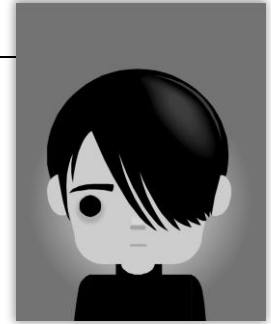


# JOHN PUBLIC

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John Q started a consulting business, John Q Public Relations, at the beginning of March 2018. The business transactions for John Q Public Relation's first month of operations can be found below. Use this information to complete the T Accounts, Trial Balance, and Financial Statements that follow.

- 3/1 Owner invested \$25,000 cash to start John Q Public Relations.
  - 3/3 Paid rent expense for the month, \$1,000.
  - 3/11 Purchased supplies (paper, pens, files, etc.) on account, \$2,000.
  - 3/12 Paid wages expense for the month, \$4,000.
  - 3/15 Purchased office equipment, \$5,000.
  - 3/18 Customers paid cash for consulting services during the month, totaling \$50,000.
  - 3/22 Customers paid on account for consulting services during the month, totaling \$10,000.
  - 3/24 Completed inventory and found that the amount of office supplies on hand at the end of month was \$500, meaning that \$1,500 of supplies had been used during the period.
  - 3/28 Received \$3,000 in cash from customers paying on their accounts.
  - 3/31 Owner withdrew \$9,000 for personal use.
-

## T-Accounts

- Record all of the business transactions for John Q Public Relations in the T-Accounts below. Make sure to put the date of the transaction next to each amount.
- Total each account, showing the ending balance in the appropriate "normal balance" location (shaded side). Circle the ending balances.
- Write a two-digit account number next to each account name.

### ASSETS

Cash	
Debit	Credit
+	-

Accounts Receivable	
Debit	Credit
+	-

Supplies	
Debit	Credit
+	-

Equipment	
Debit	Credit
+	-

### LIABILITIES

Accounts Payable	
Debit	Credit
-	+

### OWNER'S EQUITY

John Q, Capital (Investments)	
Debit	Credit
-	+

John Q, Drawing (Withdrawals)	
Debit	Credit
+	-

### REVENUES

Fees Earned	
Debit	Credit
-	+

### EXPENSES

Rent Expense	
Debit	Credit
+	-

Supplies Expense	
Debit	Credit
+	-

Wages Expense	
Debit	Credit
+	-



## Financial Statements

Use the information from the Trial Balance to create the financial statements for John Q Public.

### John Q Public Relations Income Statement For the month ended March 31, 2018

REVENUES:									
FEES EARNED									
EXPENSES:									
RENT EXPENSE									
SUPPLIES EXPENSE									
WAGES EXPENSE									
TOTAL EXPENSES									
NET INCOME									

### John Q Public Relations Statement of Owner's Equity For the month ended March 31, 2018

BEGINNING CAPITAL								0	00
ADD: INVESTMENTS									
ADD: NET INCOME (from the Income Statement)									
LESS: WITHDRAWALS									
CHANGE IN OWNER'S EQUITY									
ENDING CAPITAL									

### John Q Public Relations Balance Sheet As of March 31, 2018

<u>ASSETS</u>						<u>LIABILITIES</u>					
CASH						ACCOUNTS PAYABLE					
ACCOUNTS RECEIVABLE						TOTAL LIABILITIES					
SUPPLIES						<u>OWNER'S EQUITY</u>					
EQUIPMENT						JOHN Q, CAPITAL					
						TOTAL OWNER'S EQUITY					
TOTAL ASSETS						TOTAL LIABILITIES & OE					