

B-02.05

Bikash Mishra recently formed a financial services and consulting firm in Nepal. He was very busy during the first month and has not yet had an opportunity to install his computerized accounting package. But, he did understand the need to keep track of all transactions as they occurred. Following is a manual journal that he maintained for transactions occurring during January. All amounts are in the Nepalese rupee (NPR).

Bikash has requested that you prepare a ledger of the company's accounts, and post these transactions to determine the balance of each account. He needs this data in order to begin the process of transitioning to his new computerized accounting system.

GENERAL JOURNAL				Page 1	
Date	Accounts	Debit	Credit		
2-Jan-05	Cash	1,000,000			
	Capital Stock		1,000,000		
	<i>Bikash invested cash in exchange for stock</i>				
4-Jan-05	Equipment	200,000			
	Loan Payable		200,000		
	<i>Purchased equipment with proceeds of loan</i>				
6-Jan-05	Accounts Receivable	300,000			
	Revenues		300,000		
	<i>Provided services to customers on account</i>				
7-Jan-05	Supplies Expense	10,000			
	Accounts Payable		10,000		
	<i>Purchased (on account) and used supplies</i>				
11-Jan-05	Accounts Payable	10,000			
	Cash		10,000		
	<i>Paid for purchase of Jan. 7</i>				
15-Jan-05	Wage Expense	100,000			
	Cash		100,000		
	<i>Paid employee</i>				

