### Journal, Ledger, Trial Balance



Nikki B. started a business preparing taxes for small businesses, called Nikki Tikki Taxes, at the beginning of November 2018. The business transactions for Nikki Tikki Taxes' first month of operations can be found below.

- 11/01 Owner invested \$15,000 in cash to start Nikki Tikki Taxes. R1.
- 11/03 Purchased office supplies on account, \$2,000. M1.
- 11/05 Purchased office equipment for cash, \$3,000. M2.
- 11/15 Paid wages expense for the month, \$800 in cash. C1.
- 11/18 Earned tax preparation fees from customers during the month, totaling \$10,000 in cash. T1.
- 11/29 Completed inventory and found that the amount of supplies on hand at the end of month was \$750, meaning that \$1,250 of supplies had been used during the period. M3.
- 11/30 Owner withdrew \$1,000 in cash for personal use. C2.

### Journal

Journalize Nikki Tikki Taxes' business transactions for the month in the simple two-column journal provided below (the shading should help). Remember to include a post reference for each entry as you enter it in the Ledger.

				s you post edger, write ccount # he	е				
GENE	RAL JO	OURNAL		$\sim$			Pa	nge 1	
Dat	e	Account Title	Doc. No	Post. Ref.		Debit		Credit	
Nov	1	Cash	R,I	11	12	3 0 0 0 00			
		Nikki B., Capital		,31			15	000	00

Journal, Ledger, Trial Balance



### Ledger

Post each of the journal entries to the appropriate ledger accounts below. Remember to insert the appropriate post references as each item is posted. Extend the balances to the appropriate balance columns after each transaction is posted (the shading should help you).

CASH		Leave Blank		As yo write page	jourr	nal	_	[	0	n the	NO	ning tot RMAL side.	al	$\sum$			A		unt	t No	<b>o.</b> 2	11
Da	ite	ltem	Post. Ref.		D	ebi	t			Cre	dit			D	ebi	it	Bala	nce	С	redi	t	
Nov	1		GI	15	0	0	0	00					15	0	0	0	00					

S																	ŀ	Acco	unt	: N	<b>o.</b> 3	13
		Post.															Bala	nce				
	Item	Ref.		0	)ebi	t			Cr	edi	it			C	)eb	it			Cı	edi	t	
				1																		
	S		Post. Bala	Post. Balance	Post. Balance	Post. Balance	Post. Balance															

EQUIPMEN	т											Acc	oun	t N	o. 1	.4
		Post.									Ва	lance				
Date	Item	Ref.	Del	bit		Cre	dit		D	ebit	t		С	redi	it	

ACCOUN	ITS PAYABLE				ŀ	Account No. 21
		Post.			Bala	nce
Date	Item	Ref.	Debit	Credit	Debit	Credit

NIKKI	в., са	PITAL										ŀ	Accou	unt l	No.	31
			Post.									Bala	nce			
Dat	e	Item	Ref.	Del	bit		Cre	dit		Deb	oit			Cre	dit	
Nov	1		GI			15	00	0	00				15	00	0	00

NIKKI B., DF	RAWING				ŀ	Account No. 32
		Post.			Bala	ince
Date	Item	Ref.	Debit	Credit	Debit	Credit

### Journal, Ledger, Trial Balance



# FEES EARNED Account No. 41 Post. Balance Date Item Ref. Debit Credit Debit Credit SUPPLIES EXPENSE Account No. 51

JOFFLILJL					· · · · ·	Account No. 51
		Post.			Bala	nce
Date	Item	Ref.	Debit	Credit	Debit	Credit

WAGES	EXP	ENSE									ŀ	Acco	unt	No. 5	52
			Post.								Bala	nce			
Date		Item	Ref.	Deb	it	C	red	it	De	bit			Cre	edit	

### **Trial Balance**

Prepare a trial balance for Nikki Tikki Taxes as of November 30, 2018. Make sure to total the debit and credit columns to make sure you balance!

Account	Debit	Credit
Balance		

Journal, Ledger, Trial Balance



<u>Creating Financial Statements</u> Use the information from the Trial Balance to create the financial statements for Nikki Tikki Taxes.

Income Statement For the month ended November 30,	2018				
REVENUES:					
FEES EARNED					
EXPENSES:					
SUPPLIES EXPENSE					
WAGES EXPENSE					
TOTAL EXPENSES					
NET INCOME					

### Statement of Owner's Equity For the month ended November 30, 2018

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

### Balance Sheet As of November 30, 2018

ASSETS	LIABILITIES		
CASH	ACCOUNTS PAYABLE		
SUPPLIES	TOTAL LIABILITIES		
EQUIPMENT	OWNER'S EQUITY		
	NIKKI B, CAPITAL		
	TOTAL OWNER'S EQUITY		
TOTAL ASSETS	TOTAL LIABILITIES & OE		