

Solution:

GENERAL JOURNAL (in thousands of \$)

Name: Tsugawa Nursery

Date	Particulars	L.F.	Debit	Credit
(a)	Merchandise Inventory To Accounts Payable (Being acquisition of inventory on open account.)		550	550
(b)	Accounts Receivable To Sales Revenue (Being sales on credit.)		810	810
(c)	Cost of Goods Sold To Merchandise Inventory (Being cost of goods sold to customers.)		536	536
(d)	Prepaid Rent To Cash (Being disbursement of rent.)		25	25
(e)	Salaries & Wages Expense To Cash (Being disbursement for salaries.)		165	165
(f)	Miscellaneous Expense To Cash (Being payment for sundry expenses.)		75	75
(g)	Notes Receivable To Cash (Being lending of money and signing of note.)		40	40
(h)	Cash To Notes Payable (Being borrowing from supplier.)		80	80
(i)	Cash To Accounts Receivable (Being collection of dues.)		692	692
(j)	Accounts Payable To Cash (Being payments of dues.)		472	472

(k)	Rent Expense To Prepaid Rent (Being recognition of rent)		3	3
(l)	Depreciation Expense To Accumulated Depreciation (Being depreciation for the year)		6	6
(m)	Salaries & Wages Expense To Cash (Being salaries of 31 December)		6	6
(n)	Cash To Interest Revenue (Being interest received on due)		1	1
(o)	Interest Expense To Cash (Being interest paid on due)		0.5	0.5

Based on the above journal entries & balance sheet of the previous month, we can create T-accounts for the accounts as follows:

Cash	
24	25
80	165
692	75
1	40
	472
	6
	0.5

Accounts Receivable	
40	692
810	

Merchandise Inventory	
131	536
550	

Prepaid Rent	
4	3
25	

Accounts Payable	
472	116
	550

Paid-in Capital	
	40

Retained Earnings	
	79

Sales Revenue	
	810

Salaries & Wages Expense	
6	
165	

Store equipment
60

Cost of Goods Sold
536

Rent Expense
3

Miscellaneous Expense
75

Accumulated depreciation
24
6

Notes Payable
80

Depreciation Expense
6

Notes Receivable
40

Interest Revenue (Expense)
0.5
1

Based on these, the trial balance is given by:

TRIAL BALANCE (in \$)

Name of Account	Debit	Credit
Cash	13,500	
Accounts Receivable	158,000	
Merchandise Inventory	145,000	
Prepaid Rent	26,000	
Store Equipment	60,000	
Notes Receivable	40,000	
Accumulated Depreciation, Store Eq.		30,000
Accounts Payable		194,000
Notes Payable		80,000
Paid in Capital		40,000
Retained Earnings		79,000
Sales Revenue		810,000
Cost of Goods Sold	536,000	
Miscellaneous Expense	75,000	
Rent Expense	3,000	
Depreciation Expense	6,000	
Salaries & Wages Expense	171,000	
Interest Revenue (Expense)		500
Total	1,233,500	1,233,500