

**Example 1.0**

Jan 1: Michelle contributed \$1000 from her savings to start a consulting business ("Blueberry").

Jan 1: Blueberry bought a computer for \$200.

Feb 15: Blueberry received \$400 (for consulting services).

Feb 28: Michelle withdrew \$100 from Blueberry.

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**What is the “profit” or “loss” made by Blueberry in each month?**

January	February

## Accounting Cycle

	Transaction (Source Document)	Adjustments	Closing
Journal entries	Step #1	Step #4 ("adjusting entries")	Step #8 ("closing entries")
Post to Ledger	Step #2	Step #5	Step #9
Prepare Trial Balance	Step #3 ("Unadjusted Trial Balance")	Step #6 ("Adjusted Trial Balance")	Step #10 ("Post-Closing Trial Balance")
		Step #7 Prepare Financial Statements	