

John Doe opened a business called Doe Consulting and for the month of January 2003, completed the following business transactions:

- a. John Doe invested \$50,000 cash and office equipment worth \$20,000 into the new business
- b. Purchased land valued at \$60,000 and an office building valued at \$230,000 by paying cash of \$43,500 and signing a long-term note payable for the balance.
- c. Purchased office supplies on account for \$480
- d. John Doe contributed his personal automobile, which had a \$17,200 value, to the company.
- e. Purchased additional office equipment on account for \$2,500
- f. Paid the executive office assistant's salary of \$800.
- g. Sold bookkeeping services and collected a cash fee of \$3,500.
- h. Paid \$450 for a magazine advertisement
- i. Paid for the supplies purchased in transaction c above.
- j. Purchased a new printer by paying \$1,000 cash and trading in an old printer that was on the books for \$200.
- k. Completed a consulting job on account and billed the customer \$1,300.
- l. Paid the executive office assistant's salary of \$800.
- m. Received payment in full for the marketing research on transaction k above.
- n. John Doe withdrew \$1,800 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) 50,000	b) 43,500
g) 3,500	f) 800
m) 1,300	h) 450
	i) 480
	j) 1,000
	l) 800
	n) 1,800
-----	
Total 54,800	Total 48,830
-48,830	←
-----	
Balance 5,970	
=====	

Accounts Receivable	
k) 1,300	m) 1,300
-----	
Total 1,300	Total 1,300
-1,300	←
-----	
Balance 0	
=====	

Office Supplies	
c) 480	
=====	

Automobile	
d) 17,200	
=====	

Office Equipment	
a) 20,000	j) 200
e) 2,500	
j) 1,200	
-----	
Total 23,700	Total 200
-200	←
-----	
Balance 23,500	
=====	

Building	
b) 230,000	
=====	

Land	
b) 60,000	
=====	
Accounts Payable	
i) 480	c) 480
	e) 2,500
-----	
Total 480	Total 2,980
	-480
-----	
	Balance 2,500
=====	

Long Term Note Payable	
	b) 246,500
=====	

John Doe Capital	
	a) 70,000
	d) 17,200
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	Balance 87,200
=====	

John Doe Withdrawals	
n) 1,800	
=====	

Bookkeeping Fees Earned	
	g) 3,500
=====	

Consulting Fees Earned	
	k) 1,300
=====	

Office Salaries Expense	
f) 800	
l) 800	
-----	
Balance 1,600	
=====	

Advertising Expense	
h) 450	
=====	

## DOE CONSULTING

## TRIAL BALANCE

JANUARY 31, 2003

ACCOUNT NAME	DEBIT	CREDIT
Cash	5,970	
Office Supplies	480	
Automobiles	17,200	
Office Equipment	23,500	
Building	230,000	
Land	60,000	
Accounts Payable		2,500
Long-term Notes Payable		246,500
John Doe – Capital		87,200
John Doe – Withdrawals	1,800	
Bookkeeping Fees Earned		3,500
Consulting Fees Earned		1,300
Office Salaries Expense	1,600	
Advertising Expense	450	
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Totals	341,000	341,000
	=====	=====