Bach Hoang Pham

915371372

General Entries

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Account** | **Ref** | **Debit** | **Credit** |
| January 1st | Interest Expense | 530 | $6000 |  |
|  | Interest Payable | 230 |  | $6000 |
| January 3rd | Inventory- children bike | 112 | $2850 |  |
|  | Cash | 101 |  | $2850 |
| January 14th | Utility Payable | 205 | $875 |  |
|  | Cash | 101 |  | $875 |
| January 15th | Inventory -racing bike | 111 | $1500 |  |
|  | Cash | 101 |  | $1500 |
| January 15th | Prepaid Rent | 104 | $1600 |  |
|  | Cash | 101 |  | $1600 |
| January 25th | Inventory- racing bike | 111 | $2325 |  |
|  | Cash | 101 |  | $2325 |
| January 25th | Cash | 101 | $875 |  |
|  | Sales Revenue | 401 |  | $875 |
|  | COGS | 500 | $475 |  |
|  | Inventory- children bike | 112 |  | $475 |
| January 31st | Cash | 101 | $2850 |  |
|  | Sales revenue | 401 |  | $2850 |
|  | COGS | 500 | $1010 |  |
|  | Inventory- standard bike | 110 |  | $1010 |
| January 31st | Cash | 101 | $960 |  |
|  | Service revenue | 410 |  | $960 |
| January 31st | Rent Expense | 515 | $1600 |  |
|  | Prepaid Rent | 104 |  | $1600 |
| February 1st | Light fixture | --- | $2830 |  |
|  | Disposal Old light fixture |  |  | $110 |
|  | Display case |  | $5400 |  |
|  | Cash | 101 |  | $8120 |
| February 1st | Salaries expense | 511 | $5000 |  |
|  | Cash | 101 |  | $5000 |
| February 12th | Cash | 101 | $1800 |  |
|  | Sales revenue | 401 |  | $1800 |
|  | COGS | 500 | $950 |  |
|  | Inventory- children bike | 112 |  | $950 |
| February 12th | Cash | 101 | $6350 |  |
|  | Sale Revenue | 401 |  | $6350 |
|  | COGS | 500 | $1550 |  |
|  | Inventory- racing bike | 111 |  | $1550 |
| February 13th | Inventory- racing bike | 111 | $2380 |  |
|  | Cash | 101 |  | $2380 |
| February 13th | Inventory- children bike | 112 | $1485 |  |
|  | Cash | 101 |  | $1485 |
| February 15th | Prepaid Rent | 104 | $1600 |  |
|  | Cash | 101 |  | $1600 |
| February 17th | Inventory- standard bike | 110 | $2109 |  |
|  | Cash | 101 |  | $2109 |
| February 19th | Cash | 101 | $6270 |  |
|  | Sales revenue | 401 |  | $6270 |
|  | COGS | 500 | $2412 |  |
|  | Inventory- standard bike | 110 |  | $2412 |
| February 19th | Cash | 101 | $1065 |  |
|  | Sales Revenue | 401 |  | $855 |
|  | Unearned Revenue | 210 |  | $210 |
|  | COGS | 500 | $303 |  |
|  | Inventory- standard bke | 110 |  | $303 |
| February 28th | Cash | 101 | $2800 |  |
|  | Service revenue | 410 |  | $2800 |
| February 28th | Rent Expense | 515 | $1600 |  |
|  | Prepaid Rent | 104 |  | $1600 |
| March 1st | Cash | 101 | $12800 |  |
|  | Sale Revenue | 401 |  | $12800 |
|  | COGS | 500 | $3305 |  |
|  | Inventory- racing bike | 111 |  | $3305 |
| March 1st | Treasury bill | -- | $2000 |  |
|  | Cash | 101 |  | $2000 |
| March 1st | Salaries expense | 511 | $5000 |  |
|  | Cash | 101 |  | $5000 |
| March 2nd | Inventory- standard bike | 110 | $4375 |  |
|  | Cash | 101 |  | $4375 |
| March 11th | Cash | 101 | $4375 |  |
|  | Sales Revenue | 401 |  | $4375 |
|  | COGS | 500 | $2435 |  |
|  | Inventory-children bike | 112 |  | $2435 |
| March 12th | Sales Return | 405 | $225 |  |
|  | Cash | 101 |  | $225 |
|  | Inventory-standard bike | 110 | $80 |  |
|  | COGS | 500 |  | $80 |
| March 15th | Prepaid Rent | 104 | $1600 |  |
|  | Cash | 101 |  | $1600 |
| March 20th | Inventory- racing bike | 111 | $1800 |  |
|  | Account Payable | 201 |  | $1800 |
| March 24th | Cash | 101 | $400 |  |
|  | Unearned revenue |  |  | $400 |
| March 1st | Cash | 101 | $120 |  |
|  | Interest Revenue |  |  | $120 |
| March 31st | Insurance expense | 516 | $1320 |  |
|  | Prepaid Insurance | 105 |  | $1320 |
| March 31st | Cash | 101 | $2400 |  |
|  | Service Revenue | 410 |  | $2400 |
| March 31st | Depreciation expense- light fixture |  | $118 |  |
|  | Accumulated Depreciation- light fixture |  |  | $118 |
|  | Depreciation expense- display case |  | $225 |  |
|  | Accumulated Depreciation –display case |  |  | $225 |
|  | Depreciation expense | 520 | $362.5 |  |
|  | Accumulated Depreciation- Equipment | 122 |  | $362.5 |
| March 31st | Rent expense | 515 | $1600 |  |
|  | Prepaid Rent | 104 |  | $1600 |
| April 1st | Utilities expense | 512 | $945 |  |
|  | Utility payable | 205 |  | $945 |

