

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:**

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





<b>Cash in Bank</b>	
a) 80,000	b) 30,000
g) 5,000	f) 600
m) 1,500	h) 500
	i) 300
	j) 400
	l) 600
	n) 1,200
-----	
Total 86,500	Total 33,600
-33,600	←
-----	
Balance 52,900	
=====	

<b>Accounts Receivable</b>	
k) 1,500	m) 1,500
-----	
Total 1,500	Total 1,500
-1,500	←
-----	
Balance 0	
=====	

<b>Office Supplies</b>	
c) 300	
=====	

<b>Automobile</b>	
d) 20,000	
=====	

<b>Office Equipment</b>	
a) 5,000	j) 50
e) 3,000	
j) 450	
-----	
Total 8,450	Total 50
-50	←
-----	
Balance 8,400	
=====	

<b>Building</b>	
b) 80,000	
=====	

<b>Land</b>	
b) 40,000	
=====	

<b>Accounts Payable</b>	
i) 300	c) 300
	e) 3,000
-----	
Total 300	Total 3,300
	-300
-----	
	Balance 3,000
=====	

<b>Long Term Note Payable</b>	
	b) 90,000
=====	

<b>John Doe Capital</b>	
	a) 85,000
	d) 20,000
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	Balance 105,000
=====	

<b>John Doe Withdrawals</b>	
n) 1,200	
=====	

<b>Bookkeeping Fees Earned</b>	
	g) 5,000
=====	

<b>Consulting Fees Earned</b>	
	k) 1,500
=====	

<b>Office Salaries Expense</b>	
f) 600	
l) 600	
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Balance 1,200	
=====	

<b>Advertising Expense</b>	
h) 500	
=====	

## DOE CONSULTING

## TRIAL BALANCE

JANUARY 31, 2003

ACCOUNT NAME	DEBIT	CREDIT
Cash	52,900	
Office Supplies	300	
Automobiles	20,000	
Office Equipment	8,400	
Building	80,000	
Land	40,000	
Accounts Payable		3,000
Long-term Notes Payable		90,000
John Doe - Capital		105,000
John Doe – Withdrawals	1,200	
Bookkeeping Fees Earned		5,000
Consulting Fees Earned		1,500
Office Salaries Expense	1,200	
Advertising Expense	500	
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Totals	204,500	204,500
	=====	=====