

### Lesson 9-1: Subsidiary Ledgers and Controlling Accounts

Maria has opened an ice cream shop named Maria's Cool Treats. Maria has many vendors she buys her treats from. To keep these vendor balances up-to-date and ensure payment by due dates, she has created a subsidiary ledger for her Accounts Payable.

**Start** a new accounts payable ledger page for Seaman's Ice Cream. As of July 1, Maria owes them \$555 dollars, and they are vendor number 250.

VENDOR Seaman's Ice Cream		VENDOR NO. 250			
DATE	ITEM	POST. REF.	DEBIT	CREDIT	CREDIT BALANCE
2019 Jul. 1	Balance	✓			555.00

If the Balance of Maria's Accounts Payable is \$1,050, list the missing amount below.

Acc. Pay--Billy's Cold Goods	250.00
Acc. Pay--Really Cold Treats	50.00
Acc. Pay--Seaman's Ice Cream	555.00
Acc. Pay--The Frozen Tundra	195.00

### Lesson 9-2: Accounting for Merchandise Purchases

**Journalize** the following transactions. Use page 1.

On July 5th, Maria purchased 500 more regular ice cream bars from The Frozen Tundra, for a total price of \$300, P53.

On July 10th, Maria purchased 40 more Strawberry Shortcake bars from Really Cold Treats, for a total price of \$50, P54.

PURCHASES JOURNAL				PAGE 1	
DATE	ACCOUNT CREDITED	PURCH NO.	POST. REF.	PURCHASES DR.	PAY CR.
2019 Jul. 5	The Frozen Tundra	53		300.00	
10	Really Cold Treats	54		50.00	

### Lesson 9-3: Posting from the Purchases Journal

Maria is in need of more inventory, but she doesn't want her Accounts Payable to become too high. She needs to post her most recent Purchases Journal to see the accurate balance of her Accounts Payable.

- Post** the last two entries on the Purchase Journal to the subsidiary ledger. Use date July 29.
- Rule** and **post** the whole Purchases Journal to just the AP account (the total is shown for you). Use date July 29. What other account is affected by totaling the Purchases Journal? Debit or credit? **Purchases - Debit**

VENDOR Really Cold Treats		VENDOR NO. 250			
DATE	ITEM	POST. REF.	DEBIT	CREDIT	CREDIT BALANCE
2019 Jul. 1	balance	✓			50.00
10		P1	50.00		50.00
29		P1	125.00		225.00

  

VENDOR The Frozen Tundra		VENDOR NO. 270			
DATE	ITEM	POST. REF.	DEBIT	CREDIT	CREDIT BALANCE
2019 Jul. 1	balance	✓			195.00
5		P1	300.00		495.00
29		P1	195.00		690.00

  

ACCOUNT Accounts Payable		ACCOUNT NO. 210	
DATE	ITEM	POST. REF.	CREDIT BALANCE
2019 Jul. 1	balance	✓	1,050.00
29		P1	2145.00

### Lesson 9-4: Accounting for Cash Payments

- On August 2, Maria wrote a check (# 167) to Seaman's Ice Cream to pay for Purchase Invoice 48 for \$555, less a 2% discount because she paid early.
- On August 5, Maria wrote a check to (#168) replenish her petty cash. A total of the petty cash slips shows the following expenses: postage expense: \$42, misc. expense \$16. Petty cash is always replenished to \$100. The cash still left in the box is \$40.

CASH PAYMENTS JOURNAL									
PAGE 1									
DATE	ACCOUNT TITLE	CK. NO.	POST. REF.	GENERAL		ACCOUNTS PAYABLE		PURCHASES	
				DEBIT	CREDIT	DEBIT		DEBIT	CREDIT
2019									
Aug 2	Seaman's Ice Cream	167				555.00		11.10	543.90
5	Postage Expense	168		42.00					
	Miscellaneous Expense			16.00					
	Cash Short and Over			2.00					
									60.00

### Lesson 9-5: Posting from a Cash Payments Journal

You are assisting Maria's bookkeeper while she takes a break. She has asked you to post the last transaction on (8/20) to its subsidiary ledger and the TOTALS to AP only.

CASH PAYMENTS JOURNAL									
PAGE 1									
DATE	ACCOUNT TITLE	CK. NO.	POST. REF.	GENERAL		ACCOUNTS PAYABLE		PURCHASES	
				DEBIT	CREDIT	DEBIT		DEBIT	CREDIT
2019									
Jul 1	1 balance							195.00	195.00
Aug 5								300.00	495.00
Aug 10								195.00	
31 Totals				110.00		855.00		26.10	938.90

VENDOR: The Frozen Tundra									
VENDOR NO. 270									
DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE				
2019									
Jul 1	1 balance								
Aug 5									
Aug 10									
31									

ACCOUNT: Accounts Payable									
ACCOUNT NO. 270									
DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE				
2019									
Jul 1	1 balance								
Aug 5									
Aug 10									
31									

### Lesson 10-1 Accounting for Sales on Account

Journalize the following transactions:

On August 13, SuperFill bought \$250 worth of ice cream bars for their convenience store. Maria allowed them to charge to their account. Sales tax is 6.5%. \$100

On August 15, Bellvue School bought \$75 worth of ice cream bars for their school. Maria allowed them to charge to their account. Remember, schools do not pay sales tax. \$101

SALES JOURNAL									
PAGE 1									
DATE	ACCOUNT DEBITED	SALE NO.	POST. REF.	ACCOUNTS RECEIVABLE		SALES		SALES TAX	
				DEBIT		DEBIT	CREDIT	DEBIT	CREDIT
2019									
Aug 13	SuperFill	100		266.25		250.00		16.25	
15	Bellvue School	101		75.00		75.00			



Lesson 10-2

Posting from the Sales Journal

POST the 8/13 entry to SuperFill's subsidiary ledger. Also, post the Sales Tax Payable total of the Sales Journal.

