## Comprehensive Problem Overview

We will now use what we learned in Chapters 1 to 4 to create two months of Accounting Statements for State-to-State Consulting.

On June 1, Harry Nash opens a small business called State-to-State Consulting (STS) that helps people and small businesses install and set up their computers. He is the only stockholder in the corporation. He employs one secretary. He does all the consulting himself, and his only compensation is periodic dividend payments. He uses his personal truck as transportation and just charges the company for vehicle expenses.

Below is the process we will follow for creating Accounting Statements for June and July.

### INSTRUCTIONS FOR JUNE (Sections 5.2 – Sections 5.8)

1. Journalize the transactions for June (5.2)
2. Post the June journal entries to the ledgers (5.3)
3. Prepare the June trial balance (5.4)
4. Prepare the June income statement, retained earnings statement and balance sheet (5.5)
5. Journalize the closing entries for June (5.6)
6. Post the June Closing journal entries to the ledgers (5.7)
7. Prepare the June post-closing trial balance (5.8)

### INSTRUCTIONS FOR JULY (Sections 5.9- 5.15)

1. Journalize the transactions for July in the journal (5.9)
2. Post the July journal entries to the ledgers (5.10)
3. Prepare the July trial balance (5.11)
4. Prepare the July income statement, retained earnings statement, and balance sheet (5.12)
5. Journalize the closing entries for July (5.13)
6. Post the July Closing journal entries to the ledgers (5.14)
7. Prepare the July post-closing trial balance (5.15)