

Company Overview: *Future Tech Electronics*

Industry: Retail (electronics — mobile phones, accessories, laptops)

Business Type: Private limited company

Accounting Software: QuickBooks Online

Fiscal Year: January–December

Currency: USD

Sales Type: Retail + Online Sales

January 2024 – Month 1: Accounting Internship Simulation

Your Role & Goal

You are an **Accounting Intern** assisting the accountant with:

- Data entry of daily sales and expenses
- Managing customers & vendors
- Bank reconciliations
- Reporting monthly financials

Jan 2: Purchase of Inventory

Purchase 50 units of smartphones @ \$300 each from *TechZone Supplier* (on credit).

Journal Entry:

- Dr Inventory – Electronics \$15,000
- Cr Accounts Payable – TechZone \$15,000

QuickBooks Task:

Create a **Bill** dated Jan 2 for \$15,000.

Jan 3: Cash Sale

Sold 5 laptops @ \$800 each (cash).

Entry:

- Dr Cash \$4,000
- Cr Sales Revenue \$4,000
- Dr COGS \$2,500
- Cr Inventory \$2,500

QuickBooks Task:

Create a **Sales Receipt** (cash sale).

Jan 4: Credit Sale

Sold 10 smartphones @ \$500 each on credit to *ABC Traders*.

Entry:

Dr Accounts Receivable – ABC Traders	\$5,000	
	Cr Sales Revenue	\$5,000
Dr COGS	\$3,000	
	Cr Inventory	\$3,000

QuickBooks Task:

Create an **Invoice** for \$5,000 (terms: Net 30).

Jan 5: Office Rent Paid

Paid January rent \$1,200 via bank transfer.

Entry:

Dr Rent Expense	\$1,200	
	Cr Bank	\$1,200

QuickBooks Task:

Record an **Expense** → Category: Rent Expense.

Jan 6: Utility Expense

Received utility bill \$350 (to be paid next week).

Entry:

Dr Utilities Expense \$350

Cr Accounts Payable – City Power \$350

QuickBooks Task:

Record a **Bill** dated Jan 6.

Jan 7: Bank Deposit

Deposit \$4,000 (cash sales) to Chase Bank.

Entry:

Dr Bank \$4,000

Cr Cash \$4,000

QuickBooks Task:

Record a **Bank Deposit**.

WEEK 2 (Jan 8–14): Payables, Receivables, Payroll

Jan 10: Payroll

Paid salaries for two employees:

John (Sales Rep): \$1,200

Maria (Account Assistant): \$1,000

Entry:

Dr Salaries Expense \$2,200

Cr Bank \$2,200

QuickBooks Task:

Record **Expense** → **Payroll**.

Jan 12: Customer Payment Received

Received \$3,000 from ABC Traders (part payment of Jan 4 invoice).

Entry:

Dr Bank \$3,000

Cr Accounts Receivable – ABC Traders \$3,000

QuickBooks Task:

Record **Receive Payment** → Match to invoice.

Jan 13: Office Supplies Purchase (Cash)

Purchased printer cartridges and papers \$250 (cash).

Entry:

Dr Office Supplies \$250

Cr Cash \$250

Jan 14: Online Sale

Sold 3 tablets online via PayPal @ \$600 each.

PayPal fee 3% (\$54).

Entry:

Dr Bank (PayPal) \$1,746

Dr Merchant Fee Expense \$54

Cr Sales Revenue \$1,800

Dr COGS \$1,050

Cr Inventory \$1,050

WEEK 3 (Jan 15–21): Bank Reconciliation & Inventory

Jan 15: Bank Reconciliation

Match deposits and payments with bank statement.

Identify one **bank charge** of \$25.

Entry:

Dr Bank Charges Expense \$25

Cr Bank \$25

Jan 17: Purchase New Inventory

Purchased 20 laptops @ \$500 each from *MicroParts Inc.* on credit.

Entry:

Dr Inventory \$10,000

Cr Accounts Payable – MicroParts \$10,000

Jan 20: Customer Sale

Sold 8 laptops @ \$900 each (credit) to *Gadget Hub*.

