



9 SET-UP STEP 9

BEFORE WE START WORKING ON THE FILE...

As you know, we're "pretending" that this is the last month of the fiscal year for *Quincy Bookstore*, but we're not going to take the time to enter all 11 months of previous information into the file.

With that in mind, we need to do a couple of things to magically get all of the first 11 months into your records.

- First, create a *General Journal* entry to record the following information as ONE entry dated 11/30/20XX with the memo "Opening activity adjustment – Balance Sheet."

Number		Debit	Credit
10000	Checking	\$130,870.25	
12200	Prepaid Insurance	400.00	
12300	Supplies Inventory	1,950.00	
15100	Original Cost	18,000.00	
15200	Accumulated Depreciation		\$2,933.26
21000	Mastercard		500.00
27000	Store Equipment & Fixtures Loan		5,333.40
31100	[First and Last Name], Investments		\$75,000
31300	[First and Last Name], Draw	22,765.18	
40000	Sales and Service Income	2,950.00	
(none)	Other Miscellaneous Expense		2,300.00
(none)	Opening Balance Equity		90,868.77
Total		<u>\$176,935.43</u>	<u>\$176,935.43</u>



- Then, create a General Journal entry to record the following information as ONE entry dated 11/30/20XX with the memo "Opening activity adjustment – Profit & Loss."

Number		Debit	Credit
40100	Book Sales		\$202,161.23
40200	Keyboarding Sales		2,072.00
40300	Supplies Sales		9,480.68
45000	Sales Discounts	\$736.28	
49000	Misc Fees Income		120.00
50100	COGS: Purchases	111,887.54	
50200	COGS: Merchandise Discounts		1,691.31
51000	Bank Service Charges	75.00	
51100	Computer and Internet Expense	755.36	
51200	Depreciation Expense	2,933.26	
51300	Equipment Rental Expense	1,005.18	
51410	Fire Insurance Expense	1,122.00	
51420	Liability Insurance Expense	3,278.00	
51500	Interest Expense	2,851.77	
51600	Janitorial Expense	399.24	
51700	Miscellaneous Expense	1,218.67	
51800	Payroll Expenses	46,016.88	
51900	Postage and Delivery Expenses	412.68	
52000	Printing & Reproduction Expense	609.72	
52100	Rent Expense	13,200.00	
52200	Repairs & Maintenance Expense	630.50	
52300	Supplies Expense	536.37	
52400	Telephone Expense	2,079.00	
52500	Utilities Expense	4,163.40	
30000	Opening Balance Expense	21,614.37	
		<u>\$215,525.22</u>	<u>\$215,525.22</u>



CHECK YOUR WORK

Compare your **Balance Sheet** and your **Profit and Loss** both dated **11/30/20XX** with the reports matching those same titles. Make sure everything matches and has the correct Balance Totals. Correct and adjust as needed.