

APPENDIX G

Subsidiary Ledgers and Special Journals

ASSIGNMENT CLASSIFICATION TABLE

<u>Learning Objectives</u>	<u>Questions</u>	<u>Brief Exercises</u>	<u>Exercises</u>	<u>A Problems</u>	<u>B Problems</u>
1. Describe the nature and purpose of a subsidiary ledger.	1, 2, 5, 7, 12	1, 2	1, 2, 3, 4, 5, 6, 7, 9, 11, 12	1A, 2A, 3A, 4A, 5A, 6A	1B, 2B, 3B, 4B, 5B
2. Explain how companies use special journals in journalizing.	3, 4, 6, 8, 9, 10, 13	3, 4, 5, 6	6, 7, 8, 10, 12	1A, 2A, 3A, 4A, 5A, 6A	1B, 2B, 3B, 4B, 5B
3. Indicate how companies post a multi-column journal.	11	7	1, 3, 9, 11, 13, 14	1A, 2A, 3A, 4A, 5A, 6A	1B, 2B, 3B, 4B, 5B

ASSIGNMENT CHARACTERISTICS TABLE

Problem Number	Description	Difficulty Level	Time Allotted (min.)
G-1A	Journalize transactions in cash receipts journal; post to control account and subsidiary ledger.	Simple	30–40
G-2A	Journalize transactions in cash payments journal; post to control account and subsidiary ledgers.	Simple	30–40
G-3A	Journalize transactions in multi-column purchases journal; post to the general and subsidiary ledgers.	Moderate	40–50
G-4A	Journalize transactions in special journals.	Moderate	50–60
G-5A	Journalize in sales and cash receipts journals; post; prepare a trial balance; prove control to subsidiary; prepare adjusting entries; prepare an adjusted trial balance.	Moderate	60–70
G-6A	Journalize in special journals; post; prepare a trial balance.	Complex	60–70
G-1B	Journalize transactions in cash receipts journal; post to control account and subsidiary ledger.	Simple	30–40
G-2B	Journalize transactions in cash payments journal; post to the general and subsidiary ledgers.	Simple	30–40
G-3B	Journalize transactions in multi-column purchases journal; post to the general and subsidiary ledgers.	Moderate	40–50
G-4B	Journalize transactions in special journals.	Moderate	50–60
G-5B	Journalize in purchases and cash payments journals; post; prepare a trial balance; prove control to subsidiary; prepare adjusting entries; prepare an adjusted trial balance.	Moderate	60–70

Correlation Chart between Bloom's Taxonomy, Learning Objectives and End-of-Chapter Exercises and Problems

Learning Objective	Knowledge	Comprehension	Application	Analysis	Synthesis	Evaluation
1. Describe the nature and purpose of a subsidiary ledger.	QG-1	QG-2 QG-5 QG-12 BEG-1 BEG-2 EG-2 EG-11	EG-1 EG-9 PG-5A EG-3 EG-11 PG-6A EG-4 EG-12 PG-1B EG-5 PG-1A PG-2B EG-6 PG-2A PG-3B EG-7 PG-3A PG-4B PG-4A PG-5B	QG-7		
2. Explain how companies use special journals in journalizing.		QG-3 QG-4 QG-6 QG-8 QG-9 QG-10 QG-13	BEG-3 BEG-4 BEG-5 BEG-6 EG-8 EG-10	EG-6 PG-4A PG-5B EG-7 PG-5A EG-10 PG-6A EG-12 PG-1B PG-1A PG-2B PG-2A PG-3B PG-3A PG-4B		
3. Indicate how companies post a multi-column journal.		QG-11 BEG-7 EG-11	EG-1 PG-2A PG-2B EG-3 PG-3A PG-3B EG-9 PG-4A PG-4B EG-13 PG-5A PG-5B EG-14 PG-6A PG-1A PG-1B			
Broadening Your Perspective		Real-World Focus	Financial Reporting (Mini Practice Set)			Decision Making Across the Organization Communication Ethics Case

ANSWERS TO QUESTIONS

1. A subsidiary ledger is a group of accounts with a common characteristic. The accounts are assembled together to facilitate the accounting process by freeing the general ledger from details concerning individual balances. The advantages of using subsidiary ledgers are that they:
 - ▶ Permit transactions affecting a single customer or single creditor to be shown in a single account, thus providing necessary up-to-date information on specific account balances.
 - ▶ Free the general ledger of excessive details relating to accounts receivable and accounts payable. As a result, a trial balance of the general ledger does not contain potentially thousands and thousands of individual account balances.
 - ▶ Assist in locating errors in individual accounts by reducing the number of accounts in one ledger and by using control accounts.
 - ▶ Permit a division of labor in posting by having one employee post to the general ledger and (a) different employee(s) post to the subsidiary ledgers.
2. (a) (1) Transactions to individual accounts are generally posted daily to the subsidiary ledger.
(2) In contrast, postings to the control accounts are usually made in total at the end of the month.
(b) A control account is a general ledger account that summarizes subsidiary ledger data. Subsidiary ledger accounts keep track of specific account activity (i.e., specific debtors or creditors). A subsidiary ledger is an addition to, and an expansion of, the general ledger.
3. Sales journal. Records entries for all sales of merchandise on account.
Cash receipts journal. Records entries for all cash received by the business.
Purchases journal. Records entries for all purchases of merchandise on account.
Cash payments journal. Records entries for all cash paid.

Some advantages of each journal are given below:

- ▶ Sales journal. (1) Since the sales journal employs only one line to record a sales transaction, its use reduces recording time; (2) the column totals are only posted to the general ledger once an accounting period; and (3) the journal's use separates responsibilities between employees.
- ▶ Cash receipts journal. (1) Its use aids in the posting process since the totals for Cash, Sales Discounts, Accounts Receivable, and Sales Revenue are all recorded in the general ledger only at the end of the month; and (2) it allows all accounts receivable credits to be posted to the appropriate subsidiary ledger accounts daily.
- ▶ Purchases journal. The advantages are similar to those of the sales journal except that items involved are Inventory debits and Accounts Payable credits.
- ▶ Cash payments journal. Similar advantages to cash receipts journal except the columns involved are different.

In general, special journals: (1) allow greater division of labor because various individuals can record entries in different journals at the same time; and (2) reduce posting time of journals.

4. The entry for the sales return should be recorded in the general journal. Since Burguet Company has a single-column sales journal, only credit sales can be recorded there. A purchase by Burguet Company has not taken place, so the use of the purchases journal is inappropriate. Finally, no cash is received or paid, so neither the cash receipts or cash payments journal should be used.

Questions Appendix G (Continued)

5. At the end of the month, after all postings to both the general ledger and the subsidiary accounts have been made, the total of the subsidiary account balances should equal the balance of the control account in the general ledger. In this case, the control account balance will be £450 larger than the total of the subsidiary accounts.
6. The purpose of special journals is to facilitate the recording process of the business entity. Therefore, the columns included in any special journal should correspond to the unique needs of the entity. In particular, one type of business which might not require an Accounts Receivable column would be grocery stores. These businesses rarely sell on credit to their customers. The minimum frequency of the transaction implies no need for an Accounts Receivable column in the cash receipts journal.
7. (a) No, the customers' ledger will not agree with the Accounts Receivable control account. The customers' ledger will be posted correctly, but the Accounts Receivable control account will be incorrect.
(b) The trial balance will balance, although Cash will be €4,000 too high and Accounts Receivable €4,000 too low.
8. The special journal is the sales journal. The other account is Sales Revenue. (The cash receipts journal is an incorrect answer because there would be more than two month-end postings to general ledger accounts.)
9. (a) General journal. (d) Sales journal.
(b) General journal. (e) Cash receipts journal.
(c) Cash receipts journal. (f) General journal.
10. (a) Cash receipts journal. (d) Purchases journal.
(b) Cash receipts journal. (e) General journal.
(c) General journal. (f) Cash payments journal.
11. Typically included would be credit purchases of equipment, office supplies, and store supplies. However, any other item purchased on credit could also be included in a special column or the "other" column.
12. One such example is a purchase return. Here the Accounts Payable control and subsidiary account must be debited for the same amount. The debit/credit equality is unaffected since the accounting equation is computed using general ledger (control) accounts only. The subsidiary accounts should prove to the control account balance.
13. The general journal may be used to record such transactions as the granting of credit to a customer for a sales return or allowance, the receipt of credit from a supplier for purchases returned, acceptance of a note receivable from a customer, or the purchase of a plant asset by issuing a note payable. In addition, all correcting, adjusting, and closing entries should be made in the general journal.