Entry:

Dr Accounts Receivable – Gadget Hub \$7,200

Cr Sales Revenue \$7,200

Dr COGS \$4,000

Cr Inventory \$4,000

WEEK 4 (Jan 22–31): Month-End Adjustments & Reports

Jan 24: Payment from Gadget Hub

Received \$7,200 via bank transfer.

Entry:

Dr Bank \$7,200

Cr Accounts Receivable – Gadget Hub \$7,200

Jan 26: Pay Utilities Bill

Paid \$350 (recorded earlier) to City Power.

Entry:

Dr Accounts Payable \$350

Cr Bank \$350

Jan 28: Depreciation Entry

Depreciate furniture (\$5,000) at 10% per year = \$42/month.

Entry:

Dr Depreciation Expense \$42

Cr Accumulated Depreciation – Furniture \$42

Jan 31: Month-End Closing

Tasks:

Reconcile bank and cash balances.

Review outstanding receivables and payables.

Generate reports:

Profit & Loss Statement

Balance Sheet

Trial Balance

You Learned This Month:

- How to set up a company and chart of accounts
- Record bills, invoices, and payments
- Manage AR/AP and payroll
- Perform a bank reconciliation
- Generate financial statements

FEBRUARY 2024 – Month 2:

Accounting Internship Simulation

Company: Future Tech Electronics

Software: QuickBooks Online

Industry: Electronics Retail

Period Covered: Feb 1–Feb 29, 2024

GOALS FOR FEBRUARY

- Strengthen Accounts Receivable / Payable management
- Learn inventory restock and COGS tracking
- Handle discounts, petty cash, and payroll
- Perform month-end reconciliation and adjustments

continue your accounting internship simulation for February 2024 in QuickBooks, focusing on more practical experience:

- Ongoing operations
- Inventory restock and sales campaigns
- Payroll and petty cash
- Month-end reconciliation and financial reporting

WEEK 1 (Feb 1–7): Inventory & Early Month Transactions

Feb 1: Inventory Purchase

Purchased 100 smartphone units @ \$300 each from TechZone Supplier (credit, 30 days).
Total: \$30,000

Entry:

Dr Inventory – Electronics \$30,000
Cr Accounts Payable – TechZone \$30,000

QuickBooks Task:

Create a Bill for \$30,000 (Vendor: TechZone Supplier).

Feb 2: Cash Sale

Sold 10 laptops @ \$850 each (cash).

Entry:

Dr Cash \$8,500
Cr Sales Revenue \$8,500
Dr COGS \$5,000
Cr Inventory \$5,000

QuickBooks Task:

Create a Sales Receipt (Payment method: Cash).

Feb 3: Utilities Expense (Electricity)

Received a bill from City Power for \$400 (to be paid later).

Entry:

Dr Utilities Expense \$400
Cr Accounts Payable – City Power \$400

Feb 4: Customer Credit Sale

Sold 15 smartphones @ \$550 each on credit to ABC Traders.

Entry:

Dr Accounts Receivable – ABC Traders \$8,250
Cr Sales Revenue \$8,250
Dr COGS \$4,500
Cr Inventory \$4,500

Feb 5: Payment to MicroParts Inc.

Paid outstanding balance of \$10,000 from January.

Entry:

Dr Accounts Payable – MicroParts Inc. \$10,000

Cr Bank \$10,000

Feb 6: Owner Deposit (Additional Capital)

Owner injects \$5,000 cash to increase working capital.

Entry:

Dr Bank \$5,000

Cr Owner's Capital \$5,000

Feb 7: Bank Deposit

Deposit all cash sales (\$8,500) to Chase Bank.

Entry:

Dr Bank \$8,500

Cr Cash \$8,500

WEEK 2 (Feb 8–14): Payments, Payroll & Discounts

Feb 8: Partial Payment from ABC Traders

Received \$4,000 from ABC Traders toward their outstanding invoice.

