

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 \$50,000 cash and \$20,000 of office equipment.
- b. The company paid \$450 for a magazine advertisement
- c. The company completed a bookkeeping job and collected a cash fee of \$3,500.
- d. The company purchased office supplies on account for \$480
- 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 \$1,300.
- g. The company received payment in full for the bookkeeping on transaction f above.
- h. The company purchase office equipment on account for \$2,500
- i. The company completed another bookkeeping job on account and billed the customer \$2,000

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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	←

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Accounts Receivable	
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	←

=====	

Office Supplies

=====

Office Equipment

=====

Accounts Payable	
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	→

	=====

John Doe Capital	

	=====

Bookkeeping Fees Earned	

	=====

Advertising Expense

=====

Cash in Bank	
a) 50,000	b) 450
c) 3,500	e) 480
g) 1,300	

Total 54,800	Total 930
- 930	←

Balance 53,870	
=====	

Accounts Receivable	
f) 1,300	g) 1,300
i) 2,000	

Total 3,300	Total 1,300
- 1,300	←

Balance 2,000	
=====	

Office Supplies	
d) 480	
=====	

Office Equipment	
a) 20,000	
h) 2,500	

Balance 22,500	
=====	

Accounts Payable	
e) 480	d) 480
	h) 2,500

Total 480	Total 2,980
→	- 480

	Balance 2,500
=====	

John Doe Capital	
	a) 70,000

	Balance 70,000
=====	

Bookkeeping Fees Earned	
	c) 3,500
	f) 1,300
	i) 2,000

	Balance 6,800
=====	

Advertising Expense	
b) 450	
=====	

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

ACCOUNT NAME	DEBIT	CREDIT
Cash	53,870	
Accounts Receivable	2,000	
Office Supplies	480	
Office Equipment	22,500	
Accounts Payable		2,500
John Doe - Capital		70,000
Bookkeeping Fees Earned		6,800
Advertising Expense	450	
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Totals	79,300	79,300
	=====	=====