

PRACTICE QUESTION

Question 1

The Zuni Co. has the following accounts in its ledger: Cash; Accounts Receivable; Supplies; Office Equipment; Accounts Payable; Gayle McCall, Capital; Gayle McCall, Drawing; Fees Earned; Rent Expense; Advertising Expense; Utilities Expense; Miscellaneous Expense.

Following transactions took place during the month of August:

- August 1. Paid rent for the month, \$1,500.
2. Paid advertising expense, \$700.
4. Paid cash for supplies, \$1,050.
6. Purchased office equipment on account, \$7,500.
8. Received cash from customers on account, \$3,600.
12. Paid creditor on account, \$1,150.
20. Withdrew cash for personal use, \$1,000.
25. Paid cash for repairs to office equipment, \$500.
30. Paid telephone bill for the month, \$195.
31. Fees earned and billed to customers for the month, \$10,150.
31. Paid electricity bill for the month, \$380.

Required

- Journalize the following selected transactions for August 2005 in a two-column journal.
- Post the entries prepared in (a) to the following T accounts

Question 2

Shaun Wilcox, an architect, opened an office on April 1, 2006. During the month, he completed the following transactions connected with his professional practice:

- Transferred cash from a personal bank account to an account to be used for the business, \$17,500.
- Purchased used automobile for \$15,300, paying \$4,000 cash and giving a note payable for the remainder.
- Paid April rent for office and workroom, \$2,200.
- Paid cash for supplies, \$660.
- Purchased office and computer equipment on account, \$5,200.
- Paid cash for annual insurance policies on automobile and equipment, \$1,200.
- Received cash from a client for plans delivered, \$3,725.
- Paid cash to creditors on account, \$1,800.
- Paid cash for miscellaneous expenses, \$235.
- Received invoice for blueprint service, due in May, \$650.
- Recorded fee earned on plans delivered, payment to be received in May, \$3,500.
- Paid salary of assistant, \$1,300.
- Paid cash for miscellaneous expenses, \$105.
- Paid installment due on note payable, \$200.
- Paid gas, oil, and repairs on automobile for April, \$115.

Required

- Journalize the following selected transactions for August 2005 in a two-column journal.
- Post the entries prepared in (a) to the following T accounts
- Prepare Trial Balance