

**Balance Sheet Accounts** 

PaperClipZ is a successful office supply store organized as a corporation. The business sells a complete line of office supply products, from pens to paperclips. PaperClipZ uses the chart of accounts shown below. Record the business transactions for the month of March 2024 in the sales journal, purchases journal, general journal, cash receipts journal, and cash payments journal. Post these transactions to the AP and AR subsidiary ledgers and general ledger accounts. Note: only accounts used in the problem are listed.



#### **CHART OF ACCOUNTS**

(only shows the accounts used in this problem)

# **GENERAL LEDGER**

**Income Statement Accounts** 

ASSETS (1000)	OPERATING REVENUE (4000)
1110 Cash	4110 Sales
1120 Petty Cash	4120 Sales Discount
1130 Accounts Receivable	4130 Sales Returns and Allowances
1140 Supplies	
	COST OF MERCHANDISE (5000)
LIABILITIES (2000)	5110 Purchases
2110 Accounts Payable	5120 Purchases Discount
2160 Sales Tax Payable	5130 Purchases Returns and Allowances
OWNER'S EQUITY (3000)	OPERATING EXPENSES (6000)
(no accounts used in this problem)	6110 Advertising Expense
	6120 Cash Over and Short
	6130 Miscellaneous Expense

#### **SUBSIDIARY LEDGERS**

Acco	unts Receivable Ledger	Acco	unts Payable Ledger
110	Bill Board	210	A Plus Pens
120	Ella Mentry	220	Crazy Clips
130	Jim Shoe	230	Notable Notebooks
140	Joe King	240	Reams O'Paper
150	Paige Turner	250	Sticky Fingers Glue
160	Terry Bull	260	Xtra Supplies



- March 1 Purchased merchandise ("Purchases") on account from A Plus Pens, \$5,000 less a trade discount of 10%. P100.
- March 1 Established a petty cash fund, \$200. Check No. 499. (hint: use cash payments journal)
- March 2 Sold merchandise ("Sales") on account to Bill Board, \$100, plus sales tax, \$5; total \$105. S71.
- March 3 Purchased merchandise ("Purchases") on account from Crazy Clips, \$500. P101. (Terms 10/15, N30)
- March 4 Recorded cash and credit card sales ("Sales"), \$3,000, plus sales tax, \$150; total \$3,150. TS21.
- March 5 Returned merchandise ("Purchases Returns and Allowances") to Notable Notebooks, \$300, which was purchased last month on account. DM300. (hint: this uses 2 lines in the general journal)
- March 6 Granted credit to Ella Mentry for merchandise returned ("Sales Returns & Allowances"), \$500, plus sales tax, \$25; total \$525. CM701. (hint: this uses 3 lines in the general journal)
- March 6 Purchased supplies for cash, \$250. Check No. 500. (hint: use cash payments journal)
- March 7 Sold merchandise ("Sales") on account to Jim Shoe, \$2,000, plus sales tax, \$100; total \$2,100. S72.
- March 8 Returned merchandise ("Purchases Returns and Allowances") to A Plus Pens, \$4,500 (after trade discount), which was purchased on account. DM301. (hint: this uses 2 lines in the general journal)
- March 9 Purchased merchandise ("Purchases") from Reams O'Paper for cash, \$400. Check No. 501. (hint: use cash payments journal)
- March 10 Recorded cash and credit card sales ("Sales"), \$5,000, plus sales tax, \$250; total \$5,250. TS22.
- March 11 Purchased merchandise ("Purchases") on account from Sticky Fingers Glue, \$900. P102. (Terms 10/20, N30)
- March 12 Sold merchandise ("Sales") on account to Joe King, \$200, plus sales tax, \$10; total \$210. S73.
- March 13 Returned merchandise ("Purchases Returns and Allowances") to Reams O'Paper, \$400, which was purchased for cash. DM302. (hint: this uses 2 lines in the general journal)
- March 14 Purchased merchandise ("Purchases") on account from Xtra Supplies, \$2,500. P103. (Terms 10/10, N30)
- March 15 Paid cash on account to Crazy Clips, \$450, covering purchase P101 for \$500, less a 10% discount. Check No. 502.
- March 16 Sold merchandise ("Sales") on account to Paige Turner, \$800, plus sales tax, \$40; total \$840. S74.
- March 17 Paid cash on account to Sticky Fingers Glue, \$810, covering purchase P102 for \$900, less a 10% discount. Check No. 503.
- March 18 Received cash on account from Joe King, \$210, covering \$73. R50.
- March 20 Paid advertising expense for cash, \$300. Check No. 504. (hint: use cash payments journal)
- March 21 Received cash on account from Jim Shoe, \$2,100, covering S72. R51.
- March 24 Purchased merchandise ("Purchases") on account from Reams O'Paper, \$550 less a trade discount of 10%. P104.
- March 25 Received cash on account from Terry Bull, \$980, covering \$68 for \$1,000, less 2% discount, \$20. R52.
- March 26 Paid cash on account to Xtra Supplies, \$2,500, covering purchase P103 for \$2,500 (no discount). Check No. 505.
- March 27 Paid cash to replenish the petty cash fund for Supplies, \$45; Misc. Expenses, \$15; and Cash Short and Over, \$5 short (debit). Check No. 506. (hint: this uses 3 lines in the cash payments journal)
- March 28 Sold merchandise ("Sales") on account to Joe King, \$700, plus sales tax, \$35; total \$735. S75.
- March 29 Received an allowance on merchandise ("Purchases Returns and Allowances") from Reams O'Paper, \$100, which was purchased on account. DM303. (hint: this uses 2 lines in the general journal)