Entry:

Dr Bank \$4,000

Cr Accounts Receivable – ABC Traders \$4,000

Feb 9: Paid Utility Bill

Paid City Power \$400 for the Feb 3 bill.

Entry:

Dr Accounts Payable – City Power \$400

Cr Bank \$400

Feb 10: Payroll for February

Paid salaries via bank transfer:

1. John (Sales Rep): \$1,200

2. Maria (Account Assistant): \$1,000

Entry:

Dr Salaries Expense \$2,200

Cr Bank \$2,200

Feb 12: Petty Cash Setup

Withdrew \$500 from bank for petty cash fund.

Entry:

Dr Petty Cash \$500

Cr Bank \$500

Feb 13: Petty Cash Usage

Used petty cash for:

• Delivery fuel \$80

• Stationery \$40

Entry:

Dr Delivery Expense \$80

Dr Office Supplies \$40

Cr Petty Cash \$120

Remaining Petty Cash = \$380

Feb 14: Valentine's Day Promotion (Discount Sale)

Sold 20 smartphone units @ \$550 each with 5% discount, cash.

Net Sale = $20 \times 550 \times 0.95 = \$10,450$

Entry:

Dr Cash \$10,450

Cr Sales Revenue \$10,450

Dr COGS \$6,000

Cr Inventory \$6,000

WEEK 3 (Feb 15– 21): Supplier Payments & Inventory Tracking

Feb 15: Payment to TechZone Supplier

Paid \$20,000 (partial) toward Feb 1 purchase.

Entry:

- Dr Accounts Payable – TechZone \$20,000
- Cr Bank \$20,000

Feb 17: Inventory Adjustment

Counted physical stock and found 2 damaged laptops (cost \$500 each).

Entry:

- Dr Inventory Shrinkage Expense \$1,000
- Cr Inventory \$1,000

Feb 18: Online Sale (PayPal)

Sold 4 laptops @ \$900 each via PayPal (fee 3%).

Calculation:

Sales = \$3,600

Fee = \$108

Net = \$3,492

Entry:

- Dr Bank (PayPal) \$3,492
- Dr Merchant Fee Expense \$108
- Cr Sales Revenue \$3,600
- Dr COGS \$2,000
- Cr Inventory \$2,000

 **Feb 20: Customer Return**

ABC Traders returned 2 smartphones (sold earlier at \$550).

Entry:

Dr Sales Returns & Allowances \$1,100

Cr Accounts Receivable – ABC Traders \$1,100

Dr Inventory \$600

Cr COGS \$600

 **Feb 21: Receive Remaining Payment from ABC Traders**

Received balance payment \$3,150 (after return adjustment).

Entry:

Dr Bank \$3,150

Cr Accounts Receivable – ABC Traders \$3,150

WEEK 4 (Feb 22– 29): Month-End Adjustments

 **Feb 24: Pay Remaining to TechZone Supplier**

Paid balance of \$10,000.

Entry:

Dr Accounts Payable – TechZone \$10,000

Cr Bank \$10,000

Feb 25: Depreciation Entry

Furniture (\$5,000) – 10% annual = \$42/month.

Entry:

Dr Depreciation Expense \$42

Cr Accumulated Depreciation – Furniture \$42

 **Feb 27: Bank Service Charge**

Bank charged \$25 for account maintenance.

Entry:

Dr Bank Charges Expense \$25

Cr Bank \$25

 **Feb 28: Inventory Valuation Check**

QuickBooks inventory report shows \$53,400 closing stock (after sales and adjustments).

Record **no adjustment** (stock verified correct).

