

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 \$80,000 cash and \$5,000 of office equipment.
- b. The company paid \$500 for a magazine advertisement
- c. The company completed a bookkeeping job and collected a cash fee of \$5,000.
- d. The company purchased office supplies on account for \$300
- 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 \$1,500.
- g. The company received payment in full for the bookkeeping on transaction f above.
- h. The company purchase office equipment on account for \$3,000
- i. The company completed another bookkeeping job on account and billed the customer \$4,000

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	

=====	

TRIAL BALANCE

ACCOUNT NAME	DEBIT	CREDIT
Totals	-----	-----
	=====	=====

Cash in Bank	
a) 80,000	b) 500
c) 5,000	e) 300
g) 1,500	

Total 86,500	Total 800
- 800	←

Balance 85,700	
=====	

Accounts Receivable	
f) 1,500	g) 1,500
i) 4,000	

Total 5,500	Total 1,500
- 1,500	←

Balance 4,000	
=====	

Office Supplies	
d) 300	
=====	

Office Equipment	
a) 5,000	
h) 3,000	

Balance 8,000	
=====	

Accounts Payable	
e) 300	d) 300
	h) 3,000

Total 300	Total 3,300
→	- 300

	Balance 3,000
=====	

John Doe Capital	
	a) 85,000

	Balance 85,000
=====	

Bookkeeping Fees Earned	
	c) 5,000
	f) 1,500
	i) 4,000

	Balance 10,500
=====	

Advertising Expense	
b) 500	
=====	

DOE BOOKKEEPING

TRIAL BALANCE

JANUARY 31, 2003

ACCOUNT NAME	DEBIT	CREDIT
Cash	85,700	
Accounts Receivable	4,000	
Office Supplies	300	
Office Equipment	8,000	
Accounts Payable		3,000
John Doe - Capital		85,000
Bookkeeping Fees Earned		10,500
Advertising Expense	500	
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Totals	98,500	98,500
	=====	=====