

Bob Sample opened the Campus Laundromat on September 1, 2010. During the first month of operations the following transactions occurred.

- Sept. 1 Bob invested \$20,000 cash in the business.
- 2 The company paid \$1,000 cash for store rent for September.
- 3 Purchased washers and dryers for \$25,000, paying \$10,000 in cash and signing a \$15,000, 6-month, 12% note payable.
- 4 Paid \$1,200 for a one-year accident insurance policy.
- 10 Received a bill from the *Daily News* for advertising the opening of the laundromat \$200.
- 20 Bob withdrew \$700 cash for personal use.
- 30 The company determined that cash receipts for laundry services for the month were \$6,200.

The chart of accounts for the company is the same as that for Pioneer Advertising Agency plus the following: No. 154 Laundry Equipment, No. 610 Advertising Expense, No. 301 Bob Sample, Capital; and No. 306 Bob Sample, Drawing.

Instructions

- Journalize the September transactions. (Use J1 for the journal page number.)
- Open ledger accounts and post the September transactions.
- Prepare a trial balance at September 30, 2010.

P2-1A Frontier Park was started on April 1 by C. J. Mendez. The following selected events and transactions occurred during April.

- Apr. 1 Mendez invested \$40,000 cash in the business.
4 Purchased land costing \$30,000 for cash.
8 Incurred advertising expense of \$1,800 on account.
11 Paid salaries to employees \$1,500.
12 Hired park manager at a salary of \$4,000 per month, effective May 1.
13 Paid \$1,500 cash for a one-year insurance policy.
17 Withdrew \$1,000 cash for personal use.
20 Received \$5,700 in cash for admission fees.
25 Sold 100 coupon books for \$25 each. Each book contains 10 coupons that entitle the holder to one admission to the park.
30 Received \$8,900 in cash admission fees.
30 Paid \$900 on balance owed for advertising incurred on April 8.

Mendez uses the following accounts: Cash, Prepaid Insurance, Land, Accounts Payable, Unearned Admission Revenue, C. J. Mendez, Capital; C. J. Mendez, Drawing; Admission Revenue, Advertising Expense, and Salaries Expense.

Instructions

Journalize the April transactions.

HW
P2-2A Jane Kent is a licensed CPA. During the first month of operations of her business, the following events and transactions occurred.

- May 1 Kent invested \$25,000 cash.
2 Hired a secretary-receptionist at a salary of \$2,000 per month.
3 Purchased \$2,500 of supplies on account from Read Supply Company.
7 Paid office rent of \$900 cash for the month.
11 Completed a tax assignment and billed client \$2,100 for services provided.
12 Received \$3,500 advance on a management consulting engagement.
17 Received cash of \$1,200 for services completed for H. Arnold Co.
31 Paid secretary-receptionist \$2,000 salary for the month.
31 Paid 40% of balance due Read Supply Company.

Jane uses the following chart of accounts: No. 101 Cash, No. 112 Accounts Receivable, No. 126 Supplies, No. 201 Accounts Payable, No. 205 Unearned Revenue, No. 301 Jane Kent, Capital; No. 400 Service Revenue, No. 726 Salaries Expense, and No. 729 Rent Expense.

*Journalize transactions, post,
and prepare a trial balance.*

(SO 2, 4, 6, 7)



Journalize and post transactions
and prepare a trial balance.

(SO 2, 4, 6, 7)

P2-3A Jack Shellenkamp owns and manages a computer repair service, which had the following trial balance on December 31, 2009 (the end of its fiscal year).

BYTE REPAIR SERVICE

Trial Balance

December 31, 2009

Cash	\$ 8,000	
Accounts Receivable	15,000	
Parts Inventory	13,000	
Prepaid Rent	3,000	
Shop Equipment	21,000	
Accounts Payable		\$19,000
Jack Shellenkamp, Capital		41,000
	<u>\$60,000</u>	<u>\$60,000</u>

Summarized transactions for January 2010 were as follows:

1. Advertising costs, paid in cash, \$1,000.
2. Additional repair parts inventory acquired on account \$4,000.
3. Miscellaneous expenses, paid in cash, \$2,000.
4. Cash collected from customers in payment of accounts receivable \$14,000.
5. Cash paid to creditors for accounts payable due \$15,000.
6. Repair parts used during January \$4,000. (*Hint: Debit this to Repair Parts Expense.*)
7. Repair services performed during January: for cash \$6,000; on account \$9,000.
8. Wages for January, paid in cash, \$3,000.
9. Jack's drawings during January were \$3,000.