Feb 29: Month-End Closing Tasks:

1. **Reconcile bank account and petty cash**
2. **Review Accounts Receivable / Payable aging**
3. **Generate:**
 - Profit & Loss
 - Balance Sheet
 - Trial Balance

 **WHAT YOU LEARNED IN FEBRUARY**

-  Managing supplier credit terms & payments
-  Handling customer returns & discounts
-  Petty cash system setup and usage
-  Inventory adjustments & shrinkage accounting
-  Month-end review and reconciliation process

March 2024:

Accounting Internship Simulation

Company: Future Tech Electronics

Software: QuickBooks Online

Industry: Electronics Retail

Period Covered: Feb 1–Feb 29, 2024

GOALS FOR FEBRUARY

- Record routine transactions (sales, purchases, expenses)
- Apply sales tax on invoices and receipts
- Manage customer and vendor accounts with credit terms
- Learn accrual & prepayment entries
- Finalize books for month-end reporting

By Month 3, you'll start handling:

- Sales tax (VAT/GST)
- Accruals and prepayments
- More AR/AP management
- Inventory adjustments and depreciation
- Month-end closing with trial balance review

WEEK 1 (Mar 1–7): New Month Setup & Transactions

 Mar 1: Opening Accounts

From February closing:

Bank balance: \$32,000

Petty Cash: \$380

Accounts Receivable: \$0 (ABC Traders settled)

Accounts Payable: \$0 (TechZone fully paid)

Inventory Closing: \$53,400

 **Mar 1: Inventory Purchase**

Purchased 50 laptops @ \$500 each from **MicroParts Inc.** (on credit 30 days).

Total: \$25,000

Entry:

Dr Inventory – Electronics \$25,000

Cr Accounts Payable – MicroParts \$25,000

 **Mar 2: Cash Sale (with VAT 10%)**

Sold 10 smartphones @ \$600 each + 10% VAT.

Sales: \$6,000

VAT: \$600

Total: \$6,600

Entry:

Dr Cash \$6,600

Cr Sales Revenue \$6,000

Cr VAT Payable \$600

Dr COGS \$3,500

Cr Inventory \$3,500

 **Mar 3: Credit Sale to ABC Traders**

Sold 20 laptops @ \$800 each + 10% VAT.

Sales: \$16,000

VAT: \$1,600

Total: \$17,600

Entry:

Dr Accounts Receivable – ABC Traders \$17,600

Cr Sales Revenue \$16,000

Cr VAT Payable \$1,600

Dr COGS \$10,000

Cr Inventory \$10,000

 **Mar 4: Office Rent**

Paid March rent \$1,200 by bank.

Entry:

Dr Rent Expense \$1,200

Cr Bank \$1,200

 **Mar 5: Utility Bill**

Received utility bill \$450 (to be paid later).

Entry:

Dr Utilities Expense \$450

Cr Accounts Payable – City Power \$450

 **Mar 6: Bank Deposit**

Deposit cash from sales \$6,600 into Chase Bank.

Entry:

Dr Bank \$6,600

Cr Cash \$6,600

 **Mar 7: Payment to Vendor**

Paid \$10,000 to MicroParts Inc. toward Mar 1 purchase.

Entry:

Dr Accounts Payable – MicroParts \$10,000

Cr Bank \$10,000

WEEK 2 (Mar 8–14): Payroll, Petty Cash, and Customer Payments

Mar 8: Payroll

Paid salaries:

John (Sales): \$1,200

Maria (Accounts): \$1,000

Entry:

Dr Salaries Expense \$2,200

Cr Bank \$2,200

Mar 10: Customer Payment (ABC Traders)

Received \$12,000 from ABC Traders (partial payment).

Entry:

Dr Bank \$12,000

Cr Accounts Receivable – ABC Traders \$12,000

Mar 12: Petty Cash Reimbursement

Topped up petty cash to \$500 (current balance \$350, added \$150 from bank).

Entry:

Dr Petty Cash \$150

Cr Bank \$150

Mar 13: Petty Cash Expenses

Delivery Fuel \$60

Office Supplies \$50

Entry:

Dr Delivery Expense \$60

Dr Office Supplies \$50

Cr Petty Cash \$110

Mar 14: ABC Traders Early Payment Discount

ABC Traders pays remaining \$5,600 of invoice but receives 2% early payment discount.

$\$5,600 \times 2\% = \112 discount

Actual payment = \$5,488

Entry:

Dr Bank \$5,488

Dr Sales Discount \$112

Cr Accounts Receivable – ABC Traders \$5,600

WEEK 3 (Mar 15– 21): Inventory, VAT, and Adjustments

Mar 15: Inventory Purchase

Purchased 80 smartphones @ \$300 each from TechZone Supplier (credit).

