



AP3-2 - Ap3.2

Financial Accounting (Concordia University)



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AP3-2 Recording Journal Entries (P3-2) LO3-4

Sandro Spina is the president of TemPro Inc., a company that provides temporary employees for not-for-profit companies. TemPro has been operating for five years; its revenues are increasing with each passing year. You have been hired to help Sandro in analyzing the following transactions for the first two weeks of April:

- April 1 Purchased office supplies for \$2,600 on account.
- 3 Received the April telephone bill for \$1,950 to be paid in May.
- 5 Billed the local United Way \$23,500 for temporary services provided.
- 8 Paid \$3,005 for supplies purchased and recorded on account last period.
- 8 Placed an advertisement in the local paper for \$1,400 cash.
- 9 Purchased a new computer for the office costing \$2,300 cash.
- 10 Paid employee wages of \$11,900. Of this amount, \$3,800 had been earned and recorded in the wages payable account in the prior period.
- 11 Received \$12,500 on account from the local United Way office for services provided on April 5.
- 12 Purchased land as the site of a future office for \$50,000. Paid \$10,000 down and signed a note payable for the balance. The note is due in five years and has an annual interest rate of 10 percent.
- 13 Issued 3,000 additional shares for cash at \$45 per share in anticipation of building a new office.
- 14 Billed Family & Children's Service \$14,500 for services rendered.

Required:

Prepare a journal entry to record each of the transactions. Be sure to categorize each account as an asset (A), a liability (L), shareholders' equity (SE), a revenue (R), or an expense (E).

<i>date</i>	account name	Debit	credit
<i>April 1st</i>	Office supplies	2600	
	Accounts payable		2600
<i>April 3rd</i>	Utilities expenses (e and s/e)	1950	
	Accounts payable (L)		1950
<i>April 5th</i>	Accounts receivable (A)	23500	
	Service and revenue (r and s/e)		23500
<i>April 8</i>	Accounts payable	3005	
	Cash (a)		3005
<i>April 8</i>	Advertising expense (e & S/E)	1400	

	Cash (a)	1400
<i>April 10</i>	Wages payable (l)	3800
	Wage expenses (e & s/E)	8100
	Cash (A)	11900
<i>April 11</i>	Cash (a)	12500
	Accounts receivable (A)	12500
<i>April 12</i>	Land (A)	50 000
	Cash (a)	10000
	Note payable	40 000
<i>April 13</i>	Cash (A)	135 000
	Contributed capital (S/E)	135 000
<i>April 14</i>	Accounts receivable (A)	14500
	Sales revenue (R&s/E)	14500