SOLUTIONS TO BRIEF EXERCISES

BRIEF EXERCISE G-1

Accounts Receivable Subsidiary Ledger					General Ledger				
Austin Co.					Accounts Receivable				
Date	Ref.	Debit	Credit	Balance	Date	Ref.	Debit	Credit	Balance
Jan. 7		10,000		10,000	Jan. 31		26,000		26,000
17			7,600	2,400	31			21,600	4,400
Diaz Co.									
Date	Ref.	Debit	Credit	Balance					
Jan. 15		7,000		7,000					
24			5,000	2,000					
Nichols Co.									
Date	Ref.	Debit	Credit	Balance					
Jan. 23		9,000		9,000					
29			9,000	0					

BRIEF EXERCISE G-2

- | | |
|-----------------------|-----------------------|
| (a) General ledger | (c) General ledger |
| (b) Subsidiary ledger | (d) Subsidiary ledger |

BRIEF EXERCISE G-3

- | | |
|---------------------------|---------------------------|
| (a) Cash Receipts Journal | (d) Sales Journal |
| (b) Cash Payments Journal | (e) Purchases Journal |
| (c) Cash Payments Journal | (f) Cash Receipts Journal |

BRIEF EXERCISE G-4

- | | |
|---------|---------|
| (a) No | (c) Yes |
| (b) Yes | (d) No |

BRIEF EXERCISE G-5

- (a) General Journal (if a one-column Purchases Journal)
Purchases Journal (if a multi-column Purchases Journal)**
- (b) Purchases Journal**
- (c) Cash Payments Journal**
- (d) Sales Journal**

BRIEF EXERCISE G-6

- (a) Cash Receipts Journal**
- (b) Cash Receipts Journal**
- (c) Cash Receipts Journal**
- (d) Sales Journal and Cash Receipts Journal**
- (e) Purchases Journal**

BRIEF EXERCISE G-7

- | | |
|------------------------------------|-----------------------|
| (a) Both in total and daily | (c) In total |
| (b) In total | (d) Only daily |

SOLUTIONS TO EXERCISES

EXERCISE G-1

- (a) £340,400. Beginning balance of £310,000 plus £161,400 debit from sales journal less £131,000 credit from cash receipts journal.
- (b) £83,600. Beginning balance of £77,000 plus £54,100 credit from purchases journal less £47,500 debit from cash payments journal.
- (c) The column total of £161,400 in the sales journal would be posted to the credit side of the Sales Revenue account and the debit side of the Accounts Receivable account in the general ledger.
- (d) The accounts receivable column total of £131,000 in the cash receipts journal would be posted to the credit side of the Accounts Receivable account in the general ledger.

EXERCISE G-2

To: Erica Henes, Chief Financial Officer

From: Student

Subject: Mailee Long account

The explanation of the three entries in the subsidiary ledger for the Mailee Long account is as follows:

- Sept. 2 This was a credit sale of merchandise to Long. The entry was recorded on page 31 of the Sales Journal.
- Sept. 9 This was a sales return or allowance granted to Long. The entry was recorded on page 4 of the General Journal.
- Sept. 27 This was a payment by Long of the balance due. The entry was recorded on page 8 of the Cash Receipts Journal.

If I can be of further help, please let me know.

EXERCISE G-3**(a) & (b)****General Ledger****Accounts Receivable**

Date	Explanation	Ref.	Debit	Credit	Balance
Sept. 1	Balance	✓			10,960
		S	4,690		15,650
		CR		7,160	8,490
		G		185	8,305

Accounts Receivable Subsidiary Ledger**Bohn**

Date	Explanation	Ref.	Debit	Credit	Balance
Sept. 1	Balance	✓			2,060
		S	1,260		3,320
		CR		1,440	1,880

Cao

Date	Explanation	Ref.	Debit	Credit	Balance
Sept. 1	Balance	✓			4,820
		S	840		5,660
		CR		2,300	3,360
		G		185	3,175

Han

Date	Explanation	Ref.	Debit	Credit	Balance
Sept. 1					0
		S	1,330		1,330
		CR		380	950

Lahr

Date	Explanation	Ref.	Debit	Credit	Balance
Sept. 1	Balance	✓			2,640
		CR		1,800	840

EXERCISE G-3 (Continued)

Zeyen

Date	Explanation	Ref.	Debit	Credit	Balance
Sept. 1	Balance	✓			1,440
		S	1,260		2,700
		CR		1,240	1,460

(c)

THONE PLC Schedule of Accounts Receivable As of September 30, 2017

Bohn	£1,880
Cao	3,175
Han	950
Lahr.....	840
Zeyen	<u>1,460</u>
Total	<u>£8,305</u>
Accounts Receivable.....	<u>£8,305</u>

EXERCISE G-4

- (a) €3,700 [€10,200 – (€4,000 + €2,500)].
- (b) €12,000 [€10,200 + (€9,000 + €7,000 + €8,300) – (€8,000 + €2,500 + €9,000) – €3,000].
- (c)
- | | | |
|--------|-------------------------------------|----------------|
| Burris | (€4,000 + €9,000 – €8,000) | € 5,000 |
| Uhlig | (€2,500 + €7,000 – €2,500 – €3,000) | 4,000 |
| Lopata | (€3,700 + €8,300 – €9,000) | <u>3,000</u> |
| | | <u>€12,000</u> |
- (d) The sales return (€3,000) would be recorded in the general journal.

EXERCISE G-5

- (a) NT\$101,250 [NT\$247,500 – (NT\$90,000 + NT\$56,250)].
- (b) NT\$289,250 [NT\$247,500 + (NT\$196,500 + NT\$157,500 + NT\$191,250) – (NT\$180,000 + NT\$52,000 + NT\$202,500) – NT\$69,000].
- (c)
- | | | |
|-------|--|--------------------|
| Tym | (NT\$90,000 + NT\$196,500 – NT\$180,000) | NT\$106,500 |
| Keyes | (NT\$56,250 + NT\$157,500 – NT\$52,000 – NT\$69,000) | 92,750 |
| Byrne | (NT\$101,250 + NT\$191,250 – NT\$202,500) | <u>90,000</u> |
| | | <u>NT\$289,250</u> |
- (d) The purchase return (NT\$69,000) would be recorded in the general journal.

EXERCISE G-6

(a) & (b)

PASHAK OAO Sales Journal

S1

Date	Account Debited	Invoice No.	Ref.	Accounts Receivable Dr. Sales Revenue Cr.	Cost of Goods Sold Dr. Inventory Cr.
2017					
Sept. 2	J. Witten	101		780	420
21	K. Morgan	102		<u>800</u>	<u>480</u>
				<u>1,580</u>	<u>900</u>

PASHAK OAO Purchases Journal

P1

Date	Account Credited	Terms	Ref.	Inventory Dr. Accounts Payable Cr.
2017				
Sept. 10	H. Gilles	2/10, n/30		600
25	G. Harvey	n/30		<u>835</u>
				<u>1,435</u>

EXERCISE G-7

(a) & (b)

NEWELL LTD. Cash Receipts Journal

CR1

Date	Account Credited	Ref.	Cash Dr.	Sales Discounts Dr.	Accounts Receivable Cr.	Sales Revenue Cr.	Other Accounts Cr.	Cost of Goods Sold Dr. Inventory Cr.
2017								
May 1	Share Capital— Ordinary		50,000				50,000	
2			6,340			6,340		4,200
22	N. Eggert		<u>9,000</u>		<u>9,000</u>	<u>6,340</u>	<u>50,000</u>	<u>4,200</u>
			<u>65,340</u>		<u>9,000</u>	<u>6,340</u>	<u>50,000</u>	<u>4,200</u>

EXERCISE G-7 (Continued)

NEWELL LTD.					
Cash Payments Journal					CP1
Date	Ck. No.	Account Debited	Ref.	Other Accounts Dr.	Accounts Payable Dr. Cash Cr.
2017					
May 3	101	Inventory		7,200	7,200
14	102	Salaries and Wages Expense		740	740
				<u>7,940</u>	<u>7,940</u>

EXERCISE G-8

(a) Journal	(b) Columns in the journal
1. Cash Payments	Cash (Cr.), Other Accounts (Dr.).
2. Cash Receipts	Cash (Dr.), Sales Discounts (Dr.), and Accounts Receivable (Cr.).
3. Cash Payments	Cash (Cr.), Other Accounts (Dr.).
4. Cash Payments	Cash (Cr.), Inventory (Cr.), and Accounts Payable (Dr.).
5. Cash Receipts	Cash (Dr.), Accounts Receivable (Cr.).
6. Cash Payments	Cash (Cr.), Other Accounts (Dr.).
7. Cash Payments	Cash (Cr.), Other Accounts (Dr.).
8. Cash Receipts	Cash (Dr.), Other Accounts (Cr.).
9. Cash Payments	Cash (Cr.), Other Accounts (Dr.).
10. Cash Receipts	Cash (Dr.), Sales Revenue (Cr.), Cost of Goods Sold (Dr.), and Inventory (Cr.).

EXERCISE G-9

(a)	Mar. 2	Equipment.....	9,400	
		Accounts Payable—Aleksic Company.....		9,400
	5	Accounts Payable—Dumont Company	410	
		Inventory.....		410
	7	Sales Returns and Allowances.....	365	
		Accounts Receivable—Gavin Company.....		365
		Inventory	245	
		Cost of Goods Sold.....		245

(b) To: President, Moncado plc

From: Chief Accountant

Subject: Posting of Control and Subsidiary Accounts

The posting of these accounts varies with the journals used in recording the transactions.

Sales and purchases journals—the total for the month is posted to the control accounts. The individual entries are posted daily to the subsidiary accounts.

Columnar cash receipts and cash payments journals—the total of the control account column for the month is posted to the control account. The individual amounts in the column are posted daily to the subsidiary accounts.

General journal—the individual entries are posted daily. Each entry that pertains to a control and a subsidiary account is dual posted. That is, it is posted to both the control account and the subsidiary account.

I hope this memo answers your questions about posting.

EXERCISE G-10

- | | |
|--------------------------|---------------------------|
| 1. Cash Payments Journal | 8. Cash Receipts Journal |
| 2. General Journal | 9. Cash Payments Journal |
| 3. Cash Receipts Journal | 10. Cash Payments Journal |
| 4. Cash Receipts Journal | 11. General Journal |
| 5. Sales Journal | 12. Cash Payments Journal |
| 6. Cash Receipts Journal | 13. Purchases Journal |
| 7. General Journal | |

EXERCISE G-11

- (a) The debit posting reference on February 28 should be from the cash payments journal to record the payments made during the month. The general ledger debit amount should be €29,370 to balance. Robillard's ending balance must be €2,500. (Accounts Payable control balance of €9,400 less Lawlor, €4,600, and Tilev, €2,300.)
- (b) Only the general journal amounts were dual posted. Thus, the amounts were €1,400 (Dr.), €195 (Cr.), and €550 (Cr.).

