

B-13.01

On April 1, 20X4, Rojas purchased land by giving \$100,000 in cash and executing a \$400,000 note payable to the former owner. The note bears interest at 10% per annum, with interest being payable annually on March 31 of each year. Rojas is also required to make a \$100,000 payment toward the note's principal on every March 31.

- (a) Prepare the appropriate journal entry to record the land purchase on April 1, 20X4.
- (b) Prepare the appropriate journal entry to record the year-end interest accrual on December 31, 20X4.
- (c) Prepare the appropriate journal entry to record the payment of interest and principal on March 31, 20X5.
- (d) Prepare the appropriate journal entry to record the year-end interest accrual on December 31, 20X5.
- (e) Prepare the appropriate journal entry to record the payment of interest on March 31, 20X6.