

Analyzing transactions

1.

<b>Supplies</b>	
50.00	
<b>Cash</b>	
	50.00

2.

<b>Prepaid Insurance</b>	
100.00	
<b>Cash</b>	
	100.00

3.

<b>Topp Supply Company</b>	
200.00	
<b>Cash</b>	
	200.00

4.

<b>Cash</b>	
1 000.00	
<b>Harry Walters, Capital</b>	
	1 000.00

5.

<b>Harry Walters, Drawing</b>	
500.00	
<b>Cash</b>	
	500.00

6.

<b>Cash</b>	
200.00	
<b>Sales</b>	
	200.00

7.

<b>Rent Expense</b>	
300.00	
<b>Cash</b>	
	300.00

8.

<b>Utilities Expense</b>	
50.00	
<b>Cash</b>	
	50.00

9.

<b>Advertising Expense</b>	
50.00	
<b>Cash</b>	
	50.00

10.

<b>Miscellaneous Expense</b>	
15.00	
<b>Cash</b>	
	15.00

11.

<b>Equipment Repair Expense</b>	
75.00	
<b>Cash</b>	
	75.00

Trans. No.	1	2	3	4		5
	Account Affected	Account Classification	Account Balance is Increased (+) Decreased (-)	Account is		
				Debited	Credited	
1.	Cash	Asset	+	✓		
	Sales	Revenue	+		✓	
2.	Advertising Expense	Expense	+	✓		
	Cash	Asset	-		✓	
3.	Prepaid Insurance	Asset	+	✓		
	Cash	Asset	-		✓	
4.	Rent Expense	Expense	+	✓		
	Cash	Asset	-		✓	
5.	Utilities Expense	Expense	+	✓		
	Cash	Asset	-		✓	
6.	Dora Millian, Drawing	Capital	+	✓		
	Cash	Asset	-		✓	
7.	Equipment Repair Expense	Expense	+	✓		
	Cash	Asset	-		✓	
8.	Diablo Printing Company	Liability	-	✓		
	Cash	Asset	-		✓	
9.	Cash	Asset	+	✓		
	Dora Millian, Capital	Capital	+		✓	
10.	Supplies	Asset	+	✓		
	Cash	Asset	-		✓	
11.	Miscellaneous Expense	Expense	+	✓		
	Cash	Asset	-		✓	

# COMBINATION JOURNAL

DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		SALES CREDIT	CASH	
				DEBIT	CREDIT		DEBIT	CREDIT
19 Aug. 3	Rent Expense	C100		400.00			400.00	
5	Prepaid Insurance	C101		100.00			100.00	
7	✓	T7	✓			300.00	300.00	
10	Miscellaneous Expense	C102		20.00			20.00	
13	Advertising Expense	C103		50.00			50.00	
14	Supplies	C104		35.00			35.00	
14	✓	T14	✓			200.00	200.00	
18	Utilities Expense	C105		70.00			70.00	
20	Equipment Repair Expense	C106		65.00			65.00	
21	Elaine Longstrom, Capital	R25			500.00		500.00	
21	✓	T21	✓			400.00	400.00	
26	Supplies	C107		100.00			100.00	
27	Mendoza Company	C108		110.00			110.00	
28	✓	T28	✓			400.00	400.00	
31	Elaine Longstrom, Drawing	C109		500.00			500.00	
31	✓	T31	✓			90.00	90.00	
31	Totals			1450.00	500.00	1390.00	1890.00	1450.00
18								
19								
20								
21								
22								
23	NOTE: Account numbers in the Post. Ref. column							
24	and column total posting references are part							
25	of the solution to Problem 6-1.							