GENERAL LEDGERS

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***CASH                                                             No. 101*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| ***January 1st*** | ***Beginning balance*** |  | ***33,311*** |  |
| January 3rd | Purchase inventory-children bike | 101 |  | 2,850.00 |
| January 14th | Payment of utility bill | 101 |  | 875.00 |
| January 15th | Purchase inventory- Racing bike | 101 |  | 1,500.00 |
| January 15th | Payment of next month rent | 104 |  | 1,600.00 |
| January 25th | Purchase inventory- Racing bike | 101 |  | 2,325.00 |
| January 25th | Sale of children bike | 101 | 875.00 |  |
| January 31st | Sale of standard bike | ***101*** | 2,850.00 |  |
| January 31st | Tune up service | 101 | 960.00 |  |
| February 1st | Equipment replacement | ***101*** |  | 8,120.00 |
| February 1st | Salaries Payment | ***101*** |  | 5000 |
| February 12th | Sale of children bike | ***101*** | 1,800.00 |  |
| February 12th | Sale of racing bike | ***101*** | 6,350.00 |  |
| February 13th | Purchase of racing bike | ***101*** |  | 2,380.00 |
| February 13th | Purchase of children bike | ***101*** |  | 1,485.00 |
| February 15th | Payment for next month rent | ***101*** |  | 1,600.00 |
| February 17th | Purchase inventory- standard bike | ***101*** |  | 2,109.00 |
| February 19th | Sale of standard bike | ***101*** | 6270 |  |
| February 19th | Sale of standard bike with tune-up | ***101*** | 1065 |  |
| February 28th | Sale from tune up | ***101*** | 2800 |  |
| March 1st | Sale of racing bike | ***101*** | 12800 |  |
| March 1st | Purchase of treasury bill | ***101*** |  | 2000 |
| March 1st | Salaries Payment | ***101*** |  | 5000 |
| March 2nd | Purchase inventory- standard bike | ***101*** |  | 4375 |
| March 11th | Sale of children bike | ***101*** | 4375 |  |
| March 12th | Sale of standard bike | ***101*** |  | 225 |
| March 15th | Payment for next month rent | ***101*** |  | 1600 |
| March 24th | Unearned revenue | ***101*** | 400 |  |
| March 31st | Sale from tune up | ***101*** | 2400 |  |
| March 31st | Interest revenue | ***101*** | 120 |  |
| Total |  |  | 33,332 |  |

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| ***Store supplies                                                            No.103*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| January 1st | Beginning balance | 103 | 460 |  |
| Total |  |  | 460 |  |

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| ***Light Fixture                                                            No.---*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| February 1st | Purchase light fixture |  | 2830 |  |
| February 1st | Disposal of old light fixture |  |  | 110 |
| Total |  |  | 2720 |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Display Case                                                           No----*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| February 1st | Purchase display case |  | 5400 |  |
| Total |  |  | 5400 |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Treasury Bill                                                           No. ---*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| March 1st | Purchase of treasury bill |  | 2000 |  |
| Total |  |  | 2000 |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Prepaid Rent                                                            No. 104*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| January 1st | Beginning balance | 104 | 1600 |  |
| January 15th | Payment for next month rent | 104 | 1600 |  |
| January 31st | Rent due | 104 |  | 1600 |
| February 15th | Payment for next month rent | 104 | 1600 |  |
| February 28th | Rent due | 104 |  | 1600 |
| March 15th | Payment for next month rent | 104 | 1600 |  |
| March 31st | Rent due | 104 |  | 1600 |
| Total |  |  | 1600 |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Prepaid Insurance                                                            No. 105*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| January 1st | Beginning balance | ***105*** | 1560 |  |
| March 31st | Insurance from Jan-March | 105 |  | 1320 |
| Total |  |  | 240 |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Inventory- Standard bike                                                            No. 110*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| January 1st | Beginning balance | 110 | 2525 |  |
| January 31st | Purchase inventory- Racing bike | 110 |  | 1010 |
| February 17th | Purchase inventory- Racing bike | 110 | 2109 |  |
| February 19th | Sale of racing bike | 110 |  | 2412 |
| February 19th | Purchase inventory- Racing bike | 110 |  | 303 |
| March 2nd | Sale of racing bike | 110 | 4375 |  |
| March 12th | Purchase inventory- Racing bike | 110 | 80 |  |
| Total |  |  | 5364 |  |