EXERCISE G-12

(a)

Purchases Journal				P1
Date	Account Credited	Ref.	Inventory Dr. Accounts Payable Cr.	
July 3	Dakota Co.	✓	2,400	
12	Montana Co.	✓	500	
14	Kansas Co.	✓	1,300	
17	Georgia Ltd.	✓	1,400	
20	Dakota Co.	✓	700	
21	Montana Co.	✓	600	
29	Georgia Corp.	✓	<u>1,600</u>	
			<u>8,500</u>	
			120/201	

EXERCISE G-12 (Continued)

(b)

General Journal				
Date	Accounts and Explanations	Ref.	Debit	Credit
July 1	Equipment.....	153	3,900	
	Accounts Payable—Alaska Equipment Co.....	201/✓		3,900
15	Inventory.....	120	600	
	Accounts Payable— Oklahoma Ltd..	201/✓		600
	(This entry should have been recorded in the Purchases Journal.)			
18	Accounts Payable—Georgia Ltd..	201/✓	380	
	Inventory.....	120		380
25	Accounts Payable—Kansas Co.	201/✓	200	
	Inventory.....	120		200

EXERCISE G-13

€1,150 (€280 + €240 + €310 + €190 + €130). All of the debit postings to the subsidiary ledger accounts should be from sales invoices. The total of all these debits should therefore be the total credit sales for the month, which would be the same amount as the end-of-month debit to Accounts Receivable.

EXERCISE G-14

- (a) €19,000 + €72,000 – €46,000 = €45,000
 (b) €22,000 + €100,000 – €48,000 = €74,000
 (c) €17,000 + €64,000 – €55,000 = €26,000
 (d) €13,500 + €72,000 – €1,000 – €63,600 = €20,900
 (e) €100,000 + €6,000 = €106,000

SOLUTIONS TO PROBLEMS

PROBLEM G-1A

(a)

Cash Receipts Journal

CR1

Date	Account Credited	Ref.	Cash Dr.	Sales Discounts Dr.	Accounts Receivable Cr.	Sales Revenue Cr.	Other Accounts Cr.	Cost of Goods Sold
								Dr. Inventory Cr.
Apr. 1	Share Capital—Ordinary	311	7,500				7,500	
4	Afzal	✓	1,764	36	1,800			
5	Jury Co.	✓	1,050		1,050			
8			7,845			7,845		4,460
10	Siem	✓	600		600			
11	Inventory	120	680				680	
23	Jury Co.	✓	1,500		1,500			
29	Milkie	✓	1,200		1,200			
			<u>22,139</u>	<u>36</u>	<u>6,150</u>	<u>7,845</u>	<u>8,180</u>	<u>4,460</u>
			(101)	(414)	(112)	(401)	(X)	(505)(120)

(b)

General Ledger

Accounts Receivable

No. 112

Date	Explanation	Ref.	Debit	Credit	Balance
Apr. 1	Balance	✓			7,450
30		CR1		6,150	1,300

Accounts Receivable Subsidiary Ledger

Siem

Date	Explanation	Ref.	Debit	Credit	Balance
Apr. 1	Balance	✓			1,550
10		CR1		600	950

PROBLEM G-1A (Continued)

Milkie

Date	Explanation	Ref.	Debit	Credit	Balance
Apr. 1	Balance	✓			1,200
29		CR1		1,200	0

Jury Co.

Date	Explanation	Ref.	Debit	Credit	Balance
Apr. 1	Balance	✓			2,900
5		CR1		1,050	1,850
23		CR1		1,500	350

Afzal

Date	Explanation	Ref.	Debit	Credit	Balance
Apr. 1	Balance	✓			1,800
4		CR1		1,800	0

(c) Accounts receivable balance: €1,300

Subsidiary account balances:

Siem	€ 950
Jury Co.	<u>350</u>
Total	<u>€1,300</u>

PROBLEM G-2A

(a)

Cash Payments Journal							CP1
Date	Ck. No.	Account Debited	Ref.	Other Accounts Dr.	Accounts Payable Dr.	Inventory Cr.	Cash Cr.
Oct. 1	63	Inventory	120	300			300
3	64	Equipment	157	1,200			1,200
5	65	Deavers Company	✓		2,700	54	2,646
10	66	Inventory	120	2,250			2,250
15	67	May Co.	✓		2,100		2,100
16	68	Cash Dividends	332	400			400
19	69	Greer Co.	✓		1,800	36	1,764
29	70	Snell Company	✓		2,500		2,500
				<u>4,150</u>	<u>9,100</u>	<u>90</u>	<u>13,160</u>
				(X)	(201)	(120)	(101)

(b)

General Ledger

Accounts Payable					No. 201
Date	Explanation	Ref.	Debit	Credit	Balance
Oct. 1	Balance	✓			11,000
31		CP1	9,100		1,900

Accounts Payable Subsidiary Ledger

Deavers Company

Date	Explanation	Ref.	Debit	Credit	Balance
Oct. 1	Balance	✓			2,700
5		CP1	2,700		0

PROBLEM G-2A (Continued)

Greer Co.

Date	Explanation	Ref.	Debit	Credit	Balance
Oct. 1	Balance	✓			2,500
19		CP1	1,800		700

May Co.

Date	Explanation	Ref.	Debit	Credit	Balance
Oct. 1	Balance	✓			2,100
15		CP1	2,100		0

Snell Company

Date	Explanation	Ref.	Debit	Credit	Balance
Oct. 1	Balance	✓			3,700
29		CP1	2,500		1,200

(c) Accounts payable balance: ₹ 1,900

Subsidiary account balances:

Greer Co.	₹ 700
Snell Company	<u>1,200</u>
	<u>₹ 1,900</u>

PROBLEM G-3A

(a)

Purchases Journal					P1
Date	Account Credited (Debited)	Ref.	Accounts Payable Cr.	Inventory Dr.	Other Accounts Dr.
July 1	Chad Company	✓	7,600	7,600	
2	Pegasus Shipping	✓	400	400	
5	Kivlin Company	✓	3,400	3,400	
13	Bowe Supply (Supplies)	126/✓	910		910
15	Chad Company	✓	3,600	3,600	
15	Goran Company	✓	3,300	3,300	
18	Wei Advertisements (Advertising Expense)	610/✓	640		640
24	Kivlin Company	✓	3,000	3,000	
26	Bowe Supply (Equipment)	157/✓	900		900
28	Pegasus Shipping	✓	380	380	
			<u>24,130</u>	<u>21,680</u>	<u>2,450</u>
			(201)	(120)	(X)

Sales Journal					S1
Date	Account Debited	Ref.	Accounts Receivable Dr. Sales Revenue Cr.	Cost of Goods Sold Dr. Inventory Cr.	
July 3	Effron Company	✓	1,300	910	
3	Pitas Bros.	✓	2,000	1,400	
16	Felber Company	✓	3,450	2,415	
16	Pitas Bros.	✓	1,570	1,099	
21	Effron Company	✓	310	217	
21	Musky Company	✓	2,680	1,876	
30	Felber Company	✓	5,600	3,920	
			<u>16,910</u>	<u>11,837</u>	
			(112)(401)	(505)(120)	

PROBLEM G-3A (Continued)

General Journal				G1
Date	Accounts and Explanations	Ref.	Debit	Credit
July 8	Accounts Payable—Kivlin Company.....	201/✓	300	
	Inventory.....	120		300
22	Sales Returns and Allowances	412	65	
	Accounts Receivable—Effron Company	112/✓		65

(b)

General Ledger					No. 112
Accounts Receivable					
Date	Explanation	Ref.	Debit	Credit	Balance
July 31		S1	16,910		16,910
22		G1		65	16,845

Inventory					No. 120
Date	Explanation	Ref.	Debit	Credit	Balance
July 31		P1	21,680		21,680
8		G1		300	21,380
31		S1		11,837	9,543

Supplies					No. 126
Date	Explanation	Ref.	Debit	Credit	Balance
July 13		P1	910		910

PROBLEM G-3A (Continued)**Equipment** **No. 157**

Date	Explanation	Ref.	Debit	Credit	Balance
July 26		P1	900		900

Accounts Payable **No. 201**

Date	Explanation	Ref.	Debit	Credit	Balance
July 31		P1		24,130	24,130
8		G1	300		23,830

Sales Revenue **No. 401**

Date	Explanation	Ref.	Debit	Credit	Balance
July 31		S1		16,910	16,910

Sales Returns and Allowances **No. 412**

Date	Explanation	Ref.	Debit	Credit	Balance
July 22		G1	65		65

Cost of Goods Sold **No. 505**

Date	Explanation	Ref.	Debit	Credit	Balance
July 31		S1	11,837		11,837

Advertising Expense **No. 610**

Date	Explanation	Ref.	Debit	Credit	Balance
July 18		P1	640		640

PROBLEM G-3A (Continued)**Accounts Receivable Subsidiary Ledger****Pitas Bros.**

Date	Explanation	Ref.	Debit	Credit	Balance
July 3		S1	2,000		2,000
16		S1	1,570		3,570

Effron Company

Date	Explanation	Ref.	Debit	Credit	Balance
July 3		S1	1,300		1,300
21		S1	310		1,610
22		G1		65	1,545

Felber Company

Date	Explanation	Ref.	Debit	Credit	Balance
July 16		S1	3,450		3,450
30		S1	5,600		9,050

Musky Company

Date	Explanation	Ref.	Debit	Credit	Balance
July 21		S1	2,680		2,680

Accounts Payable Subsidiary Ledger**Bowe Supply**

Date	Explanation	Ref.	Debit	Credit	Balance
July 13		P1		910	910
26		P1		900	1,810

PROBLEM G-3A (Continued)

Pegasus Shipping

Date	Explanation	Ref.	Debit	Credit	Balance
July 2		P1		400	400
28		P1		380	780

Chad Company

Date	Explanation	Ref.	Debit	Credit	Balance
July 1		P1		7,600	7,600
15		P1		3,600	11,200

Kivlin Company

Date	Explanation	Ref.	Debit	Credit	Balance
July 5		P1		3,400	3,400
8		G1	300		3,100
24		P1		3,000	6,100

Wei Advertisements

Date	Explanation	Ref.	Debit	Credit	Balance
July 18		P1		640	640

Goran Company

Date	Explanation	Ref.	Debit	Credit	Balance
July 15		P1		3,300	3,300

PROBLEM G-3A (Continued)

(c) Accounts receivable balance..... £16,845

Subsidiary account balances

Pitas Bros.	£ 3,570	
Effron Company	1,545	
Felber Company	9,050	
Musky Company.....	<u>2,680</u>	
Total		<u>£16,845</u>

Accounts payable balance..... £23,830

Subsidiary account balances

Bowe Supply.....	£ 1,810	
Pegasus Shipping	780	
Chad Company	11,200	
Kivlin Company	6,100	
Wei Advertisements	640	
Goran Company	<u>3,300</u>	
Total		<u>£23,830</u>

PROBLEM G-4A

(a), (b) & (c)

Sales Journal

S1

Date	Account Debited	Invoice No.	Ref.	Accounts Receivable Dr. Sales Revenue Cr.	Cost of Goods Sold Dr. Inventory Cr.
Jan. 4	Hull	371	✓	5,600	3,360
9	Phelan Ltd.	372	✓	6,400	3,840
17	Mayr Co.	373	✓	1,200	720
31	Hull	374	✓	9,330	5,598
				<u>22,530</u>	<u>13,518</u>
				(112)(401)	(505)(120)

Purchases Journal

P1

Date	Account Credited	Ref.	Inventory Dr. Accounts Payable Cr.
Jan. 3	Pirkov Co.	✓	10,000
8	Dubois Co.	✓	4,500
11	Akers Co.	✓	3,700
23	Pirkov Co.	✓	7,800
24	Fifer Ltd.	✓	5,100
			<u>31,100</u>
			(120)(201)

General Journal

G1

Date	Accounts and Explanations	Ref.	Debit	Credit
Jan. 5	Accounts Payable—Pirkov Co.	201/✓	300	
	Inventory	120		300
19	Equipment	157	5,500	
	Accounts Payable—Barb Ltd.....	201/✓		5,500

PROBLEM G-4A (Continued)

Cash Receipts Journal

CR1

Date	Account Credited	Ref.	Cash Dr.	Sales Discounts Dr.	Accounts Receivable Cr.	Sales Revenue Cr.	Other Accounts Cr.	Cost of Goods Sold
								Dr. Inventory Cr.
Jan. 6			3,750			3,750		2,250
13			6,260			6,260		3,756
15	Phelan Ltd.	✓	6,336	64	6,400			
17	Hull	✓	5,600		5,600			
20			3,200			3,200		1,920
27			4,230			4,230		2,538
30	Mayr Co.	✓	<u>1,200</u>		<u>1,200</u>			
			<u>30,576</u>	<u>64</u>	<u>13,200</u>	<u>17,440</u>	<u>0</u>	<u>10,464</u>
			(101)	(414)	(112)	(401)	(X)	(505)(120)

Cash Payments Journal

CP1

Date	Account Debited	Ref.	Other Accounts Dr.	Accounts Payable Dr.	Inventory Cr.	Cash Cr.
						Cr.
Jan. 4	Supplies	126	80			80
13	Pirkov Co.	✓		9,700	194	9,506
15	Salaries and Wages Expense	726	14,300			14,300
20	Dubois Co.	✓		4,500	90	4,410
31	Salaries and Wages Expense	726	<u>14,300</u>			<u>14,300</u>
			<u>28,680</u>	<u>14,200</u>	<u>284</u>	<u>42,596</u>
			(X)	(201)	(120)	(101)

PROBLEM G-5A

(a), (d) & (g)

General Ledger

Cash **No. 101**

Date	Explanation	Ref.	Debit	Credit	Balance
July 31		CR1	101,735		101,735
31		CP1		38,766	62,969

Accounts Receivable **No. 112**

Date	Explanation	Ref.	Debit	Credit	Balance
July 31		S1	20,400		20,400
31		CR1		15,400	5,000

Inventory **No. 120**

Date	Explanation	Ref.	Debit	Credit	Balance
July 31		P1	43,720		43,720
29		CR1		520	43,200
31		CP1		234	42,966
31		S1		13,260	29,706
31		CR1		3,835	25,871

Supplies **No. 127**

Date	Explanation	Ref.	Debit	Credit	Balance
July 4		CP1	600		600
31	Adjusting entry	G1		390	210

Prepaid Rent **No. 131**

Date	Explanation	Ref.	Debit	Credit	Balance
July 11		CP1	6,000		6,000
31	Adjusting entry	G1		500	5,500

PROBLEM G-5A (Continued)**Accounts Payable** **No. 201**

Date	Explanation	Ref.	Debit	Credit	Balance
July 31		P1		43,720	43,720
31		CP1	29,900		13,820

Share Capital—Ordinary **No. 311**

Date	Explanation	Ref.	Debit	Credit	Balance
July 1		CR1		80,000	80,000

Cash Dividends **No. 332**

Date	Explanation	Ref.	Debit	Credit	Balance
July 19		CP1	2,500		2,500

Sales Revenue **No. 401**

Date	Explanation	Ref.	Debit	Credit	Balance
July 31		S1		20,400	20,400
31		CR1		5,900	26,300

Sales Discounts **No. 414**

Date	Explanation	Ref.	Debit	Credit	Balance
July 31		CR1	85		85

Cost of Goods Sold **No. 505**

Date	Explanation	Ref.	Debit	Credit	Balance
July 31		S1	13,260		13,260
31		CR1	3,835		17,095

PROBLEM G-5A (Continued)

Supplies Expense

No. 631

Date	Explanation	Ref.	Debit	Credit	Balance
July 31	Adjusting entry	G1	390		390

Rent Expense

No. 729

Date	Explanation	Ref.	Debit	Credit	Balance
July 31	Adjusting entry	G1	500		500

(b)

Sales Journal

S1

Date	Account Debited	Ref.	Accounts Receivable Dr. Sales Revenue Cr.	Cost of Goods Sold Dr. Inventory Cr.
July 6	Dorfner Co.	✓	6,900	4,485
8	Bonilha	✓	3,600	2,340
10	L. Ortiz	✓	4,900	3,185
21	M.Putzi	✓	5,000	3,250
			<u>20,400</u>	<u>13,260</u>
			(112)(401)	(505)(120)

Cash Receipts Journal

CR1

Date	Account Credited	Ref.	Cash Dr.	Sales Discounts Dr.	Accounts Receivable Cr.	Sales Revenue Cr.	Other Accounts Cr.	Cost of Goods Sold Dr. Inventory Cr.
July 1	Share Capital— Ordinary	311	80,000				80,000	
7			5,900			5,900		3,835
13	Bonilha	✓	3,564	36	3,600			
16	L. Ortiz	✓	4,851	49	4,900			
20	Dorfner Co.	✓	6,900		6,900			
29	Inventory	120	<u>520</u>				<u>520</u>	
			<u>101,735</u>	<u>85</u>	<u>15,400</u>	<u>5,900</u>	<u>80,520</u>	<u>3,835</u>
			(101)	(414)	(112)	(401)	(X)	(505)(120)

PROBLEM G-5A (Continued)**(c) Accounts Receivable Subsidiary Ledger****Dorfner Co.**

Date	Explanation	Ref.	Debit	Credit	Balance
July 6		S1	6,900		6,900
20		CR1		6,900	0

M. Putzi

Date	Explanation	Ref.	Debit	Credit	Balance
July 21		S1	5,000		5,000

L. Ortiz

Date	Explanation	Ref.	Debit	Credit	Balance
July 10		S1	4,900		4,900
16		CR1		4,900	0

Bonilha

Date	Explanation	Ref.	Debit	Credit	Balance
July 8		S1	3,600		3,600
13		CR1		3,600	0

Accounts Payable Subsidiary Ledger**D. Talbert**

Date	Explanation	Ref.	Debit	Credit	Balance
July 13		P1		15,300	15,300
21		CP1	15,300		0

K. Emmons

Date	Explanation	Ref.	Debit	Credit	Balance
July 5		P1		8,100	8,100
10		CP1	8,100		0

PROBLEM G-5A (Continued)

G. Young

Date	Explanation	Ref.	Debit	Credit	Balance
July 20		P1		7,900	7,900

T. Cigale

Date	Explanation	Ref.	Debit	Credit	Balance
July 4		P1		6,500	6,500
15		CP1	6,500		0

M. Huang

Date	Explanation	Ref.	Debit	Credit	Balance
July 11		P1		5,920	5,920

(e)

ROSALEZ CO. Trial Balance July 31, 2017

	Debit	Credit
Cash	€ 62,969	
Accounts Receivable.....	5,000	
Inventory	25,871	
Supplies	600	
Prepaid Rent	6,000	
Accounts Payable.....		€ 13,820
Share Capital—Ordinary		80,000
Cash Dividends.....	2,500	
Sales Revenue		26,300
Sales Discounts.....	85	
Cost of Goods Sold	17,095	
	<u>€120,120</u>	<u>€120,120</u>

PROBLEM G-5A (Continued)

(f)	Accounts receivable balance	<u>€ 5,000</u>
	Subsidiary accounts balance	
	M. Putzi	<u>€ 5,000</u>
	Accounts payable balance	<u>€13,820</u>
	Subsidiary accounts balance	
	G. Young	€ 7,900
	M. Huang	<u>5,920</u>
		<u>€13,820</u>

(g)	General Journal			G1
Date	Accounts and Explanations	Ref.	Debit	Credit
July 31	Supplies Expense	631	390	
	Supplies	127		390
31	Rent Expense	729	500	
	Prepaid Rent.....	131		500

PROBLEM G-5A (Continued)

(h)

**ROSALEZ CO.
Adjusted Trial Balance
July 31, 2017**

	<u>Debit</u>	<u>Credit</u>
Cash.....	€ 62,969	
Accounts Receivable.....	5,000	
Inventory	25,871	
Supplies.....	210	
Prepaid Rent.....	5,500	
Accounts Payable		€ 13,820
Share Capital—Ordinary.....		80,000
Cash Dividends.....	2,500	
Sales Revenue		26,300
Sales Discounts	85	
Cost of Goods Sold	17,095	
Supplies Expense	390	
Rent Expense	500	
	<u>€120,120</u>	<u>€120,120</u>

PROBLEM G-6A

(b) & (c)

Cash Receipts Journal

CR1

Date	Account Credited	Ref.	Cash Dr.	Sales Discounts Dr.	Accounts Receivable Cr.	Sales Revenue Cr.	Other Accounts Cr.	Cost of Goods Sold
								Dr. Inventory Cr.
Jan. 7	E.Divine	✓	3,500		3,500			
13	T.Payton	✓	4,508	92	4,600			
23			9,100			9,100		5,460
29	Notes Receivable	115	<u>37,000</u>				<u>37,000</u>	
			<u>54,108</u>	<u>92</u>	<u>8,100</u>	<u>9,100</u>	<u>37,000</u>	<u>5,460</u>
			(101)	(414)	(112)	(401)	(X)	(505)(120)

Cash Payments Journal

CP1

Date	Account Debited	Ref.	Other Accounts Dr.	Accounts Payable Dr.	Inventory Cr.	Cash
						Cr.
Jan. 11	Inventory	120	300			300
12	Rent Expense	729	1,000			1,000
15	A. Qazi	✓		15,000	150	14,850
18	Salaries and Wages Expense	726	4,500			4,500
27	P.Yang	✓		<u>950</u>		<u>950</u>
			<u>5,800</u>	<u>15,950</u>	<u>150</u>	<u>21,600</u>
			(X)	(201)	(120)	(101)

Sales Journal

S1

Date	Account Debited	Ref.	Accounts Receivable		Cost of Goods Sold	
			Sales Revenue	Dr. Cr.	Dr. Inventory	Cr.
Jan. 3	T. Payton	✓	4,600		2,760	
24	J. Clare	✓	<u>7,400</u>		<u>4,440</u>	
			<u>12,000</u>		<u>7,200</u>	
			(112)(401)		(505)(120)	

PROBLEM G-6A (Continued)

Purchases Journal				P1
Date	Account Credited	Ref.	Inventory Dr. Accounts Payable Cr.	
Jan. 5	P. Yang	✓	2,800	
17	E. Monty	✓	<u>1,600</u>	
			<u>4,400</u>	
			(120)(201)	

General Journal					G1
Date	Accounts and Explanations	Ref.	Debit	Credit	
Jan. 14	Sales Returns and Allowances	412	300		
	Accounts Receivable—				
	M. Barajas	✓/112		300	
	Inventory (€300 X .60)	120	180		
	Cost of Goods Sold.....	505		180	
20	Accounts Payable—L. Gold	✓/201	18,000		
	Notes Payable	200		18,000	
30	Accounts Payable—E. Monty.....	✓/201	300		
	Inventory.....	120		300	

(a) & (c)

General Ledger						No. 101
Cash						
Date	Explanation	Ref.	Debit	Credit	Balance	
Jan. 1	Balance	✓			41,500	
31		CR1	54,108		95,608	
31		CP1		21,600	74,008	

PROBLEM G-6A (Continued)**Accounts Receivable** **No. 112**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			15,000
14		G1		300	14,700
31		CR1		8,100	6,600
31		S1	12,000		18,600

Notes Receivable **No. 115**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			45,000
29		CR1		37,000	8,000

Inventory **No. 120**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			20,000
11		CP1	300		20,300
14		G1	180		20,480
30		G1		300	20,180
31		P1	4,400		24,580
31		CP1		150	24,430
31		CR1		5,460	18,970
31		S1		7,200	11,770

Equipment **No. 157**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			7,500

Accumulated Depreciation—Equipment **No. 158**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			1,500

PROBLEM G-6A (Continued)**Notes Payable** **No. 200**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 20		G1		18,000	18,000

Accounts Payable **No. 201**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			43,000
20		G1	18,000		25,000
30		G1	300		24,700
31		P1		4,400	29,100
31		CP1	15,950		13,150

Share Capital—Ordinary **No. 311**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			84,500

Sales Revenue **No. 401**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 31		CR1		9,100	9,100
31		S1		12,000	21,100

Sales Returns and Allowances **No. 412**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 14		G1	300		300

Sales Discounts **No. 414**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 31		CR1	92		92

PROBLEM G-6A (Continued)**Cost of Goods Sold****No. 505**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 31		CR1	5,460		5,460
31		S1	7,200		12,660
14		G1		180	12,480

Salaries and Wages Expense**No. 726**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 18		CP1	4,500		4,500

Rent Expense**No. 729**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 12		CP1	1,000		1,000

Accounts Receivable Subsidiary Ledger**M. Barajas**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			2,500
14		G1		300	2,200

J. Clare

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			7,500
24		S1	7,400		14,900

PROBLEM G-6A (Continued)

E. Divine

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			5,000
7		CR1		3,500	1,500

T. Payton

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 3		S1	4,600		4,600
13		CR1		4,600	0

Accounts Payable Subsidiary Ledger

E. Monty

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 17		P1		1,600	1,600
30		G1	300		1,300

B. Forrest

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			10,000

L. Gold

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			18,000
20		G1	18,000		0

A. Qazi

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			15,000
15		CP1	15,000		0

PROBLEM G-6A (Continued)

P. Yang

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 5		P1		2,800	2,800
27		CP1	950		1,850

(d) **AMLAND AG**
Trial Balance
January 31, 2017

	Debit	Credit
Cash.....	€ 74,008	
Accounts Receivable.....	18,600	
Notes Receivable	8,000	
Inventory	11,770	
Equipment.....	7,500	
Accumulated Depreciation—Equipment.....		€ 1,500
Notes Payable		18,000
Accounts Payable.....		13,150
Share Capital—Ordinary		84,500
Sales Revenue		21,100
Sales Returns and Allowances.....	300	
Sales Discounts	92	
Cost of Goods Sold	12,480	
Salaries and Wages Expense.....	4,500	
Rent Expense	1,000	
	<u>€138,250</u>	<u>€138,250</u>

(e) **Accounts Receivable Subsidiary Ledger**

M. Barajas	€ 2,200
J. Clare	14,900
E. Divine	1,500
	<u>€18,600</u>

Accounts Receivable Control	<u>€18,600</u>
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PROBLEM G-6A (Continued)

Accounts Payable Subsidiary Ledger

E. Monty	€ 1,300
B. Forrest	10,000
P. Yang	<u>1,850</u>
	<u><u>€13,150</u></u>

Accounts Payable Control	<u><u>€13,150</u></u>
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PROBLEM G-1B

(a)

Cash Receipts Journal

CR1

Date	Account Credited	Ref.	Cash Dr.	Sales Discounts Dr.	Accounts Receivable Cr.	Sales Revenue Cr.	Other Accounts Cr.	Cost of Goods Sold Dr. Inventory Cr.
June 1	Share Capital—Ordinary	311	12,000				12,000	
3	Loomis Co.	✓	1,764	36	1,800			
6	Flores Co.	✓	1,862	38	1,900			
7			7,220			7,220		4,800
9	Detwiler & Son	✓	2,450	50	2,500			
11	Inventory	120	370				370	
15			4,900			4,900		3,180
20	Glaimo Bros.	✓	<u>1,600</u>		<u>1,600</u>			
			<u>32,166</u>	<u>124</u>	<u>7,800</u>	<u>12,120</u>	<u>12,370</u>	<u>7,980</u>
			(101)	(414)	(112)	(401)	(X)	(505/120)

(b)

General Ledger

Accounts Receivable

No. 112

Date	Explanation	Ref.	Debit	Credit	Balance
June 1	Balance	✓			7,800
30		CR1		7,800	0

Accounts Receivable Subsidiary Ledger

Detwiler & Son

Date	Explanation	Ref.	Debit	Credit	Balance
June 1	Balance	✓			2,500
9		CR1		2,500	0

PROBLEM G-1B (Continued)

Flores Co.

Date		Explanation	Ref.	Debit	Credit	Balance
June	1	Balance	✓			1,900
	6		CR1		1,900	0

Glaimo Bros.

Date		Explanation	Ref.	Debit	Credit	Balance
June	1	Balance	✓			1,600
	20		CR1		1,600	0

Loomis Co.

Date		Explanation	Ref.	Debit	Credit	Balance
June	1	Balance	✓			1,800
	3		CR1		1,800	0

- (c) Accounts receivable balance = £0.
Sum of all subsidiary accounts = £0.