Recording transactions in a combination journal (11)

August

3. Rent Expense

400.00

Cash

400.00

5. Prepaid Insurance

100.00

Cash

100.00

7. Cash

300.00

Sales

300.00

10. Miscellaneous Expense

20.00

Cash

20.00

13. Advertising Expense

50.00

Cash

50.00

14. Supplies

35.00

Cash

35.00

14. Cash

200.00

Sales

200.00

18. Utilities Expense

70.00

Cash

70.00

20. Equipment Repair Expense

65.00

Cash

65.00

21. Cash

500.00

Elaine Longstrom, Capital

500.00

21. Cash

400.00

Sales

400.00

26. Supplies

100.00

Cash

100.00

27. Mendoza Company

110.00

Cash

110.00

28. Cash

400.00

Sales

400.00

31. Elaine Longstrom, Drawing

500.00

Cash

500.00

31. Cash

90.00

Sales

90.00

[3-7]

COMBINATION JOURNAL

DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		SALES CREDIT	CASH	
				DEBIT	CREDIT		DEBIT	CREDIT
19- June	Brought Forward		✓	1820 00	500 00	1630 00	2130 00	1820 00
16	Supplies	C114		500 00				500 00
16	✓	T16	✓			7500	7500	
18	Prepaid Insurance	C115		500 00				500 00
18	✓	T18	✓			9000	9000	
19	Advertising Expense	C116		5500				5500
19	✓	T19	✓			10000	10000	
20	Supplies	C117		1500				1500
20	✓	T20	✓			21000	21000	
22	Equipment Repair Expense	C118		2500				2500
22	✓	T22	✓			5000	5000	
24	✓	T24	✓			7000	7000	
25	Ricardo Cortez, Drawing	C119		10000				10000
25	✓	T25	✓			8500	8500	
26	Main Street Garage	C120		20000				20000
26	Supplies	C121		6000				6000
26	Miscellaneous Expense	C122		3500				3500
26	✓	T26	✓			10000	10000	
27	✓	T27	✓			27000	27000	
29	Advertising Expense	C123		5000				5000
29	✓	T29	✓			3500	3500	
30	Ricardo Cortez, Drawing	C124		15000				15000
30	✓	T30	✓			7000	7000	
30	Totals			261000	50000	278500	328500	261000

[2] Prove page 1 of the combination journal:

Column	Debit	Credit
General .....	<u>\$1 820.00</u>	<u>\$ 500.00</u>
Sales .....		<u>1 630.00</u>
Cash.....	<u>2 130.00</u>	<u>1 820.00</u>
Totals .....	<u>\$3 950.00</u>	<u>\$3 950.00</u>

[5] Prove page 2 of the combination journal:

Column	Debit	Credit
General .....	<u>\$2 610.00</u>	<u>\$ 500.00</u>
Sales .....		<u>2 785.00</u>
Cash.....	<u>3 285.00</u>	<u>2 610.00</u>
Totals .....	<u>\$5 895.00</u>	<u>\$5 895.00</u>

[6] Prove cash:

Cash on hand at the beginning of the month .....	<u>\$1 500.00</u>
Plus total cash received during the month.....	<u>3 285.00</u>
Total.....	<u>\$4 785.00</u>
Less total cash paid during the month .....	<u>2 610.00</u>
Equals cash on hand at the end of the month.....	<u>\$2 175.00</u>

Recording transactions on two pages of a combination journal  
**COMBINATION JOURNAL**

[1, 21]

PAGE 1

DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		SALES CREDIT	CASH	
				DEBIT	CREDIT		DEBIT	CREDIT
19- June	1 Rent Expense	C101		600.00				600.00
	1 ✓	T1	✓			150.00	150.00	
	2 Utilities Expense	C102		75.00				75.00
	3 ✓	T3	✓			250.00	250.00	
	4 Supplies	C103		100.00				100.00
	5 Supplies	C104		45.00				45.00
	6 ✓	T5	✓			100.00	100.00	
	7 Advertising Expense	C105		50.00				50.00
	8 ✓	T8	✓			200.00	200.00	
	9 Prepaid Insurance	C106		120.00				120.00
	10 Ricardo Cortez, Drawing	C107		200.00				200.00
	11 ✓	T9	✓			85.00	85.00	
	12 Equipment Repair Expense	C108		150.00				150.00
	13 ✓	T10	✓			130.00	130.00	
	14 ✓	T11	✓			175.00	175.00	
	15 Supplies	C109		25.00				25.00
	16 Utilities Expense	C110		120.00				120.00
	17 Ricardo Cortez, Capital	R1			500.00		500.00	
	18 ✓	T12	✓			210.00	210.00	
	19 ✓	T13	✓			200.00	200.00	
	20 Miscellaneous Expense	C111		25.00				25.00
	21 Ricardo Cortez, Drawing	C112		200.00				200.00
	22 Supplies	C113		110.00				110.00
	23 ✓	T15	✓			130.00	130.00	
	24 Carried Forward			1820.00	500.00	1630.00	2130.00	1820.00
	25							





