

AN ACCOUNTING CYCLE FOR A SOLE PROPRIETORSHIP: RECORDING AND POSTING  
TRANSACTIONS [2, 3]

GENERAL JOURNAL

	DATE		ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL								
						DEBIT		CREDIT						
1	19..	1	Cash	M1	110	2	1	0	0	00				
2			Supplies		120		5	0	0	00				
3			Prepaid Insurance		130		4	0	0	00				
4			Meritt Stationery		210							1	5	00
5			Tidwell Supply Company		220							2	1	00
6			David Brooks, Capital		310							2	6	40 00
7														
8														
9														
10														
11														
12														
13														
14														

[5]

Prove page 2 of the combination journal:

Column	Debit	Credit
General.....	<u>\$1 120.00</u>	<u>\$ 400.00</u>
Professional Fees.....		<u>1 119.00</u>
Cash.....	<u>1 519.00</u>	<u>1 120.00</u>
Totals.....	<u>\$2 639.00</u>	<u>\$2 639.00</u>

COMBINATION JOURNAL

DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		PROFESSIONAL FEES CREDIT	CASH	
				DEBIT	CREDIT		DEBIT	CREDIT
1	19-- Dec. 1 Rent Expense	C10	550	3 50 00				3 50 00
2	1 Miscellaneous Expense	C11	540	3 00 00				3 00 00
3	2 Supplies	C12	120	3 00 00				3 00 00
4	2 Advertising Expense	C13	510	8 00 00				8 00 00
5	3 ✓	T3	✓			1 00 00	1 00 00	
6	4 ✓	T4	✓			4 50 00	4 50 00	
7	4 Prepaid Insurance	C14	130	3 00 00				3 00 00
8	7 Miscellaneous Expense	C15	540	2 00 00				2 00 00
9	7 ✓	T7	✓			1 52 00	1 52 00	
10	8 ✓	T8	✓			7 00 00	7 00 00	
11	9 ✓	T9	✓			1 62 00	1 62 00	
12	11 Advertising Expense	C16	510	7 00 00				7 00 00
13	11 ✓	T11	✓			3 50 00	3 50 00	
14	11 David Brooks, Capital	R1	310		4 00 00		4 00 00	
15	14 Miscellaneous Expense	C17	540	4 00 00				4 00 00
16	14 ✓	T14	✓			1 55 00	1 55 00	
17	15 Tidwell Supply Company	C18	220	1 00 00				1 00 00
18	15 ✓	T15	✓			4 00 00	4 00 00	
19	16 Supplies	C19	120	5 00 00				5 00 00
20	17 ✓	T17	✓			1 35 00	1 35 00	
21	18 Advertising Expense	C20	510	5 00 00				5 00 00
22	18 ✓	T18	✓			1 40 00	1 40 00	
23	20 ✓	T20	✓			8 50 00	8 50 00	
24	20 Carried Forward		✓	1 12 00 00	4 00 00	1 11 90 00	1 5 19 00	1 12 00 00



The general ledger prepared in Reinforcement Activity 1, Part A, is needed to complete Reinforcement Activity 1, Part B.

REINFORCEMENT ACTIVITY 1  
PART A—continued  
[1, 3, 6, 9, 11, 12, 20, 22, 23]

GENERAL LEDGER

ACCOUNT Cash

ACCOUNT NO. 110-A

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 1		G1	210000			210000
31		C3	230400			440400
31		C3		186500		253900

ACCOUNT Supplies

ACCOUNT NO. 120

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 1		G1	50000			50000
2		C2	30000			80000
16		C2	5000			85000
23		C3	1500			86500
29		C3	6500			93000
31		G4		53000		40000

ACCOUNT Prepaid Insurance

ACCOUNT NO. 130

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 1		G1	40000			40000
4		C2	3000			43000
31		G4		13000		30000

ACCOUNT Meritt Stationery

ACCOUNT NO. 210

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 1		G1		15000		15000
21		C3	10000			5000

ACCOUNT Tidwell Supply Company

ACCOUNT NO. 220

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 1		G1		21000		21000
15		C2	10000			11000

NOTE: December 31 postings from page 4 of the combination journal are part of the solution to Part B.

GENERAL LEDGER

ACCOUNT *David Brooks, Capital*

ACCOUNT NO. 310

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 1		G1		2 6 4 0 00		2 6 4 0 00
11		C2		4 0 0 00		3 0 4 0 00
31		G4		2 3 9 00		3 2 7 9 00
31		G4	2 0 0 00			3 0 7 9 00

ACCOUNT *David Brooks, Drawing*

ACCOUNT NO. 320

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 23		C3	2 0 0 00		2 0 0 00	
31		G4		2 0 0 00		

ACCOUNT *Income Summary*

ACCOUNT NO. 330

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31		G4		1 9 0 4 00		1 9 0 4 00
31		G4	1 6 6 5 00			2 3 9 00
31		G4	2 3 9 00			

ACCOUNT *Professional Fees*

ACCOUNT NO. 410

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31		C3		1 9 0 4 00		1 9 0 4 00
31		G4	1 9 0 4 00			

ACCOUNT *Advertising Expense*

ACCOUNT NO. 510

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 2		C2	8 0 00		8 0 00	
11		C2	7 0 00		1 5 0 00	
18		C2	5 0 00		2 0 0 00	
31		G4		2 0 0 00		

NOTE: December 31 postings from page 4 of the combination journal are part of the solution in Part B.

REINFORCEMENT ACTIVITY 1  
PART A—concluded  
[1, 3, 6, 9, 11, 12, 20, 22, 23]

GENERAL LEDGER

ACCOUNT *Equipment Repair Expense*

ACCOUNT NO. 520

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec-23		C3	2500			2500
31		C3	13500			16000
31		G4		16000		

ACCOUNT *Insurance Expense*

ACCOUNT NO. 530

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec-31		C4	13000			13000
31		G4		13000		

ACCOUNT *Miscellaneous Expense*

ACCOUNT NO. 540

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec-1		C2	3000			3000
7		C2	2000			5000
14		C2	4000			9000
31		G4		9000		

ACCOUNT *Rent Expense*

ACCOUNT NO. 550

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec-1		C2	35000			35000
31		G4		35000		

ACCOUNT *Supplies Expense*

ACCOUNT NO. 560

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec-31		C4	53000			53000
31		G4		53000		

ACCOUNT *Utilities Expense*

ACCOUNT NO. 570

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec-28		C3	12000			12000
28		C3	8500			20500
31		G4		20500		

NOTE: December 31 postings from page 4 of the combination journal are part of the solution to Part B.