PROBLEM G-2B

(a)

Cash Payments Journal							CP1
Date	Ck. No.	Account Debited	Ref.	Other Accounts Dr.	Accounts Payable Dr.	Inventory Cr.	Cash Cr.
Nov. 1	11	Inventory	120	1,190			1,190
3	12	Equipment	157	1,700			1,700
5	13	Weber Bros.	✓		1,500	30	1,470
11	14	Inventory	120	2,000			2,000
15	15	K. Radaj	✓		1,000	30	970
16	16	Cash Dividends	332	500			500
19	17	O. Kroll	✓		1,200	12	1,188
25	18	Prepaid Insurance	130	3,000			3,000
30	19	C. Holt & Co.	✓		3,500		3,500
				<u>8,390</u>	<u>7,200</u>	<u>72</u>	<u>15,518</u>
				(X)	(201)	(120)	(101)

(b)

General Ledger

Accounts Payable					No. 201
Date	Explanation	Ref.	Debit	Credit	Balance
Nov. 1	Balance	✓			9,350
30		CP1	7,200		2,150

Accounts Payable Subsidiary Ledger

C. Holt & Co.

Date	Explanation	Ref.	Debit	Credit	Balance
Nov. 1	Balance	✓			4,500
30		CP1	3,500		1,000

PROBLEM G-2B (Continued)

O. Kroll

Date	Explanation	Ref.	Debit	Credit	Balance
Nov. 1	Balance	✓			2,350
19		CP1	1,200		1,150

K. Radaj

Date	Explanation	Ref.	Debit	Credit	Balance
Nov. 1	Balance	✓			1,000
15		CP1	1,000		0

Weber Bros.

Date	Explanation	Ref.	Debit	Credit	Balance
Nov. 1	Balance	✓			1,500
5		CP1	1,500		0

(c) Accounts payable balance: €2,150

Subsidiary account balances:

C. Holt & Co.	€1,000
O. Kroll	<u>1,150</u>
	<u>€2,150</u>

PROBLEM G-3B

(a)

Purchases Journal

P1

Date	Account Credited (Debited)	Ref.	Accounts Payable Cr.	Inventory Dr.	Other Accounts Dr.
May 2	Yan Company	✓	7,600	7,600	
3	Porter Freight	✓	360	360	
8	Quirk Company	✓	8,000	8,000	
8	Zamora Company	✓	8,700	8,700	
15	Rizio Supply (Supplies)	126/✓	900		900
16	Yan Company	✓	4,500	4,500	
16	Quirk Company	✓	7,200	7,200	
18	Porter Freight	✓	500	500	
25	Anshus Advertising (Adv. Exp.)	610/✓	950		950
28	Rizio Supply (Equipment)	157/✓	500		500
			<u>39,210</u>	<u>36,860</u>	<u>2,350</u>
			(201)	(120)	(X)

Sales Journal

S1

Date	Account Debited	Ref.	Accounts Receivable Dr. Sales Revenue Cr.	Cost of Goods Sold Dr. Inventory Cr.
May 5	Eder Company	✓	2,200	1,430
5	Dixon Bros.	✓	2,700	1,755
5	Lamb Company	✓	1,800	1,170
23	Dixon Bros.	✓	1,900	1,235
23	Lamb Company	✓	3,600	2,340
			<u>12,200</u>	<u>7,930</u>
			(112)(401)	(505)(120)

PROBLEM G-3B (Continued)

General Journal

Date	Accounts and Explanations	Ref.	Debit	Credit
May 10	Accounts Payable—Zamora			
	Company	201/✓	800	
	Inventory	120		800
17	Accounts Payable—Rizio			
	Supply	201/✓	100	
	Supplies	126		100
20	Accounts Payable—Yan			
	Company	201/✓	300	
	Inventory	120		300
26	Sales Returns and Allowances	412	240	
	Accounts Receivable—	112/✓		
	Lamb Company			240

(b)

General Ledger

Accounts Receivable					No. 112
Date	Explanation	Ref.	Debit	Credit	Balance
May 31		S1	12,200		12,200
26		G1		240	11,960

Inventory					No. 120
Date	Explanation	Ref.	Debit	Credit	Balance
May 31		P1	36,860		36,860
10		G1		800	36,060
20		G1		300	35,760
31		S1		7,930	27,830

PROBLEM G-3B (Continued)**Supplies** **No. 126**

Date	Explanation	Ref.	Debit	Credit	Balance
May 15		P1	900		900
17		G1		100	800

Equipment **No. 157**

Date	Explanation	Ref.	Debit	Credit	Balance
May 28		P1	500		500

Accounts Payable **No. 201**

Date	Explanation	Ref.	Debit	Credit	Balance
May 31		P1		39,210	39,210
10		G1	800		38,410
17		G1	100		38,310
20		G1	300		38,010

Sales Revenue **No. 401**

Date	Explanation	Ref.	Debit	Credit	Balance
May 31		S1		12,200	12,200

Sales Returns and Allowances **No. 412**

Date	Explanation	Ref.	Debit	Credit	Balance
May 26		G1	240		240

Cost of Goods Sold **No. 505**

Date	Explanation	Ref.	Debit	Credit	Balance
May 31		S1	7,930		7,930

Advertising Expense **No. 610**

Date	Explanation	Ref.	Debit	Credit	Balance
May 25		P1	950		950

PROBLEM G-3B (Continued)**Accounts Receivable Subsidiary Ledger****Eder Company**

Date	Explanation	Ref.	Debit	Credit	Balance
May 5		S1	2,200		2,200

Dixon Bros.

Date	Explanation	Ref.	Debit	Credit	Balance
May 5		S1	2,700		2,700
23		S1	1,900		4,600

Lamb Company

Date	Explanation	Ref.	Debit	Credit	Balance
May 5		S1	1,800		1,800
23		S1	3,600		5,400
26		G1		240	5,160

Accounts Payable Subsidiary Ledger**Porter Freight**

Date	Explanation	Ref.	Debit	Credit	Balance
May 3		P1		360	360
18		P1		500	860

Yan Company

Date	Explanation	Ref.	Debit	Credit	Balance
May 2		P1		7,600	7,600
16		P1		4,500	12,100
20		G1	300		11,800

PROBLEM G-3B (Continued)

Rizio Supply

Date	Explanation	Ref.	Debit	Credit	Balance
May 15		P1		900	900
17		G1	100		800
28		P1		500	1,300

Quirk Company

Date	Explanation	Ref.	Debit	Credit	Balance
May 8		P1		8,000	8,000
16		P1		7,200	15,200

Zamora Company

Date	Explanation	Ref.	Debit	Credit	Balance
May 8		P1		8,700	8,700
10		G1	800		7,900

Anshus Advertising

Date	Explanation	Ref.	Debit	Credit	Balance
May 25		P1		950	950

(c) Accounts receivable balance..... ₹11,960

Subsidiary account balances

Eder Company.....	₹2,200	
Dixon Bros.	4,600	
Lamb Company	<u>5,160</u>	
Total.....		<u>₹11,960</u>

Accounts payable balance..... ₹38,010

PROBLEM G-3B (Continued)

Subsidiary account balances

Porter Freight	₱ 860	
Yan Company	11,800	
Rizio Supply	1,300	
Quirk Company	15,200	
Zamora Company	7,900	
Anshus Advertising	<u>950</u>	
Total		<u>₱38,010</u>

PROBLEM G-4B

(a), (b) & (c)

Sales Journal

S1

Date	Account Debited	Invoice No.	Ref.	Accounts Receivable Dr. Sales Revenue Cr.	Cost of Goods Sold Dr. Inventory Cr.
Oct. 4	Ebert Co.	204	✓	7,700	5,390
17	B. Reblin & Co.	205	✓	5,350	3,745
25	Marco Ltd.	206	✓	5,220	3,654
30	B. Reblin & Co.	207	✓	4,760	3,332
				<u>23,030</u>	<u>16,121</u>
				(112)(401)	(505)(120)

Purchases Journal

P1

Date	Account Credited	Ref.	Inventory Dr. Accounts Payable Cr.
Oct. 2	Cutler Company	✓	13,500
10	Frinzi Ltd.	✓	3,500
27	Lisa Co.	✓	8,500
30	Cutler Company	✓	14,000
			<u>39,500</u>
			(120)(201)

General Journal

G1

Date	Accounts and Explanations	Ref.	Debit	Credit
Oct. 13	Accounts Payable—Frinzi Ltd..	201/✓	210	
	Inventory.....	120		210
25	Supplies.....	126	310	
	Accounts Payable—Lewis Co.	201/✓		310

PROBLEM G-4B (Continued)

Cash Receipts Journal

CR1

Date	Account Credited	Ref.	Cash Dr.	Sales Discounts Dr.	Accounts Receivable Cr.	Sales Revenue Cr.	Other Accounts Cr.	Cost of Goods Sold Dr. Inventory Cr.
Oct. 7			8,800			8,800		6,160
12	Ebert Co.	✓	7,546	154	7,700			
14			8,180			8,180		5,726
16	Land	140	27,000				27,000	
21			8,200			8,200		5,740
25	B. Reblin & Co.	✓	5,243	107	5,350			
28			7,540			7,540		5,278
			<u>72,509</u>	<u>261</u>	<u>13,050</u>	<u>32,720</u>	<u>27,000</u>	<u>22,904</u>
			(101)	(414)	(112)	(401)	(X)	(505)(120)

Cash Payments Journal

CP1

Date	Account Debited	Ref.	Other Accounts Dr.	Accounts Payable Dr.	Inventory Cr.	Cash Cr.
Oct. 5	Supplies	126	80			80
9	Cutler Co.	✓		13,500	270	13,230
18	Inventory	120	2,450			2,450
23	Frinzi Ltd.	✓		3,290		3,290
26	Land	140	21,000			
	Buildings	145	14,000			35,000
30	Advertising Expense	610	400			400
			<u>37,930</u>	<u>16,790</u>	<u>270</u>	<u>54,450</u>
			(X)	(201)	(120)	(101)

