Nov 15 | Devidents | J1 | 8,000 |  | 144,000 |
| Nov 21 | Moving service revenue | J1 |  | 29,500 | 173,500 |
| Nov 23 | Gasoline expense | J1 | 25,000 |  | 148,500 |
| Nov 25 | Salary | J1 | 19,000 |  | 129,500 |
| Nov 27 | Utilities | J1 | 6,000 |  | 123,500 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

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

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

c.

|  |
| --- |
|  |
|  |
|  |

|  |  |  |  |
| --- | --- | --- | --- |
| Account Number | Account Titles | Debit | Credit |
| 110 | Cash | 28100 |  |
| 150 | Account Receivable | 49500 |  |
| 180 | Land | 170000 |  |
| 191 | Equipment | 53900 |  |
| 192 | Building | 360000 |  |
| 194 | Trucks | 300000 |  |
| 200 | Note payable |  | 530000 |
| 201 | Account payable |  | 152900 |
| 202 | Unearned Service Revenue |  | 8000 |
| 300 | Share Capital Ordinary |  | 400000 |
| 302 | Dividents | 8000 |  |
| 400 | Moving Service Revenue |  | 79500 |
| 500 | Gasoline expense | 25000 |  |
| 501 | Salaries expense | 19000 |  |
| 502 | Utilities expense | 6000 |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |