

Problem 4.2A Journalizing and posting transactions. LO 4-1, 4-2, 4-3

On October 1, 2016, Sattilo Richey opened an advertising agency.

DATE	TRANSACTIONS
Oct. 1	Sattilo Richey invested \$60,000 cash in the business.
2	Paid October office rent of \$3,000; issued Check 1001.
5	Purchased desks and other office furniture for \$15,000 from Office Furniture Mart, Inc.; received Invoice 6704 payable in 60 days.
6	Issued Check 1002 for \$3,200 to purchase art equipment.
7	Purchased supplies for \$1,550; paid with Check 1003.
10	Issued Check 1004 for \$600 for office cleaning service.
12	Performed services for \$4,100 in cash and \$1,900 on credit. (Use a compound entry.)
15	Returned damaged supplies for a cash refund of \$400.
18	Purchased a computer for \$3,000 from Office Furniture Mart, Inc., Invoice 7108; issued Check 1005 for a \$1,750 down payment, with the balance payable in 30 days. (Use one compound entry.)
20	Issued Check 1006 for \$7,500 to Office Furniture Mart, Inc., as payment on account for Invoice 6704.
26	Performed services for \$4,400 on credit.
27	Paid \$325 for monthly telephone bill; issued Check 1007.
30	Received \$3,700 in cash from credit customers.
30	Mailed Check 1008 to pay the monthly utility bill of \$400.
30	Issued Checks 1009–1011 for \$8,000 for salaries.

Date	General Journal	Debit	Credit
Oct 01, 2016	Cash	60,000	
	Satillo Richey, Capital		60,000
Oct 02, 2016	Rent expense	3,000	
	Cash		3,000
Oct 05, 2016	Office equipment	15,000	
	Accounts payable		15,000
Oct 06, 2016	Art equipment	3,200	
	Cash		3,200
Oct 07, 2016	Supplies	1,550	
	Cash		1,550
Oct 10, 2016	Office cleaning expense	600	
	Cash		600
Oct 12, 2016	Cash	4,100	
	Accounts receivable	1,900	
	Fees income		6,000
Oct 15, 2016	Cash	400	
	Supplies		400
Oct 18, 2016	Office equipment	3,000	
	Cash		1,750
	Accounts payable		1,250

Oct 20, 2016	Accounts payable	7,500	
	Cash		7,500
Oct 26, 2016	Accounts receivable	4,400	
	Fees income		4,400
Oct 27, 2016	Telephone expense	325	
	Cash		325
Oct 30, 2016	Cash	3,700	
	Accounts receivable		3,700
Oct 30, 2016	Utilities expense	400	
	Cash		400
Oct 30, 2016	Salaries expense	8,000	
	Cash		8,000

2. Post the above transactions to the ledger accounts.

Cash		Account No. 101	
Date	Debit	Credit	Balance
Oct 01, 2016	60,000		F 60,000
Oct 02, 2016		3,000	F 57,000
Oct 06, 2016		3,200	F 53,800
Oct 07, 2016		1,550	F 52,250
Oct 10, 2016		600	F 51,650
Oct 12, 2016	4,100		F 55,750
Oct 15, 2016	400		F 56,150
Oct 18, 2016		1,750	F 54,400
Oct 20, 2016		7,500	F 46,900
Oct 27, 2016		325	F 46,575
Oct 30, 2016	3,700		F 50,275
Oct 30, 2016		400	F 49,875
Oct 30, 2016		8,000	F 41,875
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