

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

- a. John Doe invested \$80,000 cash and office equipment worth \$5,000 into the new business.
- b. Purchased land valued at \$40,000 and an office building valued at \$80,000 by paying cash of \$30,000 and signing a long-term note payable for the balance.
- c. Purchased office supplies on account for \$300
- d. John Doe contributed his personal automobile, which had a \$20,000 value, to the company.
- e. Purchased additional office equipment on account for \$3,000
- f. Paid the executive office assistant's salary of \$600.
- g. Sold bookkeeping services and collected a cash fee of \$5,000.
- h. Paid \$500 for a magazine advertisement
- i. Paid for the supplies purchased in transaction c above.
- j. Purchased a new printer by paying \$400 cash and trading in an old printer that was on the books for \$50.
- k. Completed a consulting job on account and billed the customer \$1,500.
- l. Paid the executive office assistant's salary of \$600.
- m. Received payment in full for the marketing research on transaction k above.
- n. John Doe withdrew \$1,200 from the business for personal expenses.

Required:

Prepare the journal entries to record the above transactions using the following Chart of Accounts:

ACCOUNT NAME	TYPE	NORMAL BALANCE
CASH IN BANK	ASSET	DEBIT
ACCOUNTS RECEIVABLE	ASSET	DEBIT
OFFICE SUPPLIES	ASSET	DEBIT
AUTOMOBILE	ASSET	DEBIT
OFFICE EQUIPMENT	ASSET	DEBIT
BUILDING	ASSET	DEBIT
LAND	ASSET	DEBIT
ACCOUNTS PAYABLE	LIABILITY	CREDIT
LONG-TERM NOTE PAYABLE	LIABILITY	CREDIT
JOHN DOE, CAPITAL	EQUITY	CREDIT
JOHN DOE, WITHDRAWALS	EQUITY	DEBIT
BOOKKEEPING FEES EARNED	REVENUE	CREDIT
CONSULTING FEES EARNED	REVENUE	CREDIT
OFFICE SALARIES EXPENSE	EXPENSE	DEBIT
ADVERTISING EXPENSE	EXPENSE	DEBIT

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DATE	ACCOUNT	TYPE	DEBIT	CREDIT
a)				
	Explain:			
b)				
	Explain:			
c)				
	Explain:			
d)				
	Explain:			
e)				
	Explain:			
f)				
	Explain:			
g)				
	Explain:			
h)				
	Explain:			
i)				
	Explain:			
j)				
	Explain:			

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DATE	ACCOUNT	TYPE	DEBIT	CREDIT
k)				
	Explain:			
l)				
	Explain:			
m)				
	Explain:			
n)				
	Explain:			

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DATE	ACCOUNT	TYPE	DEBIT	CREDIT
a)	Cash in Bank	A	80,000	
	Office Equipment	A	5,000	
	John Doe, Capital	EQ		85,000
	Investment by Owner			
b)	Land	A	40,000	
	Building	A	80,000	
	Cash in Bank	A		30,000
	Long Term Note Payable	L		90,000
	Purchased Land & Building			
c)	Office Supplies	A	300	
	Accounts Payable	L		300
	Purchase supplies on account			
d)	Automobile	A	20,000	
	John Doe, Capital	EQ		20,000
	Investment by Owner			
e)	Office Equipment	A	3,000	
	Accounts Payable	L		3,000
	Purchased equipment on account			
f)	Office Salaries Expense	EX	600	
	Cash in Bank	A		600
	Paid office assistant's salary			
g)	Cash in Bank	A	5,000	
	Bookkeeping Fees Earned	R		5,000
	Did work and got paid			
h)	Advertising Expense	EX	500	
	Cash in Bank	A		500
	Purchased and paid for advertising			
i)	Accounts Payable	L	300	
	Cash in Bank	A		300
	Paid for c) above			
j)	Office Equipment (new printer)	A	450	
	Cash in Bank	A		400
	Office Equipment (old printer)	A		50
	Traded in printer			

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DATE	ACCOUNT	TYPE	DEBIT	CREDIT
k)	Accounts Receivable	A	1,500	
	Consulting Fees Earned	R		1,500
	Did work & didn't get paid			
l)	Office Salaries Expense	EX	600	
	Cash in Bank	A		600
	Paid office assistant's salary			
m)	Cash in Bank	A	1,500	
	Accounts Receivable	A		1,500
	Received payment from k) above			
n)	John Doe, Withdrawals	EQ	1,200	
	Cash in Bank	A		1,200
	Gave cash to owner			