

Comprehensive Problem - Julie's Maids Cleaning Service:

Wiley Chapters 2 to 4

Julie Molony opened Julie's Maids Cleaning Service on July 1, 2008. During July, the company completed the following transactions.

- July 1 Invested \$14,000 cash in the business.
 - 1 Purchased a used truck for \$10,000, paying \$3,000 cash and the balance on account.
 - 3 Purchased cleaning supplies for \$800 on account.
 - 5 Paid \$1,800 on a one-year insurance policy, effective July 1.
- 12 Billed customers \$3,800 for cleaning services.
- 18 Paid \$1,000 of amount owed on truck, and \$400 of amount owed on cleaning supplies.
- 20 Paid \$1,600 for employee salaries.
- 21 Collected \$1,400 from customers billed on July 12.
- 25 Billed customers \$1,500 for cleaning services.
- 31 Paid gas and oil for the month on the truck, \$400.
- 31 Withdrew \$600 cash for personal use.

The chart of accounts for Julie's Maids Cleaning Service contains the following accounts: No. 101 Cash, No. 112 Accounts Receivable, No. 128 Cleaning Supplies, No. 130 Prepaid Insurance, No. 157 Equipment, No. 158 Accumulated Depreciation—Equipment, No. 201 Accounts Payable, No. 212 Salaries Payable, No. 301, Julie Molony, Capital, No. 306 Julie Molony, Drawing, No. 350 Income Summary, No. 400 Service Revenue, No. 633 Gas & Oil Expense, No. 634 Cleaning Supplies Expense, No. 711 Depreciation Expense, No. 722 Insurance Expense, and No. 726 Salaries Expense.

Instructions

- a. Journalize and post the July transactions. Use page J1 for the journal.
- b. Prepare a trial balance at July 31 on a worksheet.
- c. Enter the following adjustments on the worksheet, and complete the worksheet.
 - 1. Earned but unbilled fees at July 31 were \$1,300.
 - 2. Depreciation on equipment for the month was \$200.
 - 3. One-twelfth of the insurance expired.
 - 4. An inventory count shows \$100 of cleaning supplies on hand at July 31.
 - 5. Accrued but unpaid employee salaries were \$500.
- d. Prepare the income statement and statement of owner's equity for July, and a classified balance sheet at July 31, 2008.
- e. Journalize and post the adjusting entries. Use page J2 for the journal.
- f. Journalize and post the closing entries, and complete the closing process.
Use page J3 for the journal.
- g. Prepare a post-closing trial balance at July 31.

(a) General Journal J1

	Date	Accounts Titles	Ref.	Debit	Credit	
1	July 1					1
2						2
3						3
4	1					4
5						5
6						6
7						7
8	3					8
9						9
10						10
11	5					11
12						12
13						13
14	12					14
15						15
16						16
17	18					17
18						18
19						19
20	20					20
21						21
22						22
23	21					23
24						24
25						25
26	25					26
27						27
28						28
29	31					29
30						30
31						31
32	31					32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40						40

(a), (e) and (f)

Cash

No. 101

Date	Explanation	Ref.	Debit	Credit	Balance

Accounts Receivable

No. 112

Date	Explanation	Ref.	Debit	Credit	Balance

Cleaning Supplies

No. 128

Date	Explanation	Ref.	Debit	Credit	Balance

Prepaid Insurance

No. 130

Date	Explanation	Ref.	Debit	Credit	Balance

Equipment

No. 157

Date	Explanation	Ref.	Debit	Credit	Balance

Accumulated Depreciation - Equipment

No. 158

Date	Explanation	Ref.	Debit	Credit	Balance

(a), (e) and (f) (Continued)

Accounts Payable

No. 201

Date	Explanation	Ref.	Debit	Credit	Balance

Salaries Payable

No. 212

Date	Explanation	Ref.	Debit	Credit	Balance

Julie Molony, Capital

No. 301

Date	Explanation	Ref.	Debit	Credit	Balance

Julie Molony, Drawing

No. 306

Date	Explanation	Ref.	Debit	Credit	Balance

Income Summary

No. 350

Date	Explanation	Ref.	Debit	Credit	Balance

Service Revenue

No. 400

Date	Explanation	Ref.	Debit	Credit	Balance

Name _____

Comprehensive Problem: Chapters 2 to 4

Section _____

Date _____

Julie's Maids Cleaning Service

(a), (e) and (f) (Continued)

Gas & Oil Expense

No. 633

Date	Explanation	Ref.	Debit	Credit	Balance

Cleaning Supplies Expense

No. 634

Date	Explanation	Ref.	Debit	Credit	Balance

Depreciation Expense

No. 711

Date	Explanation	Ref.	Debit	Credit	Balance

Insurance Expense

No. 722

Date	Explanation	Ref.	Debit	Credit	Balance

Salaries Expense

No. 726

Date	Explanation	Ref.	Debit	Credit	Balance

Name _____

Section _____

Date _____

(b) & (c)

Julie's Maids Cleaning Service
Worksheet
For the Month Ended July 31, 2008

Account Titles	Trial Balance		Adjustments		Adjusted Trial Balance	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
1 Cash						
2 Accounts Receivable						
3 Cleaning Supplies						
4 Prepaid Insurance						
5 Equipment						
6 Accounts Payable						
7 Julie Molony, Capital						
8 Julie Molony, Drawing						
9 Service Revenue						
10 Gas and Oil Expense						
11 Salaries Expense						
12 Totals						
14 Depreciation Expense						
15 Accumulated Depreciation - Equipment						
16 Insurance Expense						
17 Cleaning Supplies Expense						
18 Salaries Payable						
19 Totals						
21 Net Income						
22 Totals						
23						
24						
25						

Comprehensive Problem: Chapters 2 to 4

Julie's Maids Cleaning Service

Income Statement		Balance Sheet		
Dr.	Cr.	Dr.	Cr.	
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				14
				15
				16
				17
				18
				19
				21
				22
				23
				24
				25

(d)

Julie's Maids Cleaning Service		
Income Statement		
For the Month Ended July 31, 2008		
1		1
2		2
3		3
4		4
5		5
6		6
7		7
8		8
9		9
10		10
11		11
12		12
13		13
14		14
15		15

Julie's Maids Cleaning Service		
Statement of Owner's Equity		
For the Month Ended July 31, 2008		
1		1
2		2
3		3
4		4
5		5
6		6
7		7
8		8
9		9
10		10

(d) (Continued)

Julie's Maids Cleaning Service			
Balance Sheet			
July 31, 2008			
1	Assets		1
2			2
3			3
4			4
5			5
6			6
7			7
8			8
9			9
10			10
11			11
12			12
13	Liabilities and Owner's Equity		13
14			14
15			15
16			16
17			17
18			18
19			19
20			20
21			21
22			22
23			23

(g)

Julie's Maids Cleaning Service			
Post-Closing Trial Balance			
July 31, 2008			
	Debit	Credit	
1			1
2			2
3			3
4			4
5			5
6			6
7			7
8			8
9			9
10			10
11			11

General Journal

J2

	Date	Accounts Titles	Ref.	Debit	Credit	
1	(e)	Adjusting Entries				1
2	July 31					2
3						3
4						4
5	31					5
6						6
7						7
8	31					8
9						9
10						10
11	31					11
12						12
13						13
14	31					14
15						15
16						16

General Journal

J3

	Date	Account Titles		Debit	Credit	
1	(f)	Closing Entries				1
2	July 31					2
3						3
4						4
5	31					5
6						6
7						7
8						8
9						9
10						10
11						11
12	31					12
13						13
14						14
15	31					15
16						16
17						17
18						18
19						19
20						20