

Business transactions completed by Hannah Venedict during the month of September are as follows.

Problem 2-4A

a. Venedict invested \$60,000 cash along with office equipment valued at \$25,000 in a new sole proprietorship named HV Consulting.

Recording transactions;
posting to ledger;

b. The company purchased land valued at \$40,000 and a building valued at \$160,000. The purchase is paid with \$30,000 cash and a long-term note payable for \$170,000.

preparing a trial balance
C3 A1 P1 P2

c. The company purchased \$2,000 of office supplies on credit.

d. Venedict invested her personal automobile in the company. The automobile has a value of \$16,500 and is to be used exclusively in the business.

e. The company purchased \$5,600 of additional office equipment on credit.

f. The company paid \$1,800 cash salary to an assistant.

g. The company provided services to a client and collected \$8,000 cash.

h. The company paid \$635 cash for this month's utilities.

i. The company paid \$2,000 cash to settle the account payable created in transaction c.

j. The company purchased \$20,300 of new office equipment by paying \$20,300 cash.

- k.** The company completed \$6,250 of services for a client, who must pay within 30 days.
- l.** The company paid \$1,800 cash salary to an assistant.
- m.** The company received \$4,000 cash in partial payment on the receivable created in transaction *k*.
- n.** Venedict withdrew \$2,800 cash from the company for personal use.

Required

- 1.** Prepare general journal entries to record these transactions (use account titles listed in part 2).
- 2.** Open the following ledger accounts—their account numbers are in parentheses (use the balance column format): Cash (101); Accounts Receivable (106); Office Supplies (108); Office Equipment (163); Automobiles (164); Building (170); Land (172); Accounts Payable (201); Notes Payable (250); H. Venedict, Capital (301); H. Venedict, Withdrawals (302); Fees Earned (402); Salaries Expense (601); and Utilities Expense (602). Post the journal entries from part 1 to the ledger accounts and enter the balance after each posting.
- 3.** Prepare a trial balance as of the end of September.

Check (2) Ending

balances: Cash, \$12,665;

Office Equipment, \$50,900

(3) Trial balance

totals, \$291,350