

Name:

B-13.04

Date:

Section:

(a)

Loan Amount = Payments X Annuity Present Value Factor

(b)

GENERAL JOURNAL				
Date	Accounts	Debit	Credit	
1-Jan	Building	500,000.00		
	Note Payable		500,000.00	
	<i>To record purchase of office building for 9% note payable</i>			
31-Dec	Interest Expense			
	Note Payable			
	Cash			
	<i>To record payment</i>			
31-Dec	Interest Expense			
	Note Payable			
	Cash			
	<i>To record payment</i>			

(c)

Loan Amount = Payments X Annuity Present Value Factor