Rule the Sales Journal.

	DATE	ACCOUNT
1	Aug. 13	SuperFill
2	15	Bellvue Scho
3	18	Rockie's Ga
4	31	Totals

Lesson 10-3: Accounting for Cash and Credit Card Sales

Maria recently cash register sales. Record this transaction. The next day, a discount. R100

	DATE	ACCOUNT
1	Aug. 28	Bellvue School

Lesson 10-4: Posting from the Cash Receipts Journal

Total and Rule the Cash Receipts journal. Below, make sure debits and credits balance.

Debits Total: 3210.55

	DATE	ACCOUNT
1	Aug. 28	Bellvue School

Lesson 11-1: Accounting for Purchases Transactions Using a General Journal

Maria bought supplies for her store from Office Plus. The entry is partially journalized for this transaction.

Maria accidentally bought 100 too many Orange Sherbet bars from Seaman's Ice Cream like to return them. The entry is partially journalized for you. Complete the journal entry.

GENERAL JOURNAL				
	DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.
1	Sep. 2	Supplies--Store	M10	
2		Accounts Payable/Office Plus		
3		Accounts Payable/Seaman's Ice Cream	DM10	
4		Purchases Returns and Allowances		

Lesson 11-2: Recording Sales Transactions Using the General Journal

SuperFill would like to return \$44.73 worth of the ice cream they purchased due to it tax for the amount is \$2.73. The entry is partially journalized for you. Complete the journal entry.

Maria accidentally put a sale for \$65 onto Buffalo Coffee Shop's account. The correct entry is partially journalized for you. Complete the journal entry.

GENERAL JOURNAL				
	DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.
1	Sep. 10	Sales Returns and Allowances	CM10	
2		Sales Tax Payable		
3		Accounts Receivable/SuperFill		
4		Accounts Receivable/Rockie's Gas	M11	
5		Accounts Receivable/Buffalo Coffee Shop		

Lesson 11-3: Accounting for Declaration and Payment of a Dividend

Maria has become public, meaning her company is now owned by herself and other individuals who bought stock (shareholders). She has had a profitable quarter, so she decided to pay her shareholders dividends of \$2,500. Journalize this transaction.

Which journal is used to journalize the payment of a declared dividend?

Cash Payments

GENERAL JOURNAL				
	DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.
1	Sep. 15	Dividends	M12	
2		Dividends Payable		



Accum earnings = 5430.60+1183.00=6613.60



### Lesson 13-2: Recording Employer Payroll Taxes

Kathy Kline's gross pay for this pay period is \$2,120.60. Her net pay is \$1,879.90. **Write** Kathy's check, dated 12/15/2019.

Social Security Tax Payable =	\$ 422.50
Medicare Tax Payable =	\$ 76.80
Health Insurance Premiums Payable =	\$ 135.00
Retirement Contributions Payable =	\$ 305.70

CASH PAYMENTS JOURNAL							PAGE	1
DATE	ACCOUNT TITLE	CK NO.	POST. REF.	GENERAL		ACCOUNTS PAYABLE DEBIT	PURCHASES DISCOUNT CREDIT	CASH CREDIT
				DEBIT	CREDIT			
2014								
Oct. 15	Salary expense	175		4,522.75				3267.15
	Employee Income Tax Payable				315.60			
	Social Security Tax Payable				422.50			
	Medicare Tax Payable				76.80			
	Health Insurance Premiums Payable				135.00			
	Retirement Contributions Payable				305.70			

### Lesson 13-2: Recording Employer Payroll Taxes

GENERAL JOURNAL				PAGE 5	
DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL DEBIT	CREDIT
Oct. 15	Payroll Taxes Expense	M15		650.45	
	Social Security Tax Payable				305.30
	Medicare Tax Payable				185.15
	Unemployment Tax Payable—Federal				8.75
	Unemployment Tax Payable -- State				182.16

Maria needs to journalize her tax (employer) tax liability. First, which four taxes to EMPLOYERS pay?
 

- Medicare tax
- Social security tax
- Unemployment tax - federal
- Unemployment tax - state

 Complete the journal entry above by entering in account titles.

What is the **employer** social security tax percentage?

Our payable (liability) accounts have a normal balance of a credit, so to reduce them (since we are paying our tax liability with our monthly deposit) we will debit them.

CASH PAYMENTS JOURNAL							PAGE	3
DATE	ACCOUNT TITLE	OK NO	POST REF.	GENERAL		ACCOUNTS PAYABLE DEBIT	PURCHASES DISCOUNT CREDIT	CASH CREDIT
				DEBIT	CREDIT			
10/15	Income Tax Payable	184		678.20				2578.25
	Social Security Tax Payable			1539.91				
	Medicare Tax Payable			360.14				