

4-1**APPLICATION PROBLEM****Journalizing transactions into a general journal**

Dennis Gilbert owns a service business called D & G Company, which uses the following accounts:

Cash	Accts. Pay.—Ronken Supplies	Miscellaneous Expense
Accts. Rec.—Hetland Company	Dennis Gilbert, Capital	Rent Expense
Supplies	Dennis Gilbert, Drawing	Utilities Expense
Prepaid Insurance	Sales	

Transactions:

- Feb. 1. Received cash from owner as an investment, \$10,000.00. R1.
4. Paid cash for supplies, \$1,000.00. C1.

Instructions:

Journalize the transactions completed during February of the current year. Use page 1 of the journal given in the *Working Papers*. Source documents are abbreviated as follows: check, C; memorandum, M; receipt, R; sales invoice, S; calculator tape, T.

Save your work to complete Application Problem 4-2.

4-2**APPLICATION PROBLEM****Journalizing buying insurance, buying on account, and paying on account into a general journal**

Use the chart of accounts and general journal from Application Problem 4-1.

Transactions:

- Feb. 6. Paid cash for insurance, \$1,200.00 C2.
7. Bought supplies on account from Ronken Supplies, \$1,400.00. M1.
8. Paid cash on account to Ronken Supplies, \$700.00. C3.
12. Paid cash on account to Ronken Supplies, \$700.00. C4.

Instructions:

Journalize the transactions. Source documents use the same abbreviations as stated in Application Problem 4-1. Save your work to complete Application Problem 4-3.

4-3**APPLICATION PROBLEM****Journalizing transactions that affect owner's equity into a general journal**

Use the chart of accounts given in Application Problem 4-1 and general journal from Application Problem 4-2.

Transactions:

- Feb. 12. Paid cash for rent, \$600.00. C5.
13. Received cash from sales, \$500.00. T13.
14. Sold services on account to Hetland Company, \$450.00. S1.
15. Paid cash to owner for personal use, \$1,800.00. C6.
18. Received cash from sales, \$278.00. T18.
19. Paid cash for postage (Miscellaneous Expense), \$64.00. C7.
21. Received cash an account from Hetland Company, \$250.00. R2.

- Feb. 22. Received cash from sales, \$342.00. T22.
 22. Paid cash for heating fuel bill, \$329.00. C8.

Instructions:

Journalize the transactions. Source documents use the same abbreviations as stated in Application Problem 4-1.

Save your work to complete Application Problem 4-4.

4-4

APPLICATION PROBLEM
Journalizing transactions and starting a new page of a general journal

Use the chart of accounts given in Application Problem 4-1 and the general journal from Application Problem 4-3.

Transactions:

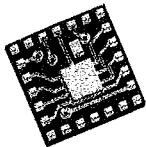
- Feb. 25. Received cash on account from Hetland Company, \$200.00. R3.
 25. Paid cash for a delivery (Miscellaneous Expense), \$18.00. C9.
 26. Sold services on account to Hetland Company, \$136.00. S2.
 26. Paid cash for supplies, \$44.00. C10.
 27. Paid cash for rent, \$600.00. C11.
 27. Paid cash for postage (Miscellaneous Expense), \$10.00. C12.
 28. Received cash from sales, \$1,365.00. T28.
 28. Paid cash to owner for personal use, \$1,000.00. C13.

Instructions:

1. Journalize the transactions for February 25. Source documents use the same abbreviations as stated in Application Problem 4-1.
2. Use page 2 of the journal to journalize the rest of the transactions for February.

4-5

APPLICATION PROBLEM
Journalizing transactions



Nick Bonnocotti owns a service business called The Lawn Doctor, which uses the following accounts:

- | | |
|------------------------------|--------------------------|
| Cash | Nick Bonnocotti, Capital |
| Accts. Rec.—Leon Quarve | Nick Bonnocotti, Drawing |
| Supplies | Sales |
| Prepaid Insurance | Advertising Expense |
| Accts. Pay.—Western Supplies | Utilities Expense |

Transactions:

- Apr. 1. Nick Bonnocotti invested \$2,000.00 of his own money in the business. Receipt No. 1.
 3. Used business cash to purchase supplies costing \$37.00. Wrote Check No. 1.
 4. Wrote Check No. 2 for insurance, \$120.00.
 5. Purchased supplies for \$50.00 over the phone from Western Supplies, promising to send the check next week. Memorandum No. 1.
 11. Sent Check No. 3 to Western Supplies, \$50.00.
 12. Sent a check for the electricity bill, \$65.00. Check No. 4.
 15. Wrote a \$850.00 check to Mr. Bonnocotti for personal use. Used Check No. 5.

