## PRACTICE SET

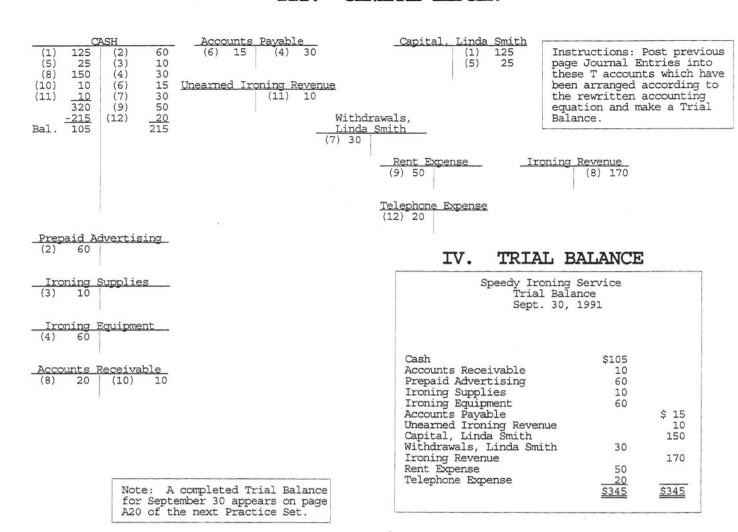
# RECORDING TRANSACTIONS

### I. ANALYZING TRANSACTIONS

### II. JOURNALIZING TRANSACTIONS

1. Linda Smith, a sophomore at State University, started the Speedy Ironing Service with a \$125 cash investment on Sept. 1, 1991.		Instructions: Use the on the left to analyze action, journalize on t	each t	rans-
Cash Capital, Linda Smith 125	1.	Cash Capital, Linda Smith	DR. 125	CR.
2. On Sept. 1, paid \$60 for 4 months of ads in the School newspaper.				
Cash60	2.	Prepaid Advertising Cash	60	60
Prepaid Advertising				
3. On Sept. 1, purchased Ironing Supplies for \$10 cash.				
Cash 10	3.	Ironing Supplies Cash	10	10
Ironing Supplies				
4. On Sept.1, purchased \$60 in Ironing Equipment paying \$30 down.				
Cash	4.	Ironing Equipment Cash Accounts Payable	60	30 30
Ironing Equipment Accounts Payable 60 30		·		
5. Linda made an additional investment of \$25.				
	5	Cash	25	
Cash Capital, Linda Smith 25	٥.	Capital, Linda Smith	25	25
6. Paid one-half the amount owed on the Ironing Equipment.				
Cash Accounts Payable 15 15	6.	Accounts Payable Cash	15	15
7. Linda withdrew \$30 for personal use.				
Cash Withdrawals, Linda Smith 30	7.	Withdrawals, Linda Smith Cash	30	30
<ol> <li>Cash collected for Ironing Services performed during the first month amounted to \$150. \$20 was also due for services rendered.</li> </ol>				
Cash Ironing Revenue 170	8.	Cash Accounts Receivable Ironing Revenue	150 20	170
Accounts Receivable				
9. Paid September rent of \$50 for a room used when ironing clothes.				
Cash Rent Expense 50	9.	Rent Expense Cash	50	50
10. Received \$10 on account.				
10 Cash	10.	Cash Accounts Receivable	10	10
Accounts Receivable				
11. Sept. 26, two students paid \$5 each for next week's ironing.				
Cash Unearned Ironing Revenue 10 10	11.	. Cash Unearned Ironing Revenue	10	10
12. Paid monthly phone bill of \$20.		- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1		
Cash Telephone Expense 20	12	. Telephone Expense Cash	20	20

#### III. GENERAL LEDGER



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

Page 1

DATE		ACCOUNT TITLE AND EXPLANATION	PR	DEBIT		CREDIT	
Sept.	1	Cash	1	125	00		
		Capital, Linda Smith	100			125	00
		To record cash investment.					

#### VI. GENERAL LEDGER

Sept. 1 125 00	

			CAPITAL, LIND	A SMITH			ACCOUNT NO. 10	
DATE		EXPLANATION	PR	DEBIT CREDIT			BALANCE	
Sept.	1				125	00		