

Solution:

(1)

The beginning balances are added as follows:

Total Assets		Total Liabilities	
50,000			30,000

Total Stockholders' Equity	
	20,00

(2)

Journal entries are as follows:

Inventory To Cash (Being acquisition of inventory on cash)	65,000	65,000
Cash Cost of Goods Sold To Inventory To Sales Revenue (Being sales of goods)	100,000 65,000	65,000 100,000
Expenses To Cash (Being payment of other expenses)	20,000	20,000

Posting to the T-accounts, we get the following:

Cash		Inventory	
100,000	65,000 20,000	65,000	65,000
Expenses		Cost of Goods Sold	
20,000		65,000	
Sales Revenue			
		100,000	

(3)

The trial balance is prepared as follows:

TRIAL BALANCE (IN \$)

NAME: GAMMA CORPORATION

ACCOUNT	Debit	Credit
TOTAL ASSETS	50,000	
TOTAL LIABILITIES		30,000
TOTAL STOCKHOLDERS' EQUITY		20,000
CASH	15,000	
EXPENSES	20,000	
COST OF GOODS SOLD	65,000	
SALES REVENUE		100,000