

Barbers in the Basement

Malcolm started a barber shop, Barbers in the Basement, at the beginning of January 2017. The business transactions for Malcolm Public Relation's first month of operations can be found below. Use this information to complete the T Accounts, Trial Balance, and Financial Statements that follow.



- 1/1 Opened a business bank account with a deposit of \$9,000 from personal funds.
 - 1/2 Paid rent expense on his new store space for the month, \$1,500.
 - 1/4 Purchased equipment (barber chairs, sinks, etc.), \$5,000.
 - 1/5 Purchased supplies (brushes, scissors, razors, etc.) on account, \$900.
 - 1/10 Customers paid cash for hair cuts during the month, totaling \$19,000.
 - 1/22 Customers paid on account for hair cuts during the month, totaling \$8,000.
 - 1/25 Paid wages expense for the month, \$1,300.
 - 1/28 Completed inventory and found that the amount of office supplies on hand at the end of month was \$200, meaning that \$700 of supplies had been used during the period.
 - 1/29 Received \$5,500 in cash from customers paying on their accounts.
 - 1/31 Malcolm withdrew \$400 for personal use.
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T-Accounts

- Record all of the business transactions for Barbers in the Basement in the T-Accounts below. Make sure to put the date of the transaction next to each amount.
- Total each account, showing the ending balance in the appropriate "normal balance" location (shaded side). Circle the ending balances.
- Write a two-digit account number next to each account name.

ASSETS

Cash	
Debit	Credit
+	-

Accounts Receivable	
Debit	Credit
+	-

Supplies	
Debit	Credit
+	-

Equipment	
Debit	Credit
+	-

LIABILITIES

Accounts Payable	
Debit	Credit
-	+

OWNER'S EQUITY

Malcolm, Capital (Investments)	
Debit	Credit
-	+

Malcolm, Drawing (Withdrawals)	
Debit	Credit
+	-

REVENUES

Fees Earned	
Debit	Credit
-	+

EXPENSES

Rent Expense	
Debit	Credit
+	-

Supplies Expense	
Debit	Credit
+	-

Wages Expense	
Debit	Credit
+	-