Total: \$24,000

Entry:

Dr Inventory \$24,000

Cr Accounts Payable – TechZone \$24,000

Mar 17: Online Sale (PayPal, VAT 10%)

Sold 5 laptops @ \$900 each + VAT 10%

Sales: \$4,500

VAT: \$450

Total: \$4,950

PayPal fee 3% = \$148.50

Net deposit: \$4,801.50

Entry:

Dr Bank (PayPal) \$4,801.50

Dr Merchant Fee Expense \$148.50

Cr Sales Revenue \$4,500

Cr VAT Payable \$450

Dr COGS \$2,500

Cr Inventory \$2,500

Mar 18: Payment to City Power

Paid \$450 utility bill.

Entry:

Dr Accounts Payable – City Power \$450

Cr Bank \$450

Mar 20: Petty Cash Usage

Repair & Maintenance \$150

Refreshments \$40

Entry:

Dr Repair & Maintenance \$150

Dr Staff Welfare \$40

Cr Petty Cash \$190

Mar 21: Payment to TechZone Supplier

Paid \$15,000 of \$24,000 balance.

Entry:

Dr Accounts Payable – TechZone \$15,000

Cr Bank \$15,000

WEEK 4 (Mar 22–31): Accruals, Depreciation & Month-End

Mar 24: Accrued Expense

Accrued March Internet Bill \$300 (invoice not yet received).

Entry:

Dr Internet Expense \$300
Cr Accrued Liabilities \$300

Mar 25: Depreciation

Furniture & Fixtures (\$5,000 at 10% annual) → \$42 monthly depreciation.

Entry:

Dr Depreciation Expense \$42
Cr Accumulated Depreciation \$42

Mar 27: VAT Remittance to Government

Total VAT collected during March = \$2,650
No input VAT this month (for simplicity).

Entry:

Dr VAT Payable \$2,650
Cr Bank \$2,650

Mar 28: Payment to TechZone Supplier

Paid remaining \$9,000 balance.

Entry:

Dr Accounts Payable – TechZone \$9,000
Cr Bank \$9,000

Mar 29: Bank Reconciliation

Match deposits, payments, and fees with bank statement.
Record one bank charge \$25.

Entry:

Dr Bank Charges Expense \$25
Cr Bank \$25

Mar 30: Inventory Valuation Check

Verified inventory → No discrepancies. Closing stock = \$66,900

Mar 31: Month-End Closing Tasks

1. Reconcile all accounts
2. Review A/R and A/P aging
3. Post accrual and depreciation entries
4. Generate reports:
 1. Balance Sheet
 2. Profit & Loss
 3. Trial Balance
 4. VAT Report

WHAT YOU LEARNED IN MARCH:

- ✓ How to record sales tax / VAT
- ✓ Managing early payment discounts
- ✓ Recording accrued expenses and depreciation
- ✓ Handling partial payments to suppliers
- ✓ Month-end reconciliation and reporting flow

April 2024:

Accounting Internship Simulation

Company: Future Tech Electronics

Software: QuickBooks Online

Industry: Electronics Retail

Period Covered: Feb 1–Feb 29, 2024

GOALS FOR FEBRUARY

- Learn bank loan accounting (interest & liability)
- Record employee reimbursements and bonuses
- Manage customer installments and supplier discounts
- Complete Quarter 1 review (Jan–Mar) and open Q2

By Month 4, you'll start handling:

- Bank loan accounting
- Expense reimbursements
- Customer installment payments
- Payroll with bonuses
- Month-end and quarterly review

WEEK 1 (Apr 1–7): Opening the Quarter & Loan Setup

Apr 1: Opening Balances (Automatic)

Your closing balances from March are carried forward automatically in QuickBooks.

You begin the month with:

- Cash in Bank: \$30,000
- Accounts Receivable: \$0
- Accounts Payable: \$25,000
- Inventory: \$60,000

 **Apr 2: New Bank Loan**

Future Tech takes a **short-term bank loan** from Chase Bank:
Principal: \$20,000, interest 12% annually, repayable monthly (\$1,700/month).