PROBLEM G-5B

(b)

Purchases Journal

P1

Date	Account Credited	Ref.	Inventory Dr.	Accounts Payable Cr.
Feb. 2	T. Valentine	✓	4,600	
7	B. Kucera	✓	28,000	
16	E. Nicks	✓	2,700	
21	D. Hachey	✓	7,800	
			<u>43,100</u>	
			(120)(201)	

Cash Payments Journal

CP1

Date	Account Debited	Ref.	Other Accounts Dr.	Accounts Payable Dr.	Inventory Cr.	Cash Cr.
Feb. 9	Supplies	126	1,300			1,300
12	T. Valentine	✓		4,600	138	4,462
15	Equipment	157	7,700			7,700
17	B. Kucera	✓		28,000	280	27,720
20	Cash Dividends	332	1,100			1,100
28	E. Nicks	✓		2,700		2,700
			<u>10,100</u>	<u>35,300</u>	<u>418</u>	<u>44,982</u>
			(X)	(201)	(120)	(101)

(a), (d) & (g)

General Ledger

Cash **No. 101**

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 28		CR1	47,495		47,495
28		CP1		44,982	2,513

PROBLEM G-5B (Continued)**Accounts Receivable** **No. 112**

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 28		S1	27,400		27,400
28		CR1		12,000	15,400

Inventory **No. 120**

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 28		P1	43,100		43,100
18		CR1		150	42,950
28		CP1		418	42,532
28		S1		18,084	24,448
28		CR1		3,564	20,884

Supplies **No. 126**

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 9		CP1	1,300		1,300
28	Adjusting entry	G1		910	390

Equipment **No. 157**

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 15		CP1	7,700		7,700

Accumulated Depreciation—Equipment **No. 158**

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 28	Adjusting entry	G1		160	160

Accounts Payable **No. 201**

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 28		P1		43,100	43,100
28		CP1	35,300		7,800

PROBLEM G-5B (Continued)**Share Capital—Ordinary** **No. 311**

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 1		CR1		30,000	30,000

Cash Dividends **No. 332**

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 20		CP1	1,100		1,100

Sales Revenue **No. 401**

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 28		S1		27,400	27,400
28		CR1		5,400	32,800

Sales Discounts **No. 414**

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 28		CR1	55		55

Cost of Goods Sold **No. 505**

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 28		S1	18,084		18,084
28		CR1	3,564		21,648

Supplies Expense **No. 631**

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 28	Adjusting entry	G1	910		910

Depreciation Expense **No. 711**

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 28	Adjusting entry	G1	160		160

PROBLEM G-5B (Continued)**(c) Accounts Receivable Subsidiary Ledger****S. Armour**

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 3		S1	5,500		5,500
13		CR1		5,500	0

V. Ciatti

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 12		S1	8,400		8,400

M. Barajas

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 9		S1	6,500		6,500
26		CR1		6,500	0

A. Dobbs

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 26		S1	7,000		7,000

Accounts Payable Subsidiary Ledger**D. Hachey**

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 21		P1		7,800	7,800

T. Valentine

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 2		P1		4,600	4,600
12		CP1	4,600		0

PROBLEM G-5B (Continued)

B. Kucera

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 7		P1		28,000	28,000
17		CP1	28,000		0

E. Nicks

Date	Explanation	Ref.	Debit	Credit	Balance
Feb. 16		P1		2,700	2,700
28		CP1	2,700		0

(e) **WESLEY CO.**
Trial Balance
February 28, 2017

	<u>Debit</u>	<u>Credit</u>
Cash.....	€ 2,513	
Accounts Receivable.....	15,400	
Inventory	20,884	
Supplies.....	1,300	
Equipment	7,700	
Accounts Payable		€ 7,800
Share Capital—Ordinary.....		30,000
Cash Dividends	1,100	
Sales Revenue		32,800
Sales Discounts	55	
Cost of Goods Sold	21,648	
	<u>€70,600</u>	<u>€70,600</u>

PROBLEM G-5B (Continued)

(f)	Accounts Receivable control account		<u>€15,400</u>
	Accounts Receivable subsidiary accounts		
	V. Ciatti	€8,400	
	A. Dobbs	<u>7,000</u>	<u>€15,400</u>
	Accounts Payable control account		<u>€ 7,800</u>
	Accounts Payable subsidiary account		
	D. Hachey.....		<u>€ 7,800</u>

(g)

General Journal				G1
Date	Accounts and Explanations	Ref.	Debit	Credit
Feb. 28	Supplies Expense	631	910	
	Supplies	126		910
28	Depreciation Expense	711	160	
	Accumulated Depreciation— Equipment.....	158		160

PROBLEM G-5B (Continued)

(h)

**WESLEY CO.
Adjusted Trial Balance
February 28, 2017**

	<u>Debit</u>	<u>Credit</u>
Cash.....	€ 2,513	
Accounts Receivable.....	15,400	
Inventory	20,884	
Supplies.....	390	
Equipment	7,700	
Accumulated Depreciation—Equipment.....		€ 160
Accounts Payable		7,800
Share Capital—Ordinary.....		30,000
Cash Dividends.....	1,100	
Sales Revenue		32,800
Sales Discounts	55	
Cost of Goods Sold	21,648	
Supplies Expense	910	
Depreciation Expense	160	
	<u>€70,760</u>	<u>€70,760</u>

COMPREHENSIVE PROBLEM: CHAPTERS 3 TO 6 AND APPENDIX G

Note: If the working papers that accompany this text are not used in solving this problem, account numbers may differ from those presented in this solution.

(a)

Sales Journal				S1
Date	Account Debited	Invoice No.	Ref.	Accounts Receivable Dr. Sales Revenue Cr.
Jan. 3	W. Rayms	510	✓	3,600
3	M. Fischer	511	✓	1,800
11	G. Dukes	512	✓	1,900
11	L. Longhini	513	✓	900
22	W. Rayms	514	✓	3,700
22	G. Dukes	515	✓	800
25	M. Hall	516	✓	3,500
25	M. Fischer	517	✓	6,100
				<u>22,300</u>
				(112)(401)

Purchases Journal				P1
Date	Account Credited	Terms	Ref.	Purchases Dr. Accounts Payable Cr.
Jan. 5	K. Zapfel		✓	3,000
5	J. Liotta		✓	2,400
16	L. Quinn		✓	15,000
16	O. Kitson		✓	13,900
16	K. Zapfel		✓	1,500
27	L. Quinn		✓	12,500
27	J. Liotta		✓	1,200
27	K. Zapfel		✓	2,800
				<u>52,300</u>
				(510)(201)

COMPREHENSIVE PROBLEM (Continued)

Cash Receipts Journal

CR1

Date	Account Credited	Ref.	Cash Dr.	Accounts Receivable Cr.	Sales Revenue Cr.	Other Accounts Cr.
Jan. 7	L. Longhini	✓	4,000	4,000		
7	M. Hall	✓	2,000	2,000		
10			15,500		15,500	
13	W. Rayms	✓	3,600	3,600		
13	M. Fischer	✓	1,560	1,560		
20			17,750		17,750	
21	L. Longhini	✓	900	900		
31			<u>22,920</u>		<u>22,920</u>	
			<u>68,230</u>	<u>12,060</u>	<u>56,170</u>	
			(101)	(112)	(401)	

Cash Payments Journal

CP1

Date	Account Debited	Ref.	Other Accounts Dr.	Accounts Payable Dr.	Supplies Dr.	Cash Cr.
Jan. 8	Freight-In	516	180			180
9	O. Kitson	✓		9,000		9,000
9	L. Quinn	✓		11,000		11,000
12	Rent Expense	729	1,000			1,000
15	Cash Dividends	332	650			650
17					400	400
23	L. Quinn	✓		15,000		15,000
23	O. Kitson	✓		13,700		13,700
28					200	200
31	Salaries and Wages Expense	627	<u>7,400</u>			<u>7,400</u>
			<u>9,230</u>	<u>48,700</u>	<u>600</u>	<u>58,530</u>
			(X)	(201)	(125)	(101)

COMPREHENSIVE PROBLEM (Continued)

(a) & (e)

General Journal				G1
Date	Account Titles and Explanations	Ref.	Debit	Credit
Jan. 9	Sales Returns and Allowances.....	412	240	
	Accounts Receivable— M. Fischer	112/✓		240
	(Issued credit for merchandise returned)			
18	Accounts Payable—O. Kitson.....	201/✓	200	
	Purchase Returns and Allowances	512		200
	(Received credit for returned goods)			
21	Accounts Payable— D. Markoff	201/✓	15,000	
	Notes Payable	200		15,000
	(Issued note for balance due)			
<u>Adjusting Entries</u>				
31	Supplies Expense	728	1,020	
	Supplies.....	125		1,020
31	Insurance Expense (1/10 × €2,000)	722	200	
	Prepaid Insurance	130		200
31	Depreciation Expense (1/12 × €1,500)	711	125	
	Accumulated Depreciation— Equipment	158		125
31	Interest Expense	718	30	
	Interest Payable	230		30

COMPREHENSIVE PROBLEM (Continued)

General Journal				G1
Date	Account Titles and Explanations	Ref.	Debit	Credit
Jan. 31	Inventory (Jan. 31)	120	12,600	
	Sales Revenue.....	401	78,470	
	Purchase Returns and Allowances	512	200	
	Income Summary	350		91,270
31	Income Summary	350	82,495	
	Inventory (Jan. 1)	120		20,000
	Sales Returns and Allowances	412		240
	Purchases.....	510		52,300
	Freight-In	516		180
	Rent Expense	729		1,000
	Salaries and Wages Expense	627		7,400
	Supplies Expense	728		1,020
	Insurance Expense	722		200
	Depreciation Expense.....	711		125
	Interest Expense	718		30
31	Income Summary	350	8,775	
	Retained Earnings.....	320		8,775
31	Retained Earnings.....	320	650	
	Cash Dividends	332		650