- Apr. 16. Sold services for \$259.00 to Leon Quarve, who agreed to pay for them within 10 days. Sales Invoice No. 1.
17. Recorded cash sales of \$1,668.00.
18. Paid \$50.00 for advertising. Wrote Check No. 6.
25. Received \$259.00 from Leon Quarve for the services we performed last week. Wrote Receipt No. 2.

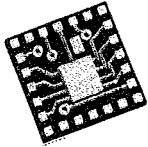
Instructions:

Journalize the transactions completed during April of the current year. Use page 1 of the journal given in the *Working Papers*. Remember to enter source document numbers as necessary.

4-6

MASTERY PROBLEM
Journalizing transactions

Jill Statsholt owns a service business called Jill's Car Wash, which uses the following accounts:



Cash	Accts. Pay.—Long Supplies	Miscellaneous Expense
Accts. Rec.—David's Limos	Jill Statsholt, Capital	Rent Expense
Supplies	Jill Statsholt, Drawing	Repair Expense
Prepaid Insurance	Sales	Utilities Expense
Accts. Pay.—Akita Supplies	Advertising Expense	

Transactions:

- June 1. Received cash from owner as an investment, \$17,500.00. R1.
2. Paid cash for rent, \$400.00. C1.
3. Paid cash for supplies, \$1,200.00. C2.
4. Bought supplies on account from Akita Supplies, \$2,000.00. M1.
5. Paid cash for insurance, \$4,500.00. C3.
8. Paid cash on account to Akita Supplies, \$1,500.00. C4.
8. Received cash from sales, \$750.00. T8.
8. Sold services on account to David's Limos, \$200.00. S1.
9. Paid cash for electric bill, \$75.00. C5.
10. Paid cash for miscellaneous expense, \$7.00. C6.
10. Received cash from sales, \$750.00. T10.
11. Paid cash for repairs, \$100.00. C7.
11. Received cash from sales, \$850.00. T11.
12. Received cash from sales, \$700.00. T12.
15. Paid cash to owner for personal use, \$350.00. C8.
15. Received cash from sales, \$750.00. T15.
16. Paid cash for supplies, \$1,500.00. C9.
17. Received cash on account from David's Limos, \$200.00. R2.
17. Bought supplies on account from Long Supplies, \$750.00. M2.
17. Received cash from sales, \$600.00. T17.
18. Received cash from sales, \$800.00. T18.
19. Received cash from sales, \$750.00. T19.
22. Bought supplies on account from Long Supplies, \$80.00. M3.
22. Received cash from sales, \$700.00. T22.
23. Paid cash for advertising, \$130.00. C10.
23. Sold services on account to David's Limos, \$650.00. S2.

- June 24. Paid cash for telephone bill, \$60.00. C11.
 24. Received cash from sales, \$600.00. T24.
 25. Received cash from sales, \$550.00. T25.
 26. Paid cash for supplies, \$70.00. C12.
 26. Received cash from sales, \$600.00. T26.
 29. Received cash on account from David's Limos, \$650.00. R3.
 30. Paid cash to owner for personal use, \$375.00. C13.
 30. Received cash from sales, \$800.00. T30.

Instructions:

- The journals for Jill's Car Wash are given in the *Working Papers*. Use page 1 of the journal to journalize the transactions for June 1 through June 16. Source documents are abbreviated as follows: check, C; memorandum, M; receipt, R; sales invoice, S; calculator tape, T.
- Use page 2 of the journal to journalize the transactions for the remainder of June.

4-7

CHALLENGE PROBLEM
Journalizing transactions using a variation of the general journal

Tony Wirth owns a service business called Wirth's Tailors, which uses the following accounts:

Cash	Accts. Pay.—Marker Supplies	Rent Expense
Accts. Rec.—Amy's Uniforms	Tony Wirth, Capital	Utilities Expense
Supplies	Tony Wirth, Drawing	
Prepaid Insurance	Sales	

Transactions:

- June 1. Received cash from owner as an investment, \$17,000.00. R1.
 2. Paid cash for insurance, \$3,000.00. C1.
 3. Bought supplies on account from Marker Supplies, \$2,500.00. M1.
 4. Paid cash for supplies, \$1,400.00. C2.
 8. Paid cash on account to Marker Supplies, \$1,300.00. C3.
 9. Paid cash for rent, \$800.00. C4.
 12. Received cash from sales, \$550.00. T12.
 15. Sold services on account to Amy's Uniforms, \$300.00. S1.
 16. Paid cash for telephone bill, \$70.00. C5.
 22. Received cash on account from Amy's Uniforms, \$300.00. R2.
 25. Paid cash to owner for personal use, \$900.00. C6.

Instructions:

The journal for Wirth's Tailors is given in the *Working Papers*. Wirth's Tailors uses a journal that is slightly different from the journal used in this chapter. Use page 1 of the journal to journalize the transactions. Source documents are abbreviated as follows: check, C; memorandum, M; receipt, R; sales invoice, S; calculator tape, T.