

Overview

One of your friends, Joe, owns a local plumbing business called Drain Surgeons. Refer to the Chart of Accounts and Business Transactions listed below and then complete the Journal and Ledger for the month of November.

Chart of Accounts

These are the account names and numbers that you should use throughout the problem.

Business Transactions

The business transactions in the month of November 2018 for Drain Surgeons can be found below. You will use these transactions to complete the journal on the next page.

Account Name	Account Number		
Cash	11		
Accounts Receivable	12		
Supplies	13		
Prepaid Insurance	14		
Equipment	15		
Accumulated Depreciation –	16		
Equipment	10		
Accounts Payable	21		
Wages Payable	22		
Unearned Fees	23		
Joe, Capital	31		
Joe, Drawing	32		
Fees Earned	41		
Depreciation Expense	51		
Insurance Expense	52		
Supplies Expense	53		
Wages Expense	54		

Nov 1 Owner invested \$15,000 cash in his business, Drain Surgeons. R1.

- 2 Purchased equipment for cash, \$3,600. C1.
- 5 Purchased supplies on account, \$1,500. M1.
- 7 Paid \$1,800 in advance for a six month insurance policy. C2.
- 15 Received \$2,000 in cash from the Wilsons for installing new plumbing in their house. T1.
- 22 Billed the Goodmans \$1,500 for replacing their hot water heater. \$1.
- 27 The Trimbles pay one month in advance for a big plumbing project in November, \$3,000 (hint: Joe hasn't actually earned the money yet). T2.
- 29 Joe withdrew \$250 cash for personal use. C3.

Adjusting Entries

The adjusting entries for the month are listed below. Record these in the journal and then post to the ledger. Notice that the notation "Adjusting Entry" has already been made in the Item column of the affected ledger accounts for your convenience.

- Nov 30 **Deferred Expense.** Completed inventory and found that the amount of supplies on hand at the end of month was \$1,000, meaning that \$500 of supplies had been used during the period. M2.
 - 30 **Deferred Expense.** Recorded the adjusting entry for the <u>one month</u> of the insurance policy that has been used in November. M3.
 - 30 **Depreciation.** Recorded the adjusting entry for depreciation in November (one month) on the equipment purchased. The equipment has a useful life of three years. M4.
 - 30 **Accrued Expense.** Normal payday for Joe's business is every Friday. As of November 30, his employees have earned \$400 in wages that will not be paid until Friday (next month). Record the adjusting entry to reflect these wages that are owed but not yet paid. M5.



Journa

GENERAL JOURNAL Page 1

Date	Doc. Post. Account Title No. Ref. Debit			Credit					
						<u> </u>			
									<u> </u>
									+
									
									1
									<u> </u>
									1 1
		 							$\perp \perp \downarrow$
									$\perp \perp \downarrow$
						<u> </u>			<u> </u>



ASH					Α	ccount No. 1				
		Post.			Balance					
Date	Item	Ref.	Debit	Credit	Debit	Credit				
ACCOUNTS	RECEIVABLE				A	ccount No. 1				
		Post.			Balance					
Date	Item	Ref.	Debit	Credit	Debit	Credit				
UPPLIES					А	ccount No. 1				
		Post.			Balar					
Date	Item	Ref.	Debit	Credit	Debit	Credit				
	Adjusting Entry									
DDEDAID IN	NSURANCE				^	ccount No. 1				
ILLI AID III	IJONAIVEE	Post.			Balar					
Date	Item	Ref.	Debit	Credit	Debit	Credit				
	Adjusting Entry									
	IT				Α	ccount No. 1				
QUIPMEN										
EQUIPMEN		Post.			Balar					
Date	Item	Post. Ref.	Debit	Credit	Debit Balar	Credit				
			Debit	Credit						
Date		Ref.		Credit	Debit	Credit				
Date ACCUMULA	Item	Ref. ON – EQU	IPMENT		Debit A	Credit Ccount No. 1				
Date	Item	Ref.		Credit	Debit	Credit Ccount No. 1				
Date ACCUMUL/	Item ATED DEPRECIATION	Ref. ON – EQU	IPMENT		Debit A	Credit Ccount No. 1				
Date ACCUMULA Date	Item ATED DEPRECIATION Item Adjusting Entry	Ref. ON – EQU	IPMENT		A Balar Debit	ccount No. 1				
Date ACCUMULA Date	Item ATED DEPRECIATION	Ref. ON – EQU	IPMENT		A Balar Debit	Credit CCOUNT NO. 1 CCC Credit CCCOUNT NO. 2				



L L										
WAGES PA	YABLE				Account No. 22					
		Post.			Balance					
Date	Item	Ref.	Debit	Credit	Debit Credit					
	Adjusting Entry									
LINEADNE	UNEARNED FEES Account No. 23									
ONEARNEL) FEE3	Post.			Account No. 23 Balance					
Date	Item	Ref.	Debit	Credit	Debit Credit					
IOE CARITAL										
JOE, CAPIT	AL	D 4			Account No. 31 Balance					
Date	Item	Post. Ref.	Debit	Credit	Debit Credit					
Dute	item	ne	Jesik		Jessit Great					
JOE, DRAW	VING				Account No. 32					
D. 1		Post.	5.44	G	Balance					
Date	Item	Ref.	Debit	Credit	Debit Credit					
FEES EARN	IED				Account No. 41					
		Post.			Balance					
Date	Item	Ref.	Debit	Credit	Debit Credit					
DEDRECIAT	TION EXPENSE	ı			Account No. 51					
DEFRECIA	TION EXPENSE	Post.			Balance					
Date	Item	Ref.	Debit	Credit	Debit Credit					
	Adjusting Entry									
INCLIDANC	T EVDENCE				Account No. 52					
INSURANC	E EAPENSE	Doot			Account No. 52 Balance					
Date	Item	Post. Ref.	Debit	Credit	Debit Credit					
	Adjusting Entry									
SUPPLIES E	XPENSE				Account No. 53					
Doto	Itaur	Post.	Dobit	Cuadit	Balance Crodit					
Date	Item	Ref.	Debit	Credit	Debit Credit					
	Adjusting Entry									
WAGES EX	WAGES EXPENSE Account No. 54									
		Post.			Balance					
Date	Item	Ref.	Debit	Credit	Debit Credit					
	Adjucting Entry									
L	1	1								