

# PRACTICE SET

# RECORDING TRANSACTIONS

## I. ANALYZING TRANSACTIONS

## II. JOURNALIZING TRANSACTIONS

Instructions: Use the T accounts on the left to analyze each transaction, journalize on the right.

1. Linda Smith, a sophomore at State University, started the Speedy Ironing Service with a \$125 cash investment on Sept. 1, 1991.

DR. CR.

2. On Sept. 1, paid \$60 for 4 months of ads in the School newspaper.

3. On Sept. 1, purchased Ironing Supplies for \$10 cash.

4. On Sept. 1, purchased \$60 in Ironing Equipment paying \$30 down.

5. Linda made an additional investment of \$25.

6. Paid one-half the amount owed on the Ironing Equipment.

7. Linda withdrew \$30 for personal use.

8. Cash collected for Ironing Services performed during the first month amounted to \$150. \$20 was also due for services rendered.

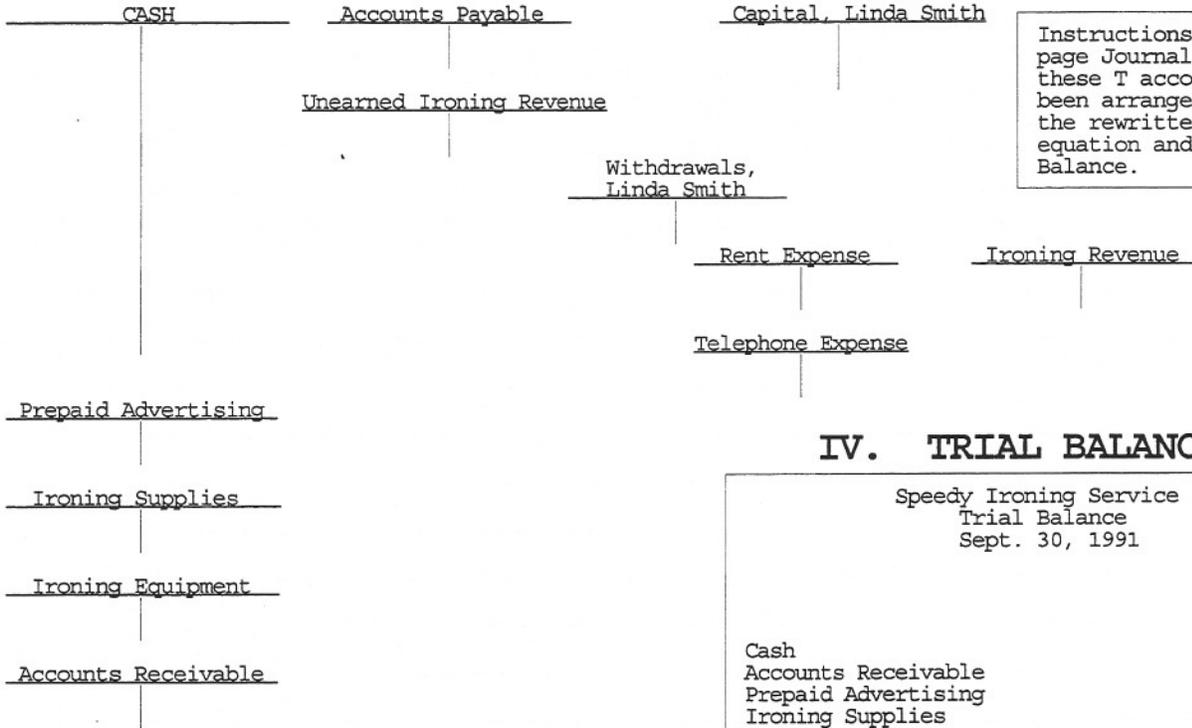
9. Paid September rent of \$50 for a room used when ironing clothes.

10. Received \$10 on account.

11. Sept. 26, two students paid \$5 each for next week's ironing.

12. Paid monthly phone bill of \$20.

### III. GENERAL LEDGER



Instructions: Post previous page Journal Entries into these T accounts which have been arranged according to the rewritten accounting equation and make a Trial Balance.

Note: A completed Trial Balance for September 30 appears on page A20 of the next Practice Set.

### IV. TRIAL BALANCE

Speedy Ironing Service Trial Balance Sept. 30, 1991	
Cash	
Accounts Receivable	
Prepaid Advertising	
Ironing Supplies	
Ironing Equipment	
Accounts Payable	
Unearned Ironing Revenue	
Capital, Linda Smith	
Withdrawals, Linda Smith	
Ironing Revenue	
Rent Expense	
Telephone Expense	

Instruction: Record the first transaction from page A8 in the formal journal below and post to the formal ledger accounts. Show all references. Assume Cash is account #1 and Capital is account #100.

### V. GENERAL JOURNAL

DATE	ACCOUNT TITLE AND EXPLANATION	PR	DEBIT	CREDIT

### VI. GENERAL LEDGER

CASH					ACCOUNT NO.
DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

CAPITAL, LINDA SMITH					ACCOUNT NO.
DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE