

Accounting Cycle – Steps 1-4

- 1) Collect source docs
 - 2) Analyze transactions into DR/CR
 - 3) Record in journal
 - 4) Post to ledger
- (T-Accounts serve as journal/ledger)

(from Inv. A – 1997)

Kellan Moore began business operations on March 1, 2022, designing and building web pages for the public. His March transactions are below. For questions 1-26, indicate in the table below the account number of the accounts that are debited and credited for each transaction.

Acct #	Account Title	Acct #	Account Title
100	Cash in Bank	200	Accounts Payable
105	Accounts Receivable	300	Kellan Moore, Capital
110	Office/Computer Supplies	305	Kellan Moore, Drawing
115	Prepaid Insurance	400	Prof. Fees Revenue
120	Office Furniture	500	Cellphone Expense
125	Computer Equipment	505	Internet Expense

Transactions

- 1 Kellan used his personal savings of \$3,000 to invest in the business
- 2 Purchased paper, and various other supplies for \$160 with check #101
- 3 Invested computer and printer, valued at \$1,800, in the business
- 4 Used check #104 to purchase a used computer desk for \$75
- 5 Bought a new printer from BJ's Computers for \$1,200 on account
- 6 Withdrew with check #106 \$50 for personal use
- 7 Paid \$100 with check #105 on account to BJ's Computers
- 8 Paid the cellphone bill for the current month, \$35 with check #102
- 9 Paid L.A. Company a fee of \$25 with check #103 for internet access for March
- 10 Billed Steven Parks, a client, \$100 to set up a 10-page web site
- 11 Upon completion of a multilevel web site, received \$300 from Acme Builders
- 12 Received \$100 on account from Steven Parks
- 13 Paid \$200 for six months of insurance on the last day of March, effective April 1

TRANSACTION NUMBER	DEBIT	CREDIT
1	#1	#2
2	#3	#4
3	#5	#6
4	#7	#8
5	#9	#10
6	#11	#12
7	#13	#14
8	#15	#16
9	#17	#18
10	#19	#20
11	#21	#22
12	#23	#24
13	#25	#26

100 Cash in Bank – Asset

B+	—
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105 Accts Rec. (A/R) – A

B+	—
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110 Office/Comp. Supp. - A

B+	—
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115 Prepaid Insur. (PPI) A

B+	—
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120 Office Furniture - A

B+	—
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125 Computer Eq. – A

B+	—
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201 Accts. Payable – Liab.

—	B+
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(Inc. Summ.) Trial Balance

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300 KELLEN MOORE, CAPITAL – O/E

— | B+

TWO OWNER ACTIVITIES:

305 Kellen Moore, Drawing — D

B+	—
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Investments by Owner

TWO INCOME ACTIVITIES:

500 Cellphone Exp.

B+	—
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505 Internet Exp.

B+	—
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400 Prof. Fees Revenue - R

-	B+
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