**Ed’s Surfside Hotdogs**



You have “volunteered” as an unpaid intern to keep the books for my company that sells hotdogs at the beach. I established the business on September 1 and officially started selling hotdogs 3 days later.

Below are the transactions for September.

September 1 The owner contributed $20,000 to the business to start the operations.

September 2 Purchased a fully equipped hotdog cart for $15,000. Paid $5,000 upfront and put the remainder of the balance on account.

September 3 Purchased hotdogs, sodas and consumable supplies for $500.

September 3 Purchased 3 months of advertising services from the HB Times newspaper for $300.

September 4 Sold $200 worth of hot dogs to customers for cash.

September 5 Sold $300 worth of hot dogs to customers for cash.

September 6 Sold $100 worth of hotdogs the HBPD on account.

September 8 The HB surfing contest company asked me to supply hotdogs for their contests and paid $600 in advance for a total of 6 contests.

September 9 Hired a person to help with the surf contest sales. Paid that person $100 for services performed.

September 10 Purchased hotdogs, sodas and consumable supplies for $500.

September 12 Sold $200 worth of hot dogs to customers for cash.

September 18 The city of HB requested that you provide $500 worth of food for an event they are holding at the pier this coming weekend. The job was completed. The city of HB paid $200 and you billed the difference.

September 25 HBPD paid the balance on account due from September 6.

September 26 Received propane (utility) bill, $100, which was put on account.

September 30 Took out a small business loan from the bank for $15,000 to expand the business. The bank approved the loan due one year from today.

September 30 The owner withdrew $200 in the form of dividends.

Adjustments

1. Expired advertising.
2. Provided hotdogs for 3 surfing contests
3. Depreciation of hotdog cart, $300.

Instructions

1. Journalize all September transactions in the general journal. You may skip journal entry descriptions.
2. Post every journal entry recorded in #1 above to the general ledger. The first transaction on September 1 has been journalized in the general journal and posted to the general ledger as an example.
3. Prepare an unadjusted trial balance at September 30, 2016.
4. Journalize and post adjusted journal entries based on the adjustments data provided.
5. Prepare an adjusted trial balance at September 30, 2016
6. Prepare a set of financial statements for Ed’s Surfside Hotdogs for the month of September.
7. Journalize and post closing entries for September.
8. Prepare a post-closing trial balance at September 30, 2016.