Journal Entries In Class Assignments Sole Proprietor Wild 22e

Exercise 2-7

Preparing general journal entries **P1**

Prepare general journal entries for the following transactions of a new company called Pose-for-Pics.

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| Aug. | 1 | Madison Harris, the owner, invested $6,500 cash and $33,500 of photography equipment in the company. |
|  | 2 | The company paid $2,100 cash for an insurance policy covering the next 24 months. |
|  | 5 | The company purchased office supplies for $880 cash. |
|  | 20 | The company received $3,331 cash in photography fees earned. |
|  | 31 | The company paid $675 cash for August utilities. |

We will prepare journal entries, post to T Accounts and prepare an unadjusted trial balance for these problems. I will have forms for you to use.



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| 1. On August 1, Worthy invested $3,000 cash and $15,000 of equipment in Expressions. |
| 2. On August 2, Expressions paid $600 cash for furniture for the shop. |
| 3. On August 3, Expressions paid $500 cash to rent space in a strip mall for August. |
| 4. On August 4, it purchased $1,200 of equipment on credit for the shop (using a long-term note payable). |
| 5. On August 5, Expressions opened for business. Cash received from haircutting services in the first week and a half of business (ended August 15) was $825. |
| 6. On August 15, it provided $100 of haircutting services on account. |
| 7. On August 17, it received a $100 check for services previously rendered on account. |
| 8. On August 17, it paid $125 to an assistant for hours worked during the grand opening. |
| 9. Cash received from services provided during the second half of August was $930. |
| 10. On August 31, it paid a $400 installment toward principal on the note payable entered into on August 4. |
| 11. On August 31, Worthy withdrew $900 cash for personal use. |