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# **ACCOUNTS RECEIVABLE SUBSIDIARY LEDGERS**

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Custome	r: JOE	KING											Custo	me	r No	: 14	10
Date Item Post. Ref. Debit Credit											t			ebit lance			
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Customer:	PAI	GE TURNER											Custo	me	r No	: 15	0
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Customer	TER	RY BULL							Custo	ome	r No:	160	)
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### **SCHEDULE OF ACCOUNTS RECEIVABLE**

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March	-21	71177
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TOTAL, ACCOUNTS RECEIVABLE			

<sup>\*\*\*</sup> CHECK THIS BALANCE WITH THE ENDING BALANCE IN THE ACCOUNTS RECEIVABLE GENERAL LEDGER ACCOUNT \*\*\*

### **ACCOUNTS PAYABLE SUBSIDIARY LEDGERS**

Vendor: A	PLU	S PENS								Ve	ndo	r No	<b>): 2</b> :	10
Date			Post. Ref.	De	ebit		Cr	edi	t			redit lanc		
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Vendor: 0	CRAZ	Y CLIPS								Ve	ndo	r No	<b>ɔ: 2</b>	20
Date	Date Item		Post. Ref.	De	ebit		Cr	edi	t			redit Ianc		
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Vendor: N	IOTA	BLE NOTEBOOKS							Ve	ndor N	lo: 2	30
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March	1	Bálance	✓							30	0	00

Vendor: R	EAN	IS O'PAPER								Vei	ndo	r No	o: <b>2</b>	40
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Vendor: S	TICK	Y FINGERS GLUE									Ve	ndo	r No	): <b>2</b> !	50
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Vendor: X	TRA	SUPPLIES								Vei	ndo	r No	<b>): 2</b> (	60
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March	1	Bálánce	✓										0	00

# **SCHEDULE OF ACCOUNTS PAYABLE**

March 31, 2024

TOTAL ACCOUNTS PAYABLE			

<sup>\*\*\*</sup> CHECK THIS BALANCE WITH THE ENDING BALANCE IN THE ACCOUNTS PAYABLE GENERAL LEDGER ACCOUNT \*\*\*



# **GENERAL LEDGER (selected accounts)**

Account:	CASI	Н											-	Accou	nt N	lo:	111	0
Date		Item	Post. Ref.	De	bit		Cr	edit		C	ebi	it	Bala	nce	Cr	edit	t	
March	1	Balance	✓						5	7	0	0	00					

Account:	PETT	Y CASH											P	ccou	nt N	lo: 1	120
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March	1	Bálance	✓									0	00				

Account	: ACC	OUNTS RECEIVABLE											ļ	Accou	nt N	lo:	113	0
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Account:	SUP	PLIES											Ac	cour	it No	: 11	40		
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March	1	Balance	✓												3	0	0	00

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Account	: SALI	ES TAX PAYABLE											,	Accou	ınt l	No: 2	216	0
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March	1	Balance	✓												l	0		20
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Account:	SALE	ES .											ļ	Accou	nt N	1o: 4	1110
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March	1	Balance	✓											8	2	5 0	00

Account:	SALE	S DISCOUNT				ı	Account No: 4120					
			Post. Balance									
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March	1	Balance	✓			8 0 0 00						

Account:	SALE	S RETURNS & ALLOWANCES									-	Accou	nt No	o: 41	30
			Post.												
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Account:	ADV	ERTISING EXPENSE											Δ	ccou	nt N	o: 6	110
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Account:	CAS	H OVER AND SHORT											P	Accou	nt N	lo: 6	6120	)
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Account:	MIS	CELLANEOUS EXPENSE				ı	Account No: 6130
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