

- a. Purchase of food (hot dogs and popcorn) with cash, \$75. All of this food will be sold this month.
- b. Purchase of equipment on account from Circus Supply for \$150.
- c. Cash food sales of \$300.
- d. Payment of wages in cash, \$110.
- e. Beverage sales of \$100.
- f. Purchase of beverages, \$12. These beverages will be sold this month.
- g. Payment on account to Circus Supply for \$10.

Required:

Prepare the necessary journal entries showing the debit and credit entries. In addition, provide a brief explanation of each entry.

Use the following account names: Cash; Equipment; Accounts Payable (Circus Supply Co.); Food Sales; Beverage Sales; Wage Expense; Food Expense; Beverage Expense.

Problem 7

The Turner Café has a general ledger with only twelve accounts. It is the end of the month and Josie Turner (owner) needs a trial balance in order to prepare the month's financial statement. The following are the general ledger accounts:

| | | |
|--------------------|----------|----------------------|
| Cash | \$ 3,500 | |
| J. Turner, Capital | 10,500 | |
| Food Inventory | 4,500 | |
| Prepaid Expenses | 700 | |
| Accounts Payable | 2,100 | |
| Equipment | 15,400 | ← Should read 14,400 |
| Notes Payable | 7,400 | |
| Sales | 42,000 | |
| Cost of Food Sold | 14,000 | |
| Rent Expense | 2,000 | |
| Wages Expense | 16,000 | |
| Other Expenses | 6,900 | |

Required:

Prepare a trial balance for the Turner Café.

Problem 8

Tyler Motel's general budget accounts at the end of December 31, 20X5, were as follows:

| | |
|-------------------------------------|-----------|
| Cash | \$ 12,400 |
| Accounts Receivable | 40,500 |
| Inventory | 18,300 |
| Prepaid Insurance | 2,100 |
| Land | 150,000 |
| Buildings | 2,400,000 |
| Accumulated Depreciation, Buildings | 1,250,000 |
| Equipment | 900,000 |
| Accumulated Depreciation, Equipment | 235,000 |

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|------------------------|-----------|----------------------|
| Accounts Payable | 35,000 | |
| Notes Payable | 846,000 | |
| Tyler Wray, Capital | 28,600 | ← Should Read 32,800 |
| Room Revenue | 2,350,000 | |
| Wages Expense | 751,000 | |
| Laundry Expense | 50,000 | |
| Advertising Expense | 36,000 | |
| Utilities Expense | 52,000 | |
| Insurance Expense | 22,000 | |
| Property Taxes Expense | 20,000 | |
| Interest Expense | 82,000 | |
| Depreciation Expense | 115,000 | |
| Supplies Expense | 33,000 | |
| Maintenance Expense | 64,500 | |

Required:

Prepare the trial balance for the Tyler Motel.

Problem 9

The following alphabetically arranged accounts and their balances were taken from the ledger of Chuck's Supply Company on December 31 of the current year:

| | | | |
|-----------------------|----------|----------------------------|--------|
| Accounts Payable | \$ 2,400 | Office Equipment | 1,600 |
| Accounts Receivable | 4,500 | Office Supplies | 85 |
| Building | 25,500 | Prepaid Insurance | 160 |
| Cash | 2,000 | Prepaid Interest | 15 |
| Chuck Franko, Capital | 18,300 | Revenue | 35,950 |
| Delivery Equipment | 2,500 | Store Equipment | 5,450 |
| Interest Expense | 200 | Store Supplies | 155 |
| Interest Payable | 150 | Taxes Payable | 250 |
| Land | 8,200 | Telecommunications Expense | 110 |
| Merchandise Inventory | 9,500 | Truck Repairs | 130 |
| Mortgage Payable | 6,500 | Wages Expense | 4,420 |
| Notes Payable | 1,200 | Wages Payable | 75 |
| Notes Receivable | 300 | | |

Required:

Without changing the alphabetical arrangement of the accounts, prepare a trial balance for the company. That is, leave the account names in the same order, and arrange debits and credits in their proper columns. Then prepare the trial balance.

Problem 10

The following is an excerpt from the general journal of Mary's Motel: