Question **6**

Complete

Marked out of 90.00

Read Instructions at the bottom first

July 1st K. Samuels, sole shareholder of Samuels Internet Café Ltd., started his business by investing his cash savings of $8,200 for 100 shares of the business.

1st. Received a bank loan for $20,000.

2nd, Paid rent for the month of July and August. Total $2,200.

3rd, Bought office supplies worth 1,200 cash.

3rd, Bought computers for $10,300. Paid $3,500.

5th, Bought office equipment worth $3,100. Paid $600.

6th, Paid electrician expense $300 cash.

7th, Paid assembly expense $320 cash.

8th, Revenue of $7,200 cash for surfing internet.

10th, Revenue of $3,500 for games. Customer owed $2,500.

11th, Purchased Stationery for $150 cash.

13th, K. Samuels received a dividend of $10 per share from business for personal use.

15th, Received $100 as prepayment for internet surfing.

18th, Paid salary $1,570.

20th, Paid for repairs and maintenance $1,000.

22nd, Revenue of $1,200 cash for using MS Office.

24th, Paid $1,800 for the computers purchased on July 3rd.

28th, Revenue of $3,000 cash received from customers purchase from vending machine.

31st, Tax expenses to be paid before August 15th is $250.

31st, Adjusting entry for the rent for July.

For the month of July 2020:

1. Prepare General Ledger (T-accounts).

Note:

Asset: Cash, Accounts Receivable, Prepaid rent, Unused supplies, Computers, Office Equipment

Liabilities: Accounts Payable, Unearned Revenue; Bank Loan, Taxes Payable

Capital: Share Capital, Dividends

Revenue: Revenue from Internet, Revenue from Games, Revenue from MS Office, and Revenue from Vending Machine.

Expenses: Assembly expense, Electrical Expense, Maintenance Expense, Rent Expense, Salaries Expense, Tax Expense

2. Prepare journal entries and post the entries to the General Ledger.

3. Show the Trial Balance at period end.

4. Prepare Income Statement at period end.

5. Create a Statement of Changes of Equity at the period end.

6. Prepare Balance Sheet at period end.

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