

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 \$40,000 cash and office equipment worth \$10,000 into the new business.
- b. Purchased land valued at \$30,000 and an office building valued at \$130,000 by paying cash of \$20,000 and signing a long-term note payable for the balance.
- c. Purchased office supplies on account for \$500
- d. John Doe contributed his personal automobile, which had a \$16,000 value, to the company.
- e. Purchased additional office equipment on account for \$2,000
- f. Paid the executive office assistant's salary of \$400.
- g. Sold bookkeeping services and collected a cash fee of \$4,000.
- h. Paid \$600 for a magazine advertisement
- i. Paid for the supplies purchased in transaction c above.
- j. Purchased a new printer by paying \$500 cash and trading in an old printer that was on the books for \$100.
- k. Completed a consulting job on account and billed the customer \$2,000.
- l. Paid the executive office assistant's salary of \$400.
- m. Received payment in full for the marketing research on transaction k above.
- n. John Doe withdrew \$1,000 from the business for personal expenses.

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
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

Cash in Bank	
a) 40,000	b) 20,000
g) 4,000	f) 400
m) 2,000	h) 600
	i) 500
	j) 500
	l) 400
	n) 1,000

Total 46,000	Total 23,400
23,400	←

Balance 22,600	
=====	

Accounts Receivable	
k) 2,000	m) 2,000

Total 2,000	Total 2,000
2,000	←

Balance 0	
=====	

Office Supplies	
c) 500	
=====	

Automobile	
d) 16,000	
=====	

Office Equipment	
a) 10,000	j) 100
e) 2,000	
j) 600	

Total 12,600	Total 100
100	←

Balance 12,500	
=====	

Building	
b) 130,000	
=====	

Land	
b) 30,000	
=====	
Accounts Payable	
i) 500	c) 500
	e) 2,000

Total 500	Total 2,500
	500

	Balance 2,000
=====	

Long Term Note Payable	
	b) 140,000
=====	

John Doe Capital	
	a) 50,000
	d) 16,000

	Balance 66,000
=====	

John Doe Withdrawals	
n) 1,000	
=====	

Bookkeeping Fees Earned	
	g) 4,000
=====	

Consulting Fees Earned	
	k) 2,000
=====	

Office Salaries Expense	
f) 400	
l) 400	

Balance 800	
=====	

Advertising Expense	
h) 600	
=====	

DOE CONSULTING

TRIAL BALANCE

JANUARY 31, 2003

ACCOUNT NAME	DEBIT	CREDIT
Cash	22,600	
Office Supplies	500	
Automobiles	16,000	
Office Equipment	12,500	
Building	130,000	
Land	30,000	
Accounts Payable		2,000
Long-term Notes Payable		140,000
John Doe - Capital		66,000
John Doe – Withdrawals	1,000	
Bookkeeping Fees Earned		4,000
Consulting Fees Earned		2,000
Office Salaries Expense	800	
Advertising Expense	600	
	-----	-----
Totals	214,000	214,000
	=====	=====