

BRIEF EXERCISES

BE3-1 Transactions for Argot Company for the month of May are presented below. Prepare journal entries for each of these transactions. (You may omit explanations.)

- May 1 B.D. Argot invests \$3,000 cash in exchange for common stock in a small welding corporation.
- 3 Buys equipment on account for \$1,100.
- 13 Pays \$400 to landlord for May rent.
- 21 Bills Noble Corp. \$500 for welding work done.

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BE3-2 Brett Favre Repair Shop had the following transactions during the first month of business. Journalize the transactions.

- Aug. 2 Invested \$12,000 cash and \$2,500 of equipment in the business.
- 7 Purchased supplies on account for \$400. (Debit asset account.)
- 12 Performed services for clients, for which \$1,300 was collected in cash and \$670 was billed to the clients.
- 15 Paid August rent \$600.
- 19 Counted supplies and determined that only \$270 of the supplies purchased on August 7 are still on hand.