

## PR 2

Liam Nielson is a licensed lawyer. His business was opened on March 1, 2018, the following events and transactions occurred.

- March 1 Shareholders invested \$50,000 cash in exchange for ordinary shares
- 1 Hired two secretary. They will each be paid a salary of \$400 per week payable monthly
  - 2 Paid office rent for the month \$600
  - 2 Purchased office supplies from Halo Company. It pays \$2,200 cash and \$5,200 on account
  - 7 Purchased equipment for \$1,050 from Parton Company payable in 30 days
  - 10 Received \$2,000 cash advance from customer for a service
  - 15 Paid advertising expenses \$2,000
  - 22 Received \$2,700 cash for services completed and delivered to Josef.
  - 30 Paid the monthly salaries of two secretary
  - 30 Paid Halo Company in full

Liam uses the following chart of accounts: No. 101 Cash, No. 112 Accounts Receivable, No. 126 Supplies, No. 157 Equipment, No. 201 Accounts Payable, No. 209 Unearned Service Revenue, No. 311 Share Capital—Ordinary, No. 400 Service Revenue, No. 610 Advertising Expense, No. 726 Salaries and Wages Expense, and No. 729 Rent Expense.

### ***Instructions***

- (a) Journalize the transactions.
- (b) Post to the ledger accounts.
- (c) Prepare a trial balance on March 30, 2018.