Microsoft Word/Excel ONLY

Jan 1, 2007 Avery Munnings started legal services and also engaged in merchandising operation. Avery Munnings registered his company as Avery Munnings Corporation. During the month of the company's existence, the following operations took place.

Jan 1 Avery Munnings invested $3,500,000 to raise capital.

Jan 1 Paid Rent of $6,000 for off-site storage facility to cover the first twelve months of operation starting from Jan 1. (Note: This will need adjusting entry at the end of the month after preparing your unadjusted trial balance).

Jan 1 After conducting an interview with Kardyl Smith, the company hired her at a monthly salary of $2,500. Kardyl Smith needed immediate cash before starting to work and the company paid her $5,000 as a salary advance to cover the first two months of her services starting from January 1. (Note: This will need adjusting entry at the end of the month after preparing your unadjusted trial balance).

Jan 1 Received $24,000 from John for legal services to be performed for him over a period of 12 months starting from January 1. (Note: This will need adjusting entry at the end of the month after preparing your unadjusted trial balance).

Jan 1 Purchased Office Building for $500,000 for cash. The office building has a life of 20 years, salvage value of $50,000, and the company uses straight line method of depreciation. (Note: This will need adjusting entry at the end of the month after preparing your unadjusted trial balance).

Jan 1, Sold goods of $200,000 on account to George. Term 4/9; n/30. FOB shipping point. George paid transportation cost of $5,000. The cost of the goods sold to George was $80,000.

Jan 2 Purchased goods on account from Joe, $800,000. Term 3/15; n/30. FOB destination. The buyer prepaid the transportation charge of $5,000.

Jan 3 George returned $8,000 goods that had a cost of $2,000.

Jan 5 Returned $20,000 goods to Joe.

Jan 5 Bought Office Supplies for $16,000 from Office Depot, paying $6,000 now and agreeing to pay the balance on February 28.

Jan 7 Paid all the amounts due to Joe.

Jan 8 Purchased goods on account from Dameon $300,000. Term 2/12; EOM. FOB shipping point. Dameon prepaid the transportation charge of $6,000.

Jan 10 Collected the amount due from George.

Jan 10 Paid direct labor cost of $15,000.

Jan 11, Sold goods of $270,000 on account to Kevia. Term 3/15; n/30; FOB destination. The seller paid transportation charge of $5,000. The cost of the goods sold to Kevia is $150,000.

Jan 12 Returned $40,000 goods to Dameon.

Jan 12 Peformed legal services for Abdel Karim for a service fee of $20,000. Abdel Karim made a down payment of $16,000 and agreed to pay the balance on Jan 20.

Jan 14 Paid the amount due to Dameon.

Jan 15 Purchased goods on account from Juliyah, $400,000. Term 5/4; n/30. FOB destination. Juliyah paid the transportation charge of $6,000.

Jan 16 Returned $80,000 goods to Juliyah.

Jan 20 Collected the amount due from Abdel Karim.

Jan 21 Paid the amount due to Juliyah.
Jan 31 Paid cash dividend of $2,000.

Jan 31 Kardyl Smith completed the first month of the two-month services for which an advance payment of $5,000 was given to her on January 1. (Note: Make adjusting entry at the end of the month after preparing your unadjusted trial balance).

Jan 31 Office Supplies that remain on hand was $1,500. (Note: Make adjusting entry at the end of the month after preparing your unadjusted trial balance).

Jan 31 Calculate the depreciation expense on the building and make necessary adjusting entries for it after preparing your unadjusted trial balance.

Required:

1. Journalize the transactions above.
2. Post your journal entries to the ledger.
3. Prepare an unadjusted trial balance.

4. Examine all the transactions and identify those that need adjustments. Then, perform adjusting entries.
5. Post adjusting entries into the ledger that you created in item 2 above. If an account is not already existing, please create it.
6. Prepare adjusted trial balance
7. Prepare Income Statement
8. Prepare Retained Earnings Statement
9. Prepare a Balance Sheet
10. Prepare closing entries
11. Prepare post-closing trial balance