

1. Allison Cooper opened Allison's Toy House. As her newly hired accountant, your tasks are to do the following:

- a. Journalize the transactions for the month of October, 201X.
- b. Record to subsidiary ledgers and post to the general ledger as appropriate.
- c. Prepare a schedule of accounts receivable and a schedule of accounts payable.

The following is the partial chart of accounts for Allison's Toy House:

Allison's Toy House Chart of Accounts

Assets	Revenue
110 Cash	410 Toy Sales
112 Accounts Receivable	412 Sales Returns and Allowances
114 Prepaid Rent	414 Sales Discounts
121 Delivery Truck	Cost of Goods
Liabilities	510 Toy Purchases
211 Accounts Payable	512 Purchases Returns and Allowances
Owner Equity	514 Purchases Discounts
310 A. Cooper, Capital	Expenses
	610 Salaries Expense
	612 Cleaning Expense

Oct. 1 Allison Cooper invested \$8,200 in the toy store.

Oct. 1 Paid three months' rent in advance, check no. 1, \$3,000.

Oct. 1 Purchased merchandise from Sarah Harmitz Company on account, \$3,800, invoice no. 410, dated October 2; terms 7/10, n/30.

Oct. 3 Sold merchandise to Robert Gibbs on account, \$1,100, invoice no. 1; terms 7/10, n/30.

Oct. 6 Sold merchandise to Inez Tenenbaum on account, \$700, invoice no. 2; terms 7/10, n/30.

Oct. 8 Purchased merchandise from Sarah Harmitz Co. on account, \$1,500, invoice no. 415, dated October 9; terms 7/10, n/30.

Oct. 9 Sold merchandise to Robert Gibbs on account, \$600, invoice no. 3; terms 7/10, n/30.

Oct. 9 Paid cleaning service, check no. 2, \$200.

Oct. 10 Inez Tenenbaum returned merchandise that cost \$300 to Allison's Toy House. Allison issued credit memorandum no. 1 to Inez Tenenbaum for \$300.

Oct. 10 Purchased merchandise from Lane Chipkin on account, \$4,000, invoice no. 311, dated October 11; terms 6/15, n/60.

Oct. 12 Paid Sarah Harmitz Co. invoice no. 410, dated October 2, check no. 3.

Oct. 13 Sold \$1,600 of toy merchandise for cash.

Oct. 13 Paid salaries, \$900, check no. 4.

Oct. 14 Returned merchandise to Lane Chipkin in the amount of \$1,500. Allison's Toy House issued debit memorandum no. 1 to Lane Chipkin.

Oct. 15 Sold merchandise for \$3,800 cash.

Oct. 16 Received payment from Inez Tenenbaum, invoice no. 2 (less returned merchandise) less discount.

Oct. 16 Robert Gibbs paid invoice no. 1.

Oct. 16 Sold toy merchandise to Amanda Reader on account, \$3,900, invoice no. 4; terms 7/10, n/30.

Oct. 20 Purchased delivery truck on account from Sam Katz Garage, \$3,100, invoice no. 111, dated October 21 (no discount).

Oct. 22 Sold to Robert Gibbs merchandise on account, \$1,000, invoice no. 5; terms 7/10, n/30.

Oct. 23 Paid Lane Chipkin balance owed, check no. 5.

Oct. 24 Sold toy merchandise on account to Amanda Reader, \$1,700, invoice no. 6; terms 7/10, n/30.

Oct. 25 Purchased toy merchandise, \$500, check no. 6.

Oct. 26 Purchased toy merchandise from William Smith on account, \$4,600, invoice no. 211, dated October 27; terms 7/10, n/30.

Oct. 28 Robert Gibbs paid invoice no. 5, dated October 22.

Oct. 28 Amanda Reader paid invoice no. 6, dated October 24.

Oct. 28 Allison invested an additional \$5,500 in the business.

Oct. 28 Purchased merchandise from Sarah Harmitz Co., \$1,600, invoice no. 436, dated October 29; terms 7/10, n/30.

Oct. 30 Paid Sarah Harmitz Co. invoice no. 436, check no. 7.