Recording transactions in a combination journal [11-4]  
**COMBINATION JOURNAL**

DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		FARES EARNED CREDIT	CASH	
				DEBIT	CREDIT		DEBIT	CREDIT
19-- 1 Sept.	1 Rent Expense	C21		35 00				35 00
2	1 ✓	T1	✓			26 00		
3	2 Gas and Oil Expense	C22		55 00				55 00
4	3 ✓	T3	✓			18 80		
5	4 Utilities Expense	C23		74 00				74 00
6	5 Ace Garage	C24		75 00				75 00
7	5 ✓	T5	✓			26 00		
8	7 ✓	T7	✓			24 00		
9	8 Taxi Repair Expense	C25		90 00				90 00
10	9 Gas and Oil Expense	C26		60 00				60 00
11	11 The Royal Bank of Canada	C27		150 00				150 00
12	12 Utilities Expense	C28		45 00				45 00
13	15 ✓	T15	✓			22 50		
14	16 Gas and Oil Expense	C29		35 00				35 00
15	18 ✓	T18	✓			18 60		
16	19 Supplies	C30		50 00				50 00
17	21 ✓	T21	✓			23 50		
18	23 Gas and Oil Expense	C31		40 00				40 00
19	25 ✓	T25	✓			24 50		
20	26 Advertising Expense	C32		25 00				25 00
21	29 ✓	T29	✓			17 40		
22	30 Gary Tellman, Drawing	C33		50 00				50 00
23	30 Prepaid Insurance	C34		25 00				25 00
24	30 ✓	T30	✓			22 00		
25	30 Totals			179 90		223 30	223 30	179 90



Recording transactions in a combination journal [1-4]  
**COMBINATION JOURNAL**

1	2		3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	
	CASH																									GENERAL
	DEBIT	CREDIT	DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT	CREDIT																		
1		5 0 00	19-- June 1	Supplies	C74		5 0 00																			
2	4 8 0 00		1	✓	T1	✓																4 8 0 00				
3	2 0 0 0 00		1	Sarah Letterman, Capital	R6			2 0 0 0 00																		
4		1 4 5 00	2	Travel Expense	C75		1 4 5 00																			
5		5 0 0 00	4	Rent Expense	C76		5 0 0 00																			
6	9 0 0 00		5	✓	T5	✓																9 0 0 00				
7		8 0 00	8	Utilities Expense	C77		8 0 00																			
8		4 0 00	8	Supplies	C78		4 0 00																			
9	3 0 0 00		8	✓	T8	✓																3 0 0 00				
10		3 5 00	11	Advertising Expense	C79		3 5 00																			
11		5 0 00	12	Miscellaneous Expense	C80		5 0 00																			
12		4 8 00	15	Travel Expense	C81		4 8 00																			
13		3 0 00	16	Miscellaneous Expense	C82		3 0 00																			
14		1 4 0 00	17	Prepaid Insurance	C83		1 4 0 00																			
15	9 4 0 00		18	✓	T18	✓																9 4 0 00				
16		1 5 0 00	22	Center Supply Company	C84		1 5 0 00																			
17	1 1 0 0 00		22	✓	T22	✓																1 1 0 0 00				
18		7 0 00	24	Supplies	C85		7 0 00																			
19		1 3 5 00	25	Utilities Expense	C86		1 3 5 00																			
20		1 5 00	29	Advertising Expense	C87		1 5 00																			
21	1 5 0 0 00		30	✓	T30	✓																1 5 0 0 00				
22		1 0 0 0 00	30	Sarah Letterman, Drawing	C88		1 0 0 0 00																			
23	7 2 2 0 00	2 4 8 8 00	30	Totals			2 4 8 8 00	2 0 0 0 00														1 5 0 0 00	5 2 2 0 00			
24																										
25																										