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| --- | --- | --- | --- | --- |
| ***Inventory- Racing Bike                                                             No. 111*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| January 15th | Purchase inventory- Racing bike | 111 | 1500 |  |
| January 25th | Purchase inventory- Racing bike | 111 | 2325 |  |
| February 12th | Sale of racing bike | 111 |  | 1550 |
| February 13th | Purchase inventory- Racing bike | 111 | 2380 |  |
| March 1st | Sale of racing bike | 111 |  | 3305 |
| March 20th | Purchase inventory- Racing bike | 111 | 1800 |  |
| Total |  |  | 3150 |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Inventory- Children Bike                                                             No. 112*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| January 1st | Beginning balance | 112 | 1176 |  |
| January 3rd | Purchase inventory- children bike | 112 | 2850 |  |
| January 25th | Sale of children bike | 112 |  | 475 |
| February 12th | Sale of children bike | 112 |  | 950 |
| February 13th | Purchase inventory- children bike | 112 | 1485 |  |
| March 11th | Sale of children bike | 112 |  | 2435 |
| Total |  |  | 1651 |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Equipment                                                             No. 120*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| January 1st | Beginning balance | 120 | 14500 |  |
| Total |  |  | 14500 |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Accumulated Depreciation-  Light Fixture*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| March 31st | Depreciation for light fixture |  |  | 118 |
| Total |  |  |  | 118 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Accumulated Depreciation- Display Case*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| March 31st | Depreciation for display case |  |  | 225 |
| Total |  |  |  | 225 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Accumulated Depreciation- Equipment                 No.122*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| January 1st | Beginning Balance | 122 |  | 4350 |
| March 31st | Depreciation for equipment | 122 |  | 362.5 |
| Total |  |  |  | 4712.5 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Account Payable                                                             No. 201*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| January 1st | Beginning balance | 201 |  | 8724 |
| March 20th | Payment for Racing Bike | 201 |  | 1800 |
| Total |  |  |  | 10524 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Utilities Payable                                                            No.205*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| January 1st | Beginning Balance | 205 |  | 875 |
| January 14th | Payment for last quarter utility | 205 | 875 |  |
| April 1st | Utility payment due | 205 |  | 945 |
| Total |  |  |  | 945 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Unearned Revenue                                                            No. 210*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| February 19th | ---- | 210 |  | 210 |
| March 24th | ---- | 210 |  | 400 |
| Total |  |  |  | 610 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Salaries Payable                                                             No. 220*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| January 1st | Beginning balance | 220 |  | 2000 |
| Total |  |  |  | 2000 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Interest Payable                                                             No. 230*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| January 1st | Beginning balance | 230 |  | 1500 |
| January 1st | Payment for loan interest | 230 |  | 6000 |
| Total |  |  |  | 7500 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Loan Payable                                                             No. 240*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| January 1st | Beginning Balance | 240 |  | 15000 |
| Total |  |  |  | 15000 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Capital Stock                                                             No. 301*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| January 1st | Beginning Balance | 301 |  | 20000 |
| Total |  |  |  | 20000 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Retained Earnings                                                             No. 310*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| January 1st | Beginning Balance | 310 |  | 2683 |
| Total |  |  |  | 2683 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Interest Expense                                                             No. 530*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| January 1st | Payment for loan interest | 530 | 6000 |  |
| Total |  |  | 6000 |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Sales Revenue                                                             No. 401*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| January 25th | Sale of racing bike | 401 |  | 875 |
| January 31st | Sale of standard bike | 401 |  | 2850 |
| February 12th | Sale of children bike | 401 |  | 1800 |
| February 12th | Sale of racing bike | 401 |  | 6350 |
| February 19th | Sale of standard bike | 401 |  | 6270 |
| February 19th | Sale of standard bike + tune up | 401 |  | 855 |
| March 1st | Sale of racing bike | 401 |  | 12800 |
| March 11th | Sale of children bike | 401 |  | 4375 |
| Total |  |  |  | 36175 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Sales Returns                                                             No. 405*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| March 12th | Return of standard bike | 405 | 225 |  |
| Total |  | 405 | 225 |  |

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| --- | --- | --- | --- | --- |
| ***Service Revenue                                                             No. 410*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| January 31st | Tune up | 410 |  | 960 |
| February 28th | Tune up | 410 |  | 2800 |
| March 31st | Tune up | 410 |  | 2400 |
| Total |  |  |  | 6160 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Interest Revenue                                                          No. ---*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| March 1st | Interest from treasury bill |  |  | 120 |
| Total |  |  |  | 120 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Cost Of Good Sold                                                             No. 500*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| January 25th | Sale of racing bike | 500 | 475 |  |
| January 31st | Sale of standard bike | 500 | 1010 |  |
| February 12th | Sale of children bike | 500 | 950 |  |
| February 12th | Sale of racing bike | 500 | 1550 |  |
| February 19th | Sale of standard bike | 500 | 2412 |  |
| February 19th | Sale of standard bike + tune up | 500 | 303 |  |
| March 1st | Sale of racing bike | 500 | 3305 |  |
| March 11th | Sale of children bike | 500 | 2435 |  |
| March 12th | Return of standard bike | 500 |  | 80 |
| Total |  |  | 12360 |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Salaries Expense                                                             No. 511*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| February 1st | Salaries payment | 511 | 5000 |  |
| March 1st | Salaries payment | 511 | 5000 |  |
| Total |  |  | 10000 |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Utilities Expense                                                             No. 512*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| April 1st | Utility payment due | 512 | 945 |  |
| Total |  |  | 945 |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Rent Expense                                                             No. 515*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| January 31st | Payment from prepaid rent | 515 | 1600 |  |
| February 28th | Payment from prepaid rent | 515 | 1600 |  |
| March 31st | Payment from prepaid rent | 515 | 1600 |  |
| Total |  |  | 4800 |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Insurance expense                                                            No. 516*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| March 31st | Insurance from Jan-March | 105 | 1320 |  |
| Total |  |  | 1320 |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Depreciation Expense- Light fixture*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| March 31st | Depreciation for light fixture |  | 118 |  |
| Total |  |  | 118 |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Depreciation Expense- Display Case*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| March 31st | Depreciation for display case |  | 225 |  |
| Total |  |  | 225 |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Depreciation Expense- Equipment                                          No.520*** | | | | |
| ***Date*** | ***Explanation*** | ***Ref*** | ***Debit*** | ***Credit*** |
| March 31st | Depreciation for Equipment | 520 | 362.5 |  |
| Total |  |  | 362.5 |  |

