

John Doe opened a business called Doe Bookkeeping and for the month of January 2003 he completed the following business transactions:

- a. John Doe invested \$40,000 cash and \$10,000 of office equipment.
- b. The company paid \$600 for a magazine advertisement
- c. The company completed a bookkeeping job and collected a cash fee of \$4,000.
- d. The company purchased office supplies on account for \$500
- e. The company paid for the office supplies purchased in d above.
- f. The company completed a bookkeeping job on account and billed the customer \$2,000.
- g. The company received payment in full for the bookkeeping on transaction f above.
- h. The company purchase office equipment on account for \$800
- i. The company completed another bookkeeping job on account and billed the customer \$1,000

Required:

Post the transactions to the appropriate accounts using the following Chart of Accounts and prepare the Trial Balance:

| ACCOUNT NAME | TYPE | NORMAL BALANCE |
|-------------------------|-----------|----------------|
| CASH IN BANK | ASSET | DEBIT |
| ACCOUNTS RECEIVABLE | ASSET | DEBIT |
| OFFICE SUPPLIES | ASSET | DEBIT |
| OFFICE EQUIPMENT | ASSET | DEBIT |
| ACCOUNTS PAYABLE | LIABILITY | CREDIT |
| JOHN DOE, CAPITAL | EQUITY | CREDIT |
| BOOKKEEPING FEES EARNED | REVENUE | CREDIT |
| ADVERTISING EXPENSE | EXPENSE | DEBIT |

| Cash in Bank | |
|--------------|-------|
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| ----- | ----- |
| | ← |
| ----- | |
| ===== | |

| Accounts Receivable | |
|---------------------|-------|
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| ----- | ----- |
| | ← |
| ----- | |
| ===== | |

| Office Supplies | |
|-----------------|--|
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| ----- | |
| ===== | |

| Office Equipment | |
|------------------|--|
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| | |
| ----- | |
| ===== | |

| Accounts Payable | |
|------------------|-------|
| | |
| | |
| ----- | ----- |
| | → |
| | ----- |
| | ===== |

| John Doe Capital | |
|------------------|-------|
| | |
| | ----- |
| | ===== |

| Bookkeeping Fees Earned | |
|-------------------------|-------|
| | |
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| | ----- |
| | ===== |

| Advertising Expense | |
|---------------------|--|
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| | |
| ----- | |
| ===== | |

| Cash in Bank | |
|---------------------|-------------|
| a) 40,000 | b) 600 |
| c) 4,000 | e) 500 |
| g) 2,000 | |
| ----- | |
| Total 46,000 | Total 1,100 |
| - 1,100 | ← |
| ----- | |
| Balance 44,900 | |
| ===== | |

| Accounts Receivable | |
|----------------------------|-------------|
| f) 2,000 | g) 2,000 |
| i) 1,000 | |
| ----- | |
| Total 3,000 | Total 2,000 |
| - 2,000 | ← |
| ----- | |
| Balance 1,000 | |
| ===== | |

| Office Supplies | |
|------------------------|--|
| d) 500 | |
| ===== | |

| Office Equipment | |
|-------------------------|--|
| a) 10,000 | |
| h) 800 | |
| ----- | |
| Balance 10,800 | |
| ===== | |

| Accounts Payable | |
|-------------------------|-------------|
| e) 500 | d) 500 |
| | h) 800 |
| ----- | |
| Total 500 | Total 1,300 |
| → | - 500 |
| ----- | |
| | Balance 800 |
| ===== | |

| John Doe Capital | |
|-------------------------|----------------|
| | a) 50,000 |
| ----- | |
| | Balance 50,000 |
| ===== | |

| Bookkeeping Fees Earned | |
|--------------------------------|---------------|
| | c) 4,000 |
| | f) 2,000 |
| | i) 1,000 |
| ----- | |
| | Balance 7,000 |
| ===== | |

| Advertising Expense | |
|----------------------------|--|
| b) 600 | |
| ===== | |

DOE BOOKKEEPING**TRIAL BALANCE****JANUARY 31, 2003**

| ACCOUNT NAME | DEBIT | CREDIT |
|-------------------------|--------------|---------------|
| Cash | 44,900 | |
| Accounts Receivable | 1,000 | |
| Office Supplies | 500 | |
| Office Equipment | 10,800 | |
| Accounts Payable | | 800 |
| John Doe - Capital | | 50,000 |
| Bookkeeping Fees Earned | | 7,000 |
| Advertising Expense | 600 | |
| | ----- | ----- |
| Totals | 57,800 | 57,800 |
| | ===== | ===== |