## Question NO. 01

John F. is a real estate firm. The business transactions in year 2020 are listed below.

**Apr. 1** John and several others invested $800,000 cash in the business in exchange for $10,000 shares of capital stock.

**Apr. 6** The company purchased office facilities for $400,000, of which $80,000 was applicable to the land, and $320,000 to the building. A cash payment of $90,000 was made and a note payable was issued for the balance of the purchase price.

**Apr. 10** Computer equipment was purchased from PCPAK for $10,000 cash.

**Apr. 12** Office furnishings were purchased from BAC Furniture at a cost of $10,000. A $1,000 cash payment was made at the time of purchase, and an agreement was made to pay the remaining balance in two equal installments due May 1 and June 1.

**Apr. 20** Office supplies were purchased from Office Planet for $800 cash.

**Apr. 25** John discovered that it paid too much for a computer printer purchased on April 10. The unit should have cost only $500, but he was charged $550. PCPAK promised to refund the difference within seven days.

**Apr. 28** Mailed BAC Furniture the first installment due on the account payable for office furnishings purchased on April 12.

**Apr. 29** Received $50 from PCPAK in full settlement of the account receivable created on April 25.

**May. 02** The company issued an additional 2,000 shares of capital stock at $6 per share. The cash raised will be used to purchase new equipment.

**May. 05** On June 1, the company billed customers $3,000 on account for services rendered. Customers are required to make full payment within 30 days.

**May. 28** The company received $500 cash from customers it had billed on May 05.

## Question NO. 02

Semantic Co. is medical cleaning firm in UK. Transactions are as follows:

**Mar. 2** The corporation issued 50,000 shares of capital stock to Lahmon in exchange for $50,000 cash.

**Mar. 4** Purchased a truck for $60,000. Made a $10,000 cash down payment and the remaining amount will be paid later.

**Mar. 5** Paid $2,000 rent of office space for the month.

**Mar. 9** Billed customers $9,500 for services for the first half of Month.

**Mar. 10** Paid $6,700 in salaries earned by employees.

**Mar. 19** Paid Kenn’s Auto $800 for maintenance and repair services on the company truck.

**Mar. 20** Collected $4,200 of the amounts billed to customers on March 9.

**Mar. 28** Billed customers $12,200 for services performed during the second half of the month.

**Mar. 30** Paid $7,200 in salaries earned by employees during the second half of the month.

**Mar. 30** Received a $720 bill from Jahangir Petroleum for fuel purchased in March. The entire amount is due by April 15.

**Requirements: Make general entries, post in general ledgers and prepare trail balance of both questions**