|  |  |  |
| --- | --- | --- |
| ***Cherry & White Bike Company***  ***Unadjusted Trial Balance***  ***At March 31st, 2018*** | | |
| ***Account*** | ***Debit*** | ***Credit*** |
| Cash | 33,332 |  |
| Store Supplies | 460 |  |
| Prepaid Rent | 1600 |  |
| Light Fixture | 2720 |  |
| Display Case | 5400 |  |
| Treasury bill | 2000 |  |
| Inventory- Standard bike | 5364 |  |
| Inventory – Racing bike | 3150 |  |
| Inventory – Children bike | 1651 |  |
| Equipment | 14500 |  |
| Accumulated Depreciation- equipment |  | 4350 |
| Account Payable |  | 10524 |
| Utilities Payable |  | 945 |
| Unearned Revenue |  | 610 |
| Salaries Payable |  | 2000 |
| Interest Payable |  | 7500 |
| Loan Payable |  | 15000 |
| Capital Stock |  | 20000 |
| Retained Earnings |  | 2683 |
| Sales Revenue |  | 36175 |
| Sales Return | 225 |  |
| Service Revenue |  | 6160 |
| Interest Revenue |  | 120 |
| Cost of goods sold | 12360 |  |
| Salaries Expense | 10000 |  |
| Rent Expense | 4800 |  |
| Interest Expense | 6000 |  |
|  |  |  |
|  |  |  |
|  |  |  |
| Total | 106,067 | 106,067 |

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| --- | --- | --- |
| ***Cherry & White Bike Company***  ***Adjusted Trial Balance***  ***At March 31, 2018*** | | |
| ***Account*** | ***Debit*** | ***Credit*** |
| Cash | $ 33,332.00 |  |
| Store supplies | $ 460.00 |  |
| Light Fixture | $ 2,720.00 |  |
| Display case | $ 5,400.00 |  |
| Treasury Bill | $ 2,000.00 |  |
| Prepaid Rent | $ 1,600.00 |  |
| Prepaid Insurance | $ 240.00 |  |
| Inventory- Standard Bike | $ 5,364.00 |  |
| Inventory- Racing Bike | $ 3,150.00 |  |
| Inventory- Children Bike | $ 1,651.00 |  |
| Equipment | $ 14,500.00 |  |
| Accumulated Depreciation- Light Fixture |  | $ 118.00 |
| Accumulated Depreciation – Display Case |  | $ 225.00 |
| Accumulated Depreciation - Equipment |  | $ 4,712.50 |
| Account Payable |  | $ 10,524.00 |
| Utilities Payable |  | $ 945.00 |
| Unearned Revenue |  | $ 610.00 |
| Salaries Payable |  | $ 2,000.00 |
| Interest Payable |  | $ 7,500.00 |
| Loan Payable |  | $ 15,000.00 |
| Capital Stock |  | $ 20,000.00 |
| Retained Earning |  | $ 2,683.00 |
| Sales Revenue |  | $ 36,175.00 |
| Sales Returns | $ 225.00 |  |
| Service Revenue |  | $ 6,160.00 |
| Interest Revenue |  | $ 120.00 |
| Cost of Goods Sold | $ 12,360.00 |  |
| Salaries Expense | $10,000.00 |  |
| Utilities Expense | $ 945.00 |  |
| Interest Expense | $ 6,000.00 |  |
| Rent Expense | $ 4,800.00 |  |
| Insurance Expense | $ 1,320.00 |  |
| Depreciation Expense- Light Fixture | $ 118.00 |  |
| Depreciation Expense- Display Case | $ 225.00 |  |
| Depreciation Expense-Equipment | $ 362.50 |  |
| Total | $ 106,772.5 | $ 106,772.5 |