Instructions

- (a) Open T accounts for each of the accounts listed in the trial balance, and enter the opening balances for 2010.
- (b) Prepare journal entries to record each of the January transactions. (Omit explanations.)
- (c) Post the journal entries to the accounts in the ledger. (Add accounts as needed.)
- (d) Prepare a trial balance as of January 31, 2010.

Trial balance totals \$64,000

P2-1B Hyzer Disc Golf Course was opened on March 1 by Barry Schultz. The following selected events and transactions occurred during March:

Journalize a series of transactions.

(SO 2, 4)

- Mar. 1 Invested \$20,000 cash in the business.
3 Purchased Heeren's Golf Land for \$15,000 cash. The price consists of land \$12,000, shed \$2,000, and equipment \$1,000. (Make one compound entry.)

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- 5 Advertised the opening of the driving range and miniature golf course, paying advertising expenses of \$700.
- 6 Paid cash \$600 for a one-year insurance policy.
- 10 Purchased golf discs and other equipment for \$1,050 from Innova Company payable in 30 days.
- 18 Received \$340 in cash for golf fees earned.
- 19 Sold 100 coupon books for \$10 each. Each book contains 4 coupons that enable the holder to play one round of disc golf.
- 25 Withdrew \$800 cash for personal use.
- 30 Paid salaries of \$250.
- 30 Paid Innova Company in full.
- 31 Received \$200 cash for fees earned.

Barry Schultz uses the following accounts: Cash, Prepaid Insurance, Land, Buildings, Equipment, Accounts Payable, Unearned Revenue, B. Schultz, Capital; B. Schultz, Drawing; Golf Revenue, Advertising Expense, and Salaries Expense.

Instructions

Journalize the March transactions.

H.W.

Journalize transactions, post,
and prepare a trial balance.

(SO 2, 4, 6, 7)



P2-2B Maria Juarez is a licensed dentist. During the first month of the operation of her business, the following events and transactions occurred.

- April 1 Invested \$40,000 cash.
- 1 Hired a secretary-receptionist at a salary of \$600 per week payable monthly.
 - 2 Paid office rent for the month \$1,000.
 - 3 Purchased dental supplies on account from Smile Company \$4,000.
 - 10 Provided dental services and billed insurance companies \$5,100.
 - 11 Received \$1,000 cash advance from Trudy Borke for an implant.
 - 20 Received \$2,100 cash for services completed and delivered to John Stanley.
 - 30 Paid secretary-receptionist for the month \$2,400.
 - 30 Paid \$1,600 to Smile Company for accounts payable due.

Maria uses the following chart of accounts: No. 101 Cash, No. 112 Accounts Receivable, No. 126 Supplies, No. 201 Accounts Payable, No. 205 Unearned Revenue, No. 301 Maria Juarez, Capital, No. 400 Service Revenue, No. 726 Salaries Expense, and No. 729 Rent Expense.

Instructions

- (a) Journalize the transactions.
- (b) Post to the ledger accounts.
- (c) Prepare a trial balance on April 30, 2010.

Trial balance totals \$50,600

Journalize transactions, post,
and prepare a trial balance.

(SO 2, 4, 6, 7)

P2-3B Slowhand Services was formed on May 1, 2010. The following transactions took place during the first month.

Transactions on May 1:

1. Eric Clapton invested \$50,000 cash in the company, as its sole owner.
2. Hired two employees to work in the warehouse. They will each be paid a salary of \$2,800 per month.
3. Signed a 2-year rental agreement on a warehouse; paid \$24,000 cash in advance for the first year.
4. Purchased furniture and equipment costing \$30,000. A cash payment of \$10,000 was made immediately; the remainder will be paid in 6 months.
5. Paid \$1,800 cash for a one-year insurance policy on the furniture and equipment.

Transactions during the remainder of the month:

6. Purchased basic office supplies for \$500 cash.
7. Purchased more office supplies for \$1,500 on account.
8. Total revenues earned were \$20,000—\$8,000 cash and \$12,000 on account.
9. Paid \$400 to suppliers for accounts payable due.
10. Received \$3,000 from customers in payment of accounts receivable.
11. Received utility bills in the amount of \$200, to be paid next month.
12. Paid the monthly salaries of the two employees, totalling \$5,600.

Instructions

Trial balance totals \$91,300

- (a) Prepare journal entries to record each of the events listed. (Omit explanations.)

- (b) Post the journal entries to T accounts.
(c) Prepare a trial balance as of May 31, 2010.