

**Sunrise Electronics, owned by Mr. Loyd Cruz, engaged in selling home appliances.**

The following are the transactions for the month of **January 2025**:

**January**

1. Mark invested cash ₱2,000,000 and computer equipment ₱150,000 to start the business.
2. Rented a store building and paid three months' rent in advance ₱120,000.
3. Purchased appliances for resale ₱800,000; paid 60% cash and the balance on account.
4. Sold appliances on account to Customer A (Invoice No. 01) ₱350,000.
5. Paid advertising expense ₱25,000 in cash.
6. Purchased office furniture ₱45,000 on account.
7. Received cash from Customer A ₱100,000 as partial settlement.
8. Paid salaries of employees ₱40,000.
9. Bought additional merchandise for resale ₱300,000, cash.
10. Mark withdrew ₱30,000 cash for personal use (drawing).
11. Paid utilities ₱18,500.
12. Sold appliances (Invoice No. 02) ₱420,000, customer paid 50% cash and balance on account.
13. Set up allowance for doubtful accounts equal to **3% of accounts receivable**.
14. Collected ₱150,000 from various customers.
15. Paid creditor ₱200,000 for previous merchandise purchased on account.
16. Purchased delivery truck for ₱600,000; paid ₱200,000 cash and signed a note payable for the balance.
17. Paid insurance premium for one year ₱36,000.
18. Wrote off a customer's account deemed uncollectible ₱12,000 (bad debt).
19. Paid ₱20,000 for repairs and maintenance of store equipment.
20. Received ₱50,000 miscellaneous income from old appliance disposal.
21. Paid remaining salaries ₱35,000.
22. Paid interest expense on bank loan ₱8,000.
23. Mark withdrew additional ₱15,000 worth of appliances for personal use.
24. Collected ₱90,000 from Customer B.
25. Paid the balance of rent payable ₱40,000.
26. Deposited additional cash investment by Mark ₱500,000.
27. Paid supplier ₱100,000 for partial settlement of account.
28. Sold appliances (Invoice No. 03) ₱280,000 all on account.
29. Paid utilities ₱12,500.
30. Paid end-of-month salaries ₱42,000.

Cash

Computer Equipment

Prepaid Rent

Inventory (or Purchases)

Accounts Receivable

Advertising Expense

Office Furniture

Salaries Expense

Utilities Expense

Bad Debt Expense

Allowance for Doubtful Accounts (used as Dr in write-off)  
Prepaid Insurance  
Repairs & Maintenance Expense  
Miscellaneous Income (if treated as contra, but usually Cr — in my entries it was Cr only)  
Interest Expense  
Drawings (Owner's Withdrawals)  
Capital  
Accounts Payable  
Sales Revenue  
Advertising Expense (no, always debit — ignore)  
Allowance for Doubtful Accounts (used as Cr in estimate)  
Notes Payable  
Inventory (for goods withdrawn as drawings)  
Other Income / Miscellaneous Income