|  |  |
| --- | --- |
| **Cherry & White Bike Company** | |
| **Statement of Income** | |
| **For the period ended March 31, 2018** | |
|  |  |
| Revenues; |  |
| Sales Revenue | $ 36,175.00 |
| Sale Return | ($ 225.00) |
| Service Revenue | $ 6,160.00 |
| COGS | ($ 12,360.00) |
| Gross profit | $29,750 |
| Expenses: |  |
| Salaries Expense | $10,000.00 |
| Utilities Expense | $ 945.00 |
| Interest Expense | $ 6,000.00 |
| Rent Expense | $ 4,800.00 |
| Insurance Expense | $ 1,320.00 |
| Depreciation Expense- Light Fixture | $ 118.00 |
| Depreciation Expense- Display Case | $ 225.00 |
| Depreciation Expense-Equipment | $ 362.50 |
| Total expenses: | ($23,770.50 ) |
| Net income before tax: | 5979.5 |
| Tax expense: | 1195.9 |
| Net Income: | 4783.6 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Cherry & White Bike Company** | | | |
| **Statement of Changes in Stockholders’ Equity** | | | |
| **For the year ended March 31, 2018** | | | |
|  |  |  |  |
|  | Capital Stock | Retained Earnings | Total Equity |
| Balance, Beginning | 20,000 | 2683 | 22,683 |
| Capital investments | 0 | 0 | 0 |
| Net income |  | 4783.6 | 4783.6 |
| Dividends | 0 | 0 | 0 |
|  |  |  |  |
| Balance, March 31 | 20,000 | 7466.6 | 27466.6 |

|  |  |
| --- | --- |
| **Cherry & White Bike Company** | |
| **Balance Sheet** | |
| **As of December 31, 2017** | |
|  |  |
| ASSETS: |  |
| Cash | $ 33,332.00 |
| Store supplies | $ 460.00 |
| Light Fixture | $ 2,720.00 |
| Display case | $ 5,400.00 |
| Treasury Bill | $ 2,000.00 |
| Prepaid Rent | $ 1,600.00 |
| Prepaid Insurance | $ 240.00 |
| Inventory- Standard Bike | $ 5,364.00 |
| Inventory- Racing Bike | $ 3,150.00 |
| Inventory- Children Bike | $ 1,651.00 |
| Equipment | $ 14,500.00 |
| Accumulated Depreciation- Light Fixture | ($ 118.00) |
| Accumulated Depreciation – Display Case | ($ 225.00) |
| Accumulated Depreciation - Equipment | ($ 4,712.50) |
| TOTAL ASSETS | $65,361.50 |
|  |  |
| LIABILITIES AND EQUITY: |  |
| Account Payable | $10,524.00 |
| Utilities Payable | $945.00 |
| Unearned Revenue | $610.00 |
| Salaries Payable | $2,000.00 |
| Interest Payable | $7,500.00 |
| Loan Payable | $15,000.00 |
| Total liabilities | $36,579.00 |
|  |  |
| Equity: |  |
| Common stock | 20,000 |
| Retained earnings | 7466.6 |
|  |  |
| Total Equity | 27466.6 |
|  |  |
| TOTAL LIABILITIES AND EQUITY | 64045.6 |

**Cherry & White Bike Company**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT**

***Significant accounting policies***

Cherry & White calculates the cost of its inventories using the last in first out method. All fixed assets are depreciated using the straight-line depreciation method of calculation.

***Cash and Cash Equivalents***

Cherry & White classify all highly liquid instrument with an original maturity of three months or less as cash equivalent. Currently, Cherry & White has cash and treasury bill

***Inventories***

Inventory consists of product available for sale. The company main inventory includes 3

different models of bike: standard bike, racing bike and children bike. Cherry & White

uses the last in, first out method to account for its inventory.

***Equipment***

Cherry & White recently purchased and installed new light fixtures and display cases in the leased store.