

Assignment # 1

Let's assume that you are the head of accounting department of ABC Inc. The following are transactions of ABC Inc. Please provide the required journal entry to record the effects of the transaction.

(Tr#1)

ABC Inc. issued the common stock. The capital stock was increased by \$1,000. The company received \$1,000 of cash for this.

Cash	1,000
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Capital Stock	1,000
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(Tr#2)

ABC Inc. purchased supplies. \$500 was paid by cash, and \$300 will be paid next month.

Supplies	800
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Cash	500
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Accounts Payable	300
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(Tr#3)

ABC Inc. borrowed money from a bank. The loan was \$200,000.

Cash	200,000
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Loan	200,000
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(Tr#4)

ABC Inc. provides consulting service. It delivered consulting service to his customers. ABC Inc. was paid by \$500 of cash.

Cash 500

Service Revenue 500

(Tr#5)

ABC Inc. paid salaries to its employees. The salary of \$1,000 was paid by cash.

Salary Expense 1,000

Cash 1,000

(Tr#6)

ABC Inc. paid dividend to its shareholders. \$800 was paid by cash.

Retained Earnings 800

Cash 800

(Or Retained Earnings 800

Dividend payable 800

Dividend payable 800

Cash 800)

(Tr#7)

ABC Inc. paid accounts payable. \$300 was paid by cash to its suppliers.

Accounts Payable	300	
Cash		300

(Tr#8)

Today is the end of this month. ABC Inc. paid the rent fee to the landlord. The monthly rent fee is \$300 and \$900 was paid. The amount of \$300 is for this month. The \$600 is for the rent fee of the next month and the following month.

Rent Expense	300	
Pre-paid Rent Expense	600	
Cash		900

Additional reference sites:

1. Multiple ways for supplies

<https://www.accountingtools.com/articles/how-do-i-account-for-supplies.html>

2. Multiple ways for supplies (Just refer to the first table in the webpage)

<https://12foot.tistory.com/3>