Entry:

Dr Bank \$20,000
Cr Loan Payable – Chase \$20,000

QuickBooks Task:

Create new liability account “Loan Payable – Chase” → Record a **Deposit** with category “Loan Payable.”

 **Apr 3: Inventory Purchase**

Purchased 100 smartphones @ \$320 each from **TechZone Supplier**, on credit (30 days).

Total: \$32,000

Entry:

Dr Inventory – Electronics \$32,000
Cr Accounts Payable – TechZone \$32,000

 **Apr 4: Partial Payment of Accounts Payable**

Paid **MicroParts Inc.** \$10,000 from previous balance.

Entry:

Dr Accounts Payable – MicroParts \$10,000
Cr Bank \$10,000

 **Apr 5: Utilities Expense**

Received April electricity bill \$480 from **City Power** (to be paid next week).

Entry:

Dr Utilities Expense \$480
Cr Accounts Payable – City Power \$480

 **Apr 6: Cash Sale (with Sales Tax)**

Sold 12 laptops @ \$900 each + 10% tax = \$11,880 (cash).
COGS = \$6,000

Entry:

Dr Cash \$11,880
Cr Sales Revenue \$10,800
Cr Sales Tax Payable \$1,080
Dr COGS \$6,000
Cr Inventory \$6,000

 **Apr 7: Bank Deposit**

Deposited cash sales (\$11,880) into bank.

Entry:

Dr Bank	\$11,880	
	Cr Cash	\$11,880

WEEK 2 (Apr 8–14): Loan Repayment, Payroll, and Reimbursements

 Apr 8: Loan Installment Payment
Paid \$1,700 to Chase Bank:
Interest (12% annual on \$20,000 = \$200/month)
Principal = \$1,500
Entry:
Dr Interest Expense \$200
Dr Loan Payable – Chase \$1,500
Cr Bank \$1,700

 Apr 9: Payroll with Bonus
Monthly salaries:
John: \$1,200 + \$200 bonus = \$1,400
Maria: \$1,000
Alex: \$600
Entry:
Dr Salaries Expense \$3,000
Dr Employee Bonus Expense \$200
Cr Bank \$3,200

 Apr 10: Employee Reimbursement
Reimbursed John for delivery fuel expenses of \$150 (paid personally).
Entry:
Dr Delivery Expense \$150
Cr Bank \$150

 Apr 11: Customer Credit Sale
Sold 20 smartphones @ \$550 + 10% tax = \$12,100 to ABC Traders (credit, 30 days).
COGS = \$6,000
Entry:
Dr Accounts Receivable – ABC Traders \$12,100
Cr Sales Revenue \$11,000
Cr Sales Tax Payable \$1,100
Dr COGS \$6,000
Cr Inventory \$6,000

 Apr 13: Customer Instalment Payment
ABC Traders pays first instalment \$6,000 via bank transfer.
Entry:
Dr Bank \$6,000
Cr Accounts Receivable – ABC Traders \$6,000

 Apr 14: Pay Utilities Bill
Paid \$480 to City Power.
Entry:
Dr Accounts Payable – City Power \$480
Cr Bank \$480

WEEK 3 (Apr 15– 21): Discounts, Promotions, and Adjustments

 **Apr 15: Supplier Early Payment Discount**

Paid **TechZone Supplier** \$32,000 invoice (Apr 3) early, availing **2% discount** (\$640).

Entry:

Dr Accounts Payable – TechZone \$32,000
Cr Bank \$31,360
Cr Purchase Discounts \$640

 **Apr 17: Petty Cash Refill**

Refilled petty cash with \$400 from bank.