(b) & (e)

General Ledger

Cash					No. 101
Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			32,750
31		CR1	68,230		100,980
31		CP1		58,530	42,450

COMPREHENSIVE PROBLEM (Continued)

Accounts Receivable No. 112

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			13,000
31		S1	22,300		35,300
31		CR1		12,060	23,240
9		G1		240	23,000

Notes Receivable No. 115

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			42,000

Inventory No. 120

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			20,000
31		G1	12,600		32,600
31		G1		20,000	12,600

Supplies No. 125

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			1,000
31		CP1	600		1,600
31		G1		1,020	580

Prepaid Insurance No. 130

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			2,000
31		G1		200	1,800

Equipment No. 157

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1		✓			6,450

COMPREHENSIVE PROBLEM (Continued)**Accumulated Depreciation—Equipment** **No. 158**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			1,500
31		G1		125	1,625

Notes Payable **No. 200**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 21	Balance	G1		15,000	15,000

Accounts Payable **No. 201**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			35,000
31		P1		52,300	87,300
31		CP1	48,700		38,600
18		G1	200		38,400
21		G1	15,000		23,400

Interest Payable **No. 230**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 31		G1		30	30

Share Capital—Ordinary **No. 311**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1		✓			70,000

Retained Earnings **No. 320**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			10,700
31		G1		8,775	19,475
31		G1	650		18,825

Cash Dividends **No. 332**

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 15		CP1	650		650
31		G1		650	0

COMPREHENSIVE PROBLEM (Continued)

Income Summary

No. 350

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 31		G1		91,270	91,270
31		G1	82,495		8,775
31		G1	8,775		0

Sales Revenue

No. 401

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 31		S1		22,300	22,300
31		CR1		56,170	78,470
31		G1	78,470		0

Sales Returns and Allowances

No. 412

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 9		G1	240		240
31		G1		240	0

Purchases

No. 510

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 31		P1	52,300		52,300
31		G1		52,300	0

Purchase Returns and Allowances

No. 512

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 18		G1		200	200
31		G1	200		0

Freight-In

No. 516

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 8		CP1	180		180
31		G1		180	0

COMPREHENSIVE PROBLEM (Continued)

Salaries and Wages Expense

No. 627

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 31		CP1	7,400		7,400
31		G1		7,400	0

Depreciation Expense

No. 711

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 31		G1	125		125
31		G1		125	0

Interest Expense

No. 718

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 31		G1	30		30
31		G1		30	0

Insurance Expense

No. 722

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 31		G1	200		200
31		G1		200	0

Supplies Expense

No. 728

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 31		G1	1,020		1,020
31		G1		1,020	0

COMPREHENSIVE PROBLEM (Continued)

Rent Expense No. 729

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 12		CP1	1,000		1,000
31		G1		1,000	0

Accounts Receivable Subsidiary Ledger

G. Dukes

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			1,800
11		S1	1,900		3,700
22		S1	800		4,500

M. Fischer

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 3		S1	1,800		1,800
9		G1		240	1,560
13		CR1		1,560	0
25		S1	6,100		6,100

M. Hall

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			7,200
7		CR1		2,000	5,200
25		S1	3,500		8,700

L. Longhini

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			4,000
7		CR1		4,000	0
11		S1	900		900
21		CR1		900	0

COMPREHENSIVE PROBLEM (Continued)

W. Rayms

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 3		S1	3,600		3,600
13		CR1		3,600	0
22		S1	3,700		3,700

Accounts Payable Subsidiary Ledger

J. Liotta

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 5		P1		2,400	2,400
27		P1		1,200	3,600

O. Kitson

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			9,000
9		CP1	9,000		0
16		P1		13,900	13,900
18		G1	200		13,700
23		CP1	13,700		0

D. Markoff

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			15,000
21		G1	15,000		0

L. Quinn

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 1	Balance	✓			11,000
9		CP1	11,000		0
16		P1		15,000	15,000
23		CP1	15,000		0
27		P1		12,500	12,500

COMPREHENSIVE PROBLEM (Continued)

K. Zapfel

Date	Explanation	Ref.	Debit	Credit	Balance
Jan. 5		P1		3,000	3,000
16		P1		1,500	4,500
27		P1		2,800	7,300

(c)

ZWEIFEL SE
Worksheet
For the Month Ended January 31, 2017

Account Titles	Trial Balance		Adjustments		Adjusted Trial Balance		Income Statement		Statement of Financial Position	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Cash	42,450				42,450				42,450	
Accounts Receivable	23,000				23,000				23,000	
Notes Receivable	42,000				42,000				42,000	
Inventory	20,000				20,000		20,000	12,600	12,600	
Supplies	1,600		(1)	1,020	580				580	
Prepaid Insurance	2,000		(2)	200	1,800				1,800	
Equipment	6,450				6,450				6,450	
Accum. Depreciation—Equipment		1,500	(3)	125		1,625				1,625
Notes Payable		15,000				15,000				15,000
Accounts Payable		23,400				23,400				23,400
Interest Payable			(4)	30		30				30
Share Capital—Ordinary		70,000				70,000				70,000
Retained Earnings		10,700				10,700				10,700
Cash Dividends	650				650				650	
Sales Revenue		78,470				78,470		78,470		
Sales Returns and Allowances	240				240		240			
Purchases	52,300				52,300		52,300			
Purchase Returns and Allowances		200				200		200		
Freight-In	180				180		180			
Salaries and Wages Expense	7,400				7,400		7,400			
Rent Expense	1,000				1,000		1,000			
Totals	<u>199,270</u>	<u>199,270</u>								
Supplies Expense			(1)	1,020	1,020		1,020			
Insurance Expense			(2)	200	200		200			
Depreciation Expense			(3)	125	125		125			
Interest Expense			(4)	30	30		30			
Totals				<u>1,375</u>	<u>199,425</u>	<u>199,425</u>	82,495	91,270	129,530	120,755
Net Income							8,775			8,775
Totals							<u>91,270</u>	<u>91,270</u>	<u>129,530</u>	<u>129,530</u>

COMPREHENSIVE PROBLEM (Continued)

(d)

ZWEIFEL SE Income Statement For the Month Ended January 31, 2017

Sales			
Sales revenue			€78,470
Less: Sales returns and allowances			<u>240</u>
Net sales.....			78,230
Cost of goods sold			
Inventory, 1/1/17		€20,000	
Purchases	€52,300		
Less: Purchase returns and allowances.....		<u>200</u>	
Net purchases.....	52,100		
Freight-in.....	<u>180</u>	<u>52,280</u>	
Cost of goods available for sale		72,280	
Less: Inventory, 1/31/17		<u>12,600</u>	
Cost of goods sold			<u>59,680</u>
Gross profit			18,550
Operating expenses			
Salaries and wages expense	7,400		
Supplies expense	1,020		
Rent expense	1,000		
Insurance expense	200		
Depreciation expense.....	<u>125</u>		
Total oper. expenses.....			<u>9,745</u>
Income from operations			8,805
Interest expense			<u>30</u>
Net income			<u>€ 8,775</u>

COMPREHENSIVE PROBLEM (Continued)

ZWEIFEL SE Retained Earnings Statement For the Month Ended January 31, 2017

Retained earnings, January 1, 2017	€ 10,700
Add: Net income	<u>8,775</u>
	19,475
Less: Dividends	<u>650</u>
Retained earnings, January 31, 2017	<u><u>€18,825</u></u>

ZWEIFEL SE Statement of Financial Position January 31, 2017

Assets			
Property, Plant, and Equipment			
Equipment.....	€6,450		
Less: Accumulated depreciation—equip.	<u>1,625</u>	€4,825	
Current assets			
Prepaid insurance	1,800		
Supplies	580		
Inventory	12,600		
Accounts receivable	23,000		
Notes receivable.....	42,000		
Cash	<u>42,450</u>		
Total current assets.....		<u>122,430</u>	
Total assets.....		<u><u>€127,255</u></u>	
Equity and Liabilities			
Equity			
Share capital—ordinary	€70,000		
Retained earnings	<u>18,825</u>		
Total equity		€88,825	
Current liabilities			
Notes payable	15,000		
Accounts payable.....	23,400		
Interest payable	<u>30</u>		
Total liabilities.....		<u>38,430</u>	
Total equity and liabilities		<u><u>€127,255</u></u>	

COMPREHENSIVE PROBLEM (Continued)

(f)

ZWEIFEL SE Post-Closing Trial Balance January 31, 2017

	Debit	Credit
Cash	€ 42,450	
Notes Receivable.....	42,000	
Accounts Receivable.....	23,000	
Inventory	12,600	
Supplies	580	
Prepaid Insurance	1,800	
Equipment.....	6,450	
Accumulated Depreciation—Equipment.....		€ 1,625
Notes Payable		15,000
Accounts Payable.....		23,400
Interest Payable		30
Share Capital—Ordinary		70,000
Retained Earnings		18,825
	<u>€128,880</u>	<u>€128,880</u>

Accounts Receivable balance	<u>€23,000</u>
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Subsidiary account balances

G. Dukes	€ 4,500	
M. Fischer	6,100	
M. Hall	8,700	
W. Rayms.....	<u>3,700</u>	
		<u>€23,000</u>

Accounts Payable balance.....	<u>€23,400</u>
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Subsidiary account balances

J. Liotta	€ 3,600	
L. Quinn	12,500	
K. Zapfel.....	<u>7,300</u>	
		<u>€23,400</u>