

Chapter 4 Assignment

George's Book Binding

Chart of Accounts

Assets:

- 101 Cash
- 102 A/R NSER
- 103 A/R Miramich Library
- 106 Land
- 107 Building
- 108 Book Binding Equip.
- 109 Office Equip.
- 110 Van
- 111 Office Supplies

Liabilities:

- 201 Bank Loan Pay.
- 202 A/P Halliday Ind.
- 203 A/P Middtown Motors
- 204 A/P National Office Ltd.
- 205 A/P Bell Mob.
- 206 A/P NB Power

Owner's Equity:

- 301 G. Black Capital
- 302 G. Black Drawing

Revenue:

- 401 Hard-back binding rev.
- 402 Soft-back binding rev.

Expenses:

- 501 Insurance Expense
- 502 Gas Expense
- 503 Advertising Expense
- 504 Salaries Expense
- 505 Telephone Expense
- 506 Utilities Expense

Source Documents :

- ① Opening Balance Sheet
- ② Invoice (Sales/Purchase)
- ③ Cheque Record.
- ④ Remittance Slip
- ⑤ Bank Deposit Slip / Bank Statement
- ⑥ Credit Note

P 4-4

GENERAL JOURNAL

Page 1

DATE	ACCOUNT TITLE AND EXPLANATION	POST. REF.	DEBIT	CREDIT
19-- Nov. 1	Cash		2500 00	
	Office Supplies		1450 00	
	Accounts Payable/G. Health Suppliers			800 00
	J. Edgar, Capital			3150 00
	<i>Opening entry of J. Edgar Consulting Services.</i>			
2	Office Supplies		150 00	
	Cash			150 00
	<i>Bought additional office supplies; issued cheque 001.</i>			
4	Accounts Receivable/A. Lee		450 00	
	Consulting Fees Earned			450 00
	<i>Performed consulting services. Issued sales invoice 01 and extended 30 days' credit.</i>			
6	Cash		950 00	
	Consulting Fees Earned			950 00
	<i>Services for Tankers Ltd. Sales invoice 02 for cash.</i>			
7	Telephone Expense		67 00	
	Cash			67 00
	<i>Issued cheque 002 to Bell Telephone.</i>			

10	Rent Expense	700 00	
	Cash		700 00
	<i>Issued Cheque 003 for monthly rent.</i>		
12	Accounts Payable/G. Health Suppliers	200 00	
	Cash		200 00
	<i>Issued cheque 004 in partial payment of account.</i>		
15	Cash	500 00	
	Consulting Fees Earned		500 00
	<i>Performed consulting services. Sales invoice 03 for cash.</i>		
16	Office Equipment	3000 00	
	Accounts Payable/D. Moyer Computers Ltd.		3000 00
	<i>Acquired a Macintosh SE® computer for the office.</i>		
17	Cash	5000 00	
	Bank Loan Payable		5000 00
	<i>Borrowed from the bank and deposited the amount into the business's bank account.</i>		

P 4-4 (continued)

GENERAL JOURNAL

Page 2

DATE	ACCOUNT TITLE AND EXPLANATION	POST. REF.	DEBIT	CREDIT
19-- Nov. 20	Accounts Receivable/Lambton Industries Inc. Consulting Fees Earned..... Performed consulting services. Issued sales invoice 04 and extended 30 days' credit.		1200 00	1200 00
23	Advertising Expense Cash Purchased advertising in local paper. Issued cheque 005.		350 00	350 00
25	Utilities Expense Cash Paid monthly utilities bill to PUC. Issued cheque 006.		440 00	440 00
30	Cash Consulting Fees Earned..... Performed services and issued sales invoice 05 for cash.		3200 00	3200 00
30	J. Edgar, Drawing..... Cash J. Edgar withdrew cash for personal use. Issued cheque 007.		250 00	250 00

Note: Student entries on Page 1 and Page 2 may differ from the above solution. It is most important that complete double entries appear on the same page.

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

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trial bal

P 4-7

Note: Appropriate posting references would be made in the General Journal used in Problem 4-4 (J. Edgar Consulting Services). Posting references in ledger accounts will vary directly with journal page numbers used in P 4-4.

General Ledger (J. Edgar Consulting Services)

Cash

Account No. 101

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19--					
Nov. 1	Opening entry	GJ 1	2 500 00		2 500 00
2		GJ 1		150 00	2 350 00
6		GJ 1	950 00		3 300 00
7		GJ 1		67 00	3 233 00
10		GJ 1		700 00	2 533 00
12		GJ 1		200 00	2 333 00
15		GJ 1	500 00		2 833 00
17		GJ 1	5 000 00		7 833 00
23		GJ 2		350 00	7 483 00
25		GJ 2		440 00	7 043 00
30		GJ 2	3 200 00		10 243 00
30		GJ 2		250 00	9 993 00 DR

Note: Optionally, the entire posting reference, GJ and page number, may be placed in the narrow Post. Ref. column, or shown as above.

P 4-7 (continued)

Accts. Rec./Lambton Industries Inc.

Account No. 105

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Nov. 20		GJ 2	1 200 00		1 200 00 DR

Accts. Rec./A. Lee

Account No. 108

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Nov. 4		GJ 1	450 00		450 00 DR

Office Supplies

Account No. 115

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Nov. 1	Opening entry	GJ 1	1 450 00		1 450 00
2		GJ 1	150 00		1 600 00 DR

Office Equipment

Account No. 120

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
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Office Equipment Account No. 120

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Nov. 16		GJ 1	3 000 00		3 000 00 DR

Bank Loan Payable Account No. 201

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Nov. 17	Opening entry	GJ 1		5 000 00	5 000 00 CR

1-7 (continued)

Accts. Pay./G. Health Suppliers

Account No. 205

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Nov. 1	Opening entry	GJ 1		800 00	800 00
12		GJ 1	200 00		600 00 CR

Accts. Pay./D. Moyer Computers Ltd.

Account No. 210

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Nov. 16		GJ 1		3 000 00	3 000 00 CR

J. Edgar, Capital

Account No. 301

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Nov. 1	Opening entry	GJ 1		3 150 00	3 150 00 CR

J. Edgar, Drawing

Account No. 302

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
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J. Edgar, Drawing

Account No. 302

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Nov. 30		GJ 2	250 00		250 00 DR

Consulting Fees Earned

Account No. 401

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Nov. 4		GJ 1		450 00	450 00
6		GJ 1		950 00	1 400 00
15		GJ 1		500 00	1 900 00
20		GJ 2		1 200 00	3 100 00
30		GJ 2		3 200 00	6 300 00 CR

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Telephone Expense

Account No. 505

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Nov. 7		GJ 1	67 00		67 00 DR

Rent Expense

Account No. 510

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Nov. 10		GJ 1	700 00		700 00 DR

Advertising Expense

Account No. 515

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Nov. 23		GJ 2	350 00		350 00 DR

Utilities Expense

Account No. 520

DATE	EXPLANATION	POST. REF.	DEBIT	CREDIT	BALANCE
19-- Nov. 25		GJ 2	440 00		440 00 DR

P 4-10c, d

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

Zero proof trial balance Nov. 30, 19--	
	0.00 *
	9 993.00 +
	1 200.00 +
	450.00 +
	1 600.00 +
	3 000.00 +
	5 000.00 -
	600.00 -
	3 000.00 -
	3 150.00 -
	250.00 +
	6 300.00 -
	67.00 +
	700.00 +
	350.00 +
	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.