22-06-2020

Journal

Following transactions took place in Hussain Software Company in July 2019

|  |  |
| --- | --- |
| July 02 | Started the business with cash $50,000 and equipment of $ 5,000 as capital |
| July 05 | Paid $2,000 rent for the office space |
| July 07 | Purchased machineries of $4,000 on account |
| July 08 | Paid $1,500 for advertising in the Daily Star |
| July 09 | Paid $2,400 for buying office supplies |
| July 10 | Paid $3,600 for a one year insurance policy starting on July 10, 2019 |
| July 12 | Service revenues earned total $ 11,000. Received cash $7,000 now and $4,000 on account |
| July 20 | Paid $500 for the accounts payable |
| July 22 | Received $5,000 advance from clients who will be served in December 2019 |
| July 25 | Received $1,000 from the accounts receivables |
| July 26 | Paid $2,500 for the salary expenses and $2,000 utility expenses for the month |
| July 27 | Borrowed $9,000 from Dhaka Bank against a note payable |
| July 31 | Software sold to Dhaka Bank $3,000 for cash |
| July 31 | The owner withdrew $3000 for personal use |

Requirement: Journalize the transactions in the book of the company.

Hussain Software Company

Journal

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Particulars | Ref | Debit $ | Credit$ |
| July 02  05  07  08  09  10  12  20  22  25  26  27  31  31 | Cash Dr  Equipment Dr  Capital Cr  (Investment in the company)  Rent expense Dr  Cash Cr  (Payment of office rent…… )  Equipment Dr  A/c Payable Cr  (Purchased machineries)  Advertising expense Dr  Cash Cr  (Paid to daily star for advertise)  Office supplies Dr  Cash Cr  (Paid for office supplies)  Prepaid Insurance Dr  Cash Cr  (Paid for insurance policy)  Cash Dr  A/c Receivable Dr  Service revenues Cr  (Revenues earned of 11,000)  A/c payable Dr.  Cash Cr.  (Paid for account payable )  Cash Dr  Unearned Revenue Cr  (Received advance from client)  Cash Dr  Account Receivable Cr  (Received from a/c receivable)  Salary expense Dr  Utility expense Dr  Cash Cr  (Paid for salary and utility)  Cash Dr  Note payable Cr  (Borrowed from Dhaka bank)  Cash Dr  Software sales revenue Cr  (Sold software to Dhaka Bank)  Withdrawal Dr  Cash Cr  (cash withdrew by owner) |  | 50,000  5,000  2,000  4,000  1,500  2,400  3,600  7,000  4,000  500  5,000  1,000  2,500  2,000  9,000  3,000  3,000 | 55,000  2,000  4,000  1,500  2,400  3,600  11,000  500  5,000  1,000  4,500  9,000  3,000  3,000 |