Oct. 30 Sold merchandise to Bonnie Flow Company on account, \$2,400, invoice no. 7; terms 7/10, n/30.

2. SANCHEZ COMPUTER CENTER

The following is an updated schedule of accounts payable as of January 31, 201X.

Schedule of Accounts Payable	
Office Depot	\$ 50
System Design Furniture	1,400
Pac Bell	150
Multi Systems, Inc.	450
Total Accounts Payable	\$ 2,050

Tasks

- Journalize the transactions.
- Record in the accounts payable subsidiary ledger and post to the general ledger as appropriate. A partial general ledger is included in the working papers that accompany this text.
- The following accounts have been added to the chart of accounts: Purchases #6000, Purchase Returns and Allowances #6010, and Purchase Discounts #6020.
- Prepare a schedule of accounts payable as of February 28, 201X.

The transactions for the month of February, 201X, are as follows:

Feb. 1 Prepaid the rent for the months of February, March, and April, \$1,200, check #2585.

Feb. 4 Bought merchandise on account from Multi Systems, Inc., purchase order no. 4010, \$450; terms 3/10, n/30.

Feb. 8 Bought office supplies on account from Office Depot, purchase order no. 4011, \$250; terms n/30.

Feb. 9 Purchased merchandise on account from Computer Connection, purchase order no. 4012, \$500; terms 1/30, n/60.

Feb. 15 Paid purchase order no. 4010 in full to Multi Systems, Inc., check #2586.

Feb. 21 Issued debit memorandum no. 10 to Computer Connection for merchandise returned from purchase order no. 4012, \$100.

Feb. 27 Paid for office supplies, \$50, check #2587.

3. Wendy Ellis operates a wholesale computer center and has hired you as her bookkeeper to record the following transactions. She would like you to:

a. journalize the following transactions,

b. record to the accounts payable subsidiary ledger and post to the general ledger as appropriate, and

c. prepare a schedule of accounts payable. If using working papers, be sure to put in the following beginning balances: Andrews Co. \$1,350; Hitch Co. \$1,200; Seakate Co. \$700; Zeke Co. \$1,400; Cash \$17,000; Accounts Payable \$4,650.

4. Gary Wilcox opened Gary's Cosmetic Market on October 1. A 4% sales tax is calculated and added to all cosmetic sales. Gary offers no sales discounts.

The following transactions occurred in October, 201X:

Oct. 1 Gary Wilcox invested \$9,500 in the Cosmetic Market from his personal savings account.

Oct. 5 From the cash register tapes, lipstick cash sales were \$4,900, plus sales tax.

Oct. 5 From the cash register tapes, eye shadow cash sales were \$2,500, plus sales tax.

Oct. 8 Sold lipstick on account to Fione Tay Co., \$500, sales ticket no. 1, plus sales tax.

Oct. 9 Sold eye shadow on account to Marika Sanford Co., \$600, sales ticket no. 2, plus sales tax.

Oct. 15 Issued credit memorandum no. 1 to Fione Tay Co. for \$50 for lipstick returned. (Be sure to reduce Sales Tax Payable for Gary's.)

Oct. 19 Marika Sanford Co. paid half the amount owed from sales ticket no. 2, dated October 9.

Oct. 21 Sold lipstick on account to Mary Ruvolo Co., \$500, sales ticket no. 3, plus sales tax.

Oct. 24 Sold eye shadow on account to Peter Melnyk Co., \$800, sales ticket no. 4, plus sales tax.

Oct. 25 Issued credit memorandum no. 2 to Mary Ruvolo Co. for \$300 for lipstick returned from sales ticket no. 3, dated October 21.

Oct. 29 Cash sales taken from the cash register tape showed the following:

a. Lipstick: \$700 + \$28 sales tax collected.

b. Eye shadow: \$3,500 + \$140 sales tax collected.

Oct. 29 Sold lipstick on account to Marika Sanford Co., \$500, sales ticket no. 5, plus sales tax.

Oct. 30 Received payment from Marika Sanford Co. of sales ticket no. 5, dated October 29.

Required

- a. Journalize, record, and post as appropriate.
- b. Prepare a schedule of accounts receivable for the end of October.