

**KEY FOR TOPIC 4 PROBLEMS**

**P 4-10a**

Journal Proof of Page 1 (General Journal for P 4-4):

Total of Debit Column .....	\$14 967.00
Total of Credit Column .....	\$14 967.00

Journal Proof of Page 2 (General Journal for P 4-4):

Total of Debit Column .....	\$5 440.00
Total of Credit Column .....	\$5 440.00

**P 4-10b**

See the ledger accounts in the answer key to P 4-7.

**P 4-10c, d**

J. Edgar Consulting Services

Zero pr  
trial bal

P 4-10c, d

J. Edgar Consulting Services Trial Balance November 30, 19--				Zero proof trial balance Nov. 30, 19--
Cash .....	101	\$ 9 993.00		0.00 *
Accts. Rec./Lambton Industries Inc. ....	105	1 200.00		9 993.00 +
Accts. Rec./A. Lee .....	108	450.00		1 200.00 +
Office Supplies .....	115	1 600.00		450.00 +
Office Equipment .....	120	3 000.00		1 600.00 +
Bank Loan Payable .....	201		\$ 5 000.00	3 000.00 +
Accts. Pay./G. Health Suppliers .....	205		600.00	5 000.00 -
Accts. Pay./D. Moyer Computers Ltd. ...	210		3 000.00	600.00 -
J. Edgar, Capital .....	301		3 150.00	3 000.00 -
J. Edgar, Drawing .....	302	250.00		3 150.00 -
Consulting Fees Earned .....	401		6 300.00	250.00 +
Telephone Expense .....	505	67.00		6 300.00 -
Rent Expense .....	510	700.00		67.00 +
Advertising Expense .....	515	350.00		700.00 +
Utilities Expense .....	520	440.00		350.00 +
		<u>\$18 050.00</u>	<u>\$18 050.00</u>	440.00 +
				0.00 *

Note: Dollar signs are not used in a handwritten trial balance. They are normally used when the formal trial balance is typewritten or printed by a computer.

**P 4-11a**

Journal Proof of Page 1 (General Journal for P 4-6):

Total of Debit Column .....	\$700 600.00
Total of Credit Column .....	\$700 600.00

Journal Proof of Page 2 (General Journal for P 4-7):

Total of Debit Column .....	\$43 231.00
Total of Credit Column .....	\$43 231.00

**P 4-11b**

See the ledger accounts in the answer key to P 4-9.

**P 4-11c, d**

See the ledger accounts in the answer key to P 4-9.

P 4-11c, d

Car Rental System Trial Balance October 31, 19--			Zero proof trial balance Oct. 31, 19--
			0.00 *
Cash .....	101	\$329 344.00	
Accts. Rec./A. Couse .....	105	2 400.00	329 344.00 +
Accts. Rec./B. Doan .....	108	3 000.00	2 400.00 +
Accts. Rec./C. Fairs .....	110	900.00	3 000.00 +
Accts. Rec./D. Good .....	112	2 700.00	900.00 +
Accts. Rec./E. Hey .....	114	2 700.00	2 700.00 +
Accts. Rec./J. Pool .....	116	7 700.00	2 700.00 +
Land .....	130	35 000.00	7 700.00 +
Building .....	135	65 000.00	35 000.00 +
Automobiles .....	140	156 600.00	65 000.00 +
Office Equipment .....	145	3 200.00	156 600.00 +
Bank Loan Payable .....	201	\$ 5 000.00	3 200.00 +
Accts. Pay/Ace Motors .....	205	115 300.00	5 000.00 -
Accts. Pay/Esso Oil Co. ....	208	4 000.00	115 300.00 -
Accts. Pay/Public Utilities Commission	210	75.00	4 000.00 -
Mortgage Payable .....	230	70 000.00	75.00 -
Jawed Iqbal, Capital .....	301	400 000.00	70 000.00 -
Jawed Iqbal, Drawing .....	302	1 200.00	400 000.00 -
Rental Revenue .....	401	28 700.00	1 200.00 +
Utilities Expense .....	510	75.00	28 700.00 -
Repairs Expense .....	515	2 400.00	75.00 +
Telephone Expense .....	520	56.00	2 400.00 +
Salaries Expense .....	525	6 800.00	56.00 +
Gasoline Expense .....	530	4 000.00	6 800.00 +
		<u>\$623 075.00</u>	4 000.00 +
		<u>\$623 075.00</u>	0.00 *

Note: Dollar signs are not used in a handwritten trial balance. They are normally used when the formal trial balance is typewritten or printed by a computer. Note also that account numbers will correspond to the format used to organize the chart of accounts for Car Rental System in P 4-9a.