Entry:

Dr Petty Cash \$400
Cr Bank \$400

 **Apr 18: Petty Cash Usage**

Delivery expense: \$120
Office snacks: \$60

Entry:

Dr Delivery Expense \$120
Dr Office Expense \$60
Cr Petty Cash \$180

 **Apr 20: Online Sale (PayPal)**

Sold 5 laptops @ \$950 + 10% tax = \$5,225
PayPal fee = 3% (\$156.75)
COGS = \$2,500

Entry:

Dr Bank (PayPal) \$5,068.25
Dr Merchant Fee Expense \$156.75
Cr Sales Revenue \$4,750
Cr Sales Tax Payable \$475
Dr COGS \$2,500
Cr Inventory \$2,500

WEEK 4 (Apr 22– 30): Month-End & Adjustments

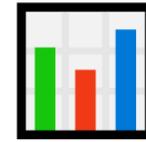
📁 Apr 22: Customer Payment (ABC Traders)
Received remaining balance \$6,100.
Entry:
Dr Bank \$6,100
Cr Accounts Receivable – ABC Traders \$6,100

🔧 Apr 25: Depreciation Entry
Furniture (\$5,000) → \$42/month
Entry:
Dr Depreciation Expense \$42
Cr Accumulated Depreciation \$42

📄 Apr 26: Inventory Adjustment
Found 1 smartphone missing (cost \$320).
Entry:
Dr Inventory Shrinkage Expense \$320
Cr Inventory \$320

💡 Apr 28: Bank Service Charge
Bank deducted \$25.
Entry:
Dr Bank Charges Expense \$25
Cr Bank \$25

💰 Apr 29: Sales Tax Payable Transfer
Sales tax collected in April:
Apr 6: \$1,080
Apr 11: \$1,100
Apr 20: \$475
Total = \$2,655
Remitted to tax authority.
Entry:
Dr Sales Tax Payable \$2,655
Cr Bank \$2,655



Apr 30: Month-End Closing

Tasks:

1. Reconcile bank and petty cash.
2. Verify loan interest and principal payments.
3. Confirm AR & AP balances.
4. Review and adjust inventory if needed.

Generate:

1. Profit & Loss
2. Balance Sheet
3. Cash Flow Statement
4. Loan Schedule Report
5. Sales Tax Report



WHAT YOU LEARNED IN APRIL

- ✓ Accounting for loans and interest
- ✓ Handling employee reimbursements and bonuses
- ✓ Tracking supplier discounts and customer instalments
- ✓ Performing tax remittance entries
- ✓ Conducting a quarterly review and reconciling Q1 vs Q2

MAY 2024:

MAY 2024 – Month 5: Accounting Internship Simulation
Company: Future Tech Electronics
Software: QuickBooks Online
Industry: Electronics Retail
Period Covered: May 1–May 31, 2024

GOALS FOR MAY

- Handle marketing and prepaid expenses
- Manage sales returns and replacements
- Continue loan and payroll tracking
- Learn accrual and forecast reporting
- Perform Month-End Adjustments (Accruals + Prepaids)

This month, you'll experience new layers of real accounting work — things like marketing campaigns, prepaid expenses, customer returns, interest accruals, and forecasting — while continuing regular bookkeeping in QuickBooks Online.

WEEK 1 (May 1–7): Monthly Setup & Purchases

 **May 1: Inventory Purchase**

Purchased 50 laptops @ \$520 each from **MicroParts Inc.** (credit 30 days).

Total: \$26,000

Entry:

Dr Inventory \$26,000

Cr Accounts Payable – MicroParts \$26,000

 **May 2: Cash Sale (with 10% tax)**

Sold 10 smartphones @ \$550 + 10% tax = \$6,050 (cash).

COGS = \$3,000

Entry:

Dr Cash \$6,050

Cr Sales Revenue \$5,500

Cr Sales Tax Payable \$550

Dr COGS \$3,000

Cr Inventory \$3,000

 **May 3: Marketing Campaign Prepayment**

Paid \$2,000 in advance for **June digital advertising campaign.**

Entry:

Dr Prepaid Marketing Expense \$2,000

Cr Bank \$2,000

 **May 4: Utilities Expense**

Received utility bill for \$460 (to be paid next week).

Entry:

Dr Utilities Expense \$460

Cr Accounts Payable – City Power \$460

 **May 5: Partial Payment to TechZone**

Paid \$10,000 toward outstanding balance.

Entry:

Dr Accounts Payable – TechZone \$10,000

Cr Bank \$10,000

 **May 6: Loan Payment**

Paid \$1,700 (Chase Loan installment) — includes \$200 interest and \$1,500 principal.

Entry:

Dr Interest Expense \$200

Dr Loan Payable \$1,500

Cr Bank \$1,700

 **May 7: Payroll (Regular)**

John: \$1,200

Maria: \$1,000

Alex: \$600

Entry:

Dr Salaries Expense \$2,800

Cr Bank \$2,800

WEEK 2 (May 8–14): Returns, Petty Cash & Sales

May 8: Customer Return

ABC Traders returned 3 smartphones (sold last month @ \$550 + tax).

Entry:

Dr Sales Returns & Allowances \$1,650

Dr Sales Tax Payable \$165

Cr Accounts Receivable – ABC Traders \$1,815

Dr Inventory \$960

Cr COGS \$960

May 9: Payment Received from ABC Traders

Received \$10,000 payment (after adjusting for return).

Entry:

Dr Bank \$10,000

Cr Accounts Receivable – ABC Traders \$10,000

May 10: Petty Cash Replenishment

Added \$400 to petty cash fund.

Entry:

Dr Petty Cash \$400

Cr Bank \$400

May 11: Petty Cash Usage

Local courier expense: \$120

Office snacks: \$50

Entry:

Dr Delivery Expense \$120

Dr Office Expense \$50

Cr Petty Cash \$170

May 12: Credit Sale

Sold 20 laptops @ \$880 + 10% tax = \$19,360 on credit to Gadget Hub.

COGS = \$10,400

Entry:

Dr Accounts Receivable – Gadget Hub \$19,360

Cr Sales Revenue \$17,600

Cr Sales Tax Payable \$1,760

Dr COGS \$10,400

Cr Inventory \$10,400

 **May 14: Payment to City Power**

Paid utility bill (\$460).

Entry:

Dr Accounts Payable – City Power \$460

Cr Bank \$460

WEEK 3 (May 15– 21): Instalments & Marketing Expenses

 **May 15: Payment from Gadget Hub**

Received \$10,000 toward their May 12 invoice.

Entry:

Dr Bank \$10,000

Cr Accounts Receivable – Gadget Hub \$10,000

 **May 16: Advertising Expense (Regular)**

Paid \$800 for **current month's social media ads.**

Entry:

Dr Marketing Expense \$800

Cr Bank \$800

 **May 17: Petty Cash Usage**

Fuel for delivery: \$90

Entry:

Dr Delivery Expense \$90

Cr Petty Cash \$90

 **May 18: Online Sale (PayPal)**

Sold 4 smartphones @ \$600 + 10% tax = \$2,640

PayPal fee: 3% (\$79.20)

COGS: \$1,200

Entry:

Dr Bank (PayPal) \$2,560.80

Dr Merchant Fee Expense \$79.20

Cr Sales Revenue \$2,400

Cr Sales Tax Payable \$240

Dr COGS \$1,200

Cr Inventory \$1,200

 **May 20: Loan Interest Accrual (Month-End Adjustment)**

Accrue interest for May if next payment due in June: \$200

Entry:

Dr Interest Expense \$200

Cr Accrued Interest Payable \$200

 **May 21: Supplier Payment (MicroParts)**

Paid \$26,000 for May 1 invoice.

Entry:

Dr Accounts Payable – MicroParts \$26,000

Cr Bank \$26,000

WEEK 4 (May 22– 31): Adjustments & Month-End

May 23: Customer Early Payment Discount

Gadget Hub pays remaining balance (\$9,360) early, gets 2% discount (\$187.20).

Entry:

Dr Bank \$9,172.80

Dr Sales Discount \$187.20

Cr Accounts Receivable – Gadget Hub \$9,360

May 25: Loan Payment (Regular)

Paid \$1,700 (includes \$200 interest, \$1,500 principal).

Entry:

Dