

## Assignment # 1:

**Names and Roll numbers:**

**Due date: 10/06/2020**

1. ....
2. ....
3. ....
4. ....
5. ....

**Marks: 30**

**Weightage: 15**

The trial balance of ABC Used Auto Company, on April 30, 2020, exhibit the following accounts and their associated balances.

Cash	: \$10,000
Accounts Receivables	: 20,000
Autos Inventory	: 100,000
Accounts Payable	: 3,000
Notes Payable	: 70,000
Owner's Equity	: 57,000
Total Debit Column	: 130,000
Total Credit Column	: 130,000

The business rents operating space and equipment on a month to month basis. During May, the business has the following transactions:

- a. Invested additional \$20,000 cash in the business.
- b. Collected \$10,000 on accounts receivable.
- c. Paid \$2,000 on accounts payable.
- d. Sold autos for \$120,000 cash. Cost of autos sold was \$70,000. (Hint: The transaction involves cash, sales revenue, cost/expense, and inventory).
- e. Replenished inventory for \$60,000 cash.
- f. Paid rent expense \$14,000 in cash
- g. Paid utilities \$1,000 in cash
- h. Paid selling expense \$30,000 in cash
- i. Paid interest expense \$1,000 in cash

**Requirements:**

1. Journalize entries a to i above.
2. Post the entries to their respective ledger accounts keeping in context the information given above for the trial balance.
3. Prepare the trial balance as of May 31, 2020.
4. Prepare an income statement for the month of May. Ignore taxes.
5. Provide the closing entries.