**Babyland Diaper Service  
Chart of Accounts**

<b>ASSETS</b>	
Cash .....	101
Accts. Rec./B. McNally .....	105
Equipment .....	120
Delivery Truck .....	130
<b>LIABILITIES</b>	
Bank Loan Payable .....	201
Accts. Pay./ABC Wholesale Supplies ...	205
Accts. Pay./Wellington Motors .....	208
<b>OWNER'S EQUITY</b>	
C. Rade, Capital .....	301
C. Rade, Drawing .....	302
<b>REVENUE</b>	
Diaper Services Revenue .....	401
<b>EXPENSES</b>	
Supplies Expense .....	505
Rent Expense .....	510
Gasoline Expense .....	515
Utilities Expense .....	520

P 4-12b, d

General Ledger (Babyland Diaper Service)

Cash

Account No. 101

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19--					
Mar. 1	Opening entry	GJ1	6 000 00		6 000 00
2		GJ1		600 00	5 400 00
3		GJ1		450 00	4 950 00
4		GJ1		1 000 00	3 950 00
7		GJ1	57 00		4 007 00
14		GJ1	280 00		4 287 00
30		GJ2		95 00	4 192 00
31		GJ2	43 00		4 235 00 DR

Note: Alternatively, posting references in ledger accounts may be made by showing the initials of the journal in front of the Post. Ref. column and the page number of the journal in the Post. Ref. column.

Accts. Rec./B. McNally

Account No. 105

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19--					
Mar. 7		GJ1	43 00		43 00
31		GJ2		43 00	0

Equipment

Account No. 120

DATE	EXPLANATION	POST.	DEBIT	CREDIT	BALANCE

*Equipment*

Account No. 120

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Mar. 2		GJ 1	600 00		600 00
2		GJ 1	200 00		800 00 DR

*Delivery Truck*

Account No. 130

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Mar. 4		GJ 1	15 000 00		15 000 00 DR

120

*Bank Loan Payable* Account No. 201

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Mar. 1	Opening entry	GJ 1		5 000 00	5 000 00 CR

*Accts. Pay./ABC Wholesale Supplies* Account No. 205

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Mar. 1		GJ 1		480 00	480 00 CR

*Accts. Pay./Wellington Motors* Account No. 208

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Mar. 4		GJ 1		14 000 00	14 000 00 CR



*C. Rade, Capital*

Account No. 301

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Mar. 1	Opening entry	GJ 1		1 000 00	1 000 00
2		GJ 1		200 00	1 200 00
11		GJ 1		20 00	1 220 00 CR

*C. Rade, Drawing*

Account No. 302

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Mar. 31		GJ 2	10 00		10 00 DR

*Diaper Services Revenue* Account No. 401

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Mar. 7		GJ 1		43 00	43 00
7		GJ 1		57 00	100 00
14		GJ 1		280 00	380 00 CR

*Supplies Expense* Account No. 505

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Mar. 1		GJ 1	480 00		480 00
31		GJ 2		10 00	470 00 DR

*Rent Expense* Account No. 510

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Mar. 3		GJ 1	450 00		450 00 DR

*Gasoline Expense* Account No. 515

*Gasoline Expense*

Account No. 515

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Mar. 11		GJ 1	20 00		20 00 DR

*Utilities Expense*

Account No. 520

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Mar. 30		GJ 2	95 00		95 00 DR

P 4-12c, d

GENERAL JOURNAL

Page 1

DATE	ACCOUNT TITLE AND EXPLANATION	POST. REF.	DEBIT	CREDIT
19-- Mar. 1	Cash .....	101	6 000 00	
	Bank Loan Payable .....	201		5 000 00
	C. Rade, Capital .....	301		1 000 00
	<i>To record the opening entry for Babyland Diaper Service.</i>			
1	Supplies Expense .....	505	480 00	
	Accts. Pay/ABC Wholesale Supplies .....	205		480 00
	<i>Bought supplies on account. Terms 30 days.</i>			
2	Equipment .....	120	600 00	
	Cash .....	101		600 00
	<i>Bought a new washer from Sears Canada Ltd. Issued cheque 001 in full payment.</i>			
2	Equipment .....	120	200 00	
	C. Rade, Capital .....	301		200 00
	<i>Invested an old clothes dryer from home.</i>			
3	Rent Expense .....	510	450 00	
	Cash .....	101		450 00
	<i>Issued cheque 002 to A.B. Rental Services for monthly rent.</i>			
4	Delivery Truck .....	130	15 000 00	
	Cash .....	101		1 000 00

	Cash .....	101			
	<i>Issued cheque 002 to A.B. Rental Services for monthly rent.</i>				
4	Delivery Truck .....	130	15 000 00		
	Cash .....	101		1 000 00	
	Accts. Pay./Wellington Motors .....	208		14 000 00	
	<i>Bought a truck on account with a \$1000 down payment.</i>				
	<i>Issued cheque 003. Balance to be paid in 90 days.</i>				
7	Accts. Rec./B. McNally .....	105	43 00		
	Diaper Services Revenue .....	401		43 00	
	<i>Performed services on account. Payment due in 30 days.</i>				
7	Cash .....	101	57 00		
	Diaper Services Revenue .....	401		57 00	
	<i>Performed services for cash.</i>				
11	Gasoline Expense .....	515	20 00		
	C. Rade, Capital .....	301		20 00	
	<i>Used personal funds to put gas in the truck.</i>				
14	Cash .....	101	280 00		
	Diaper Services Revenue .....	401		280 00	
	<i>Performed services for cash.</i>				
	Journal Proof of Page 1: .....		23 130 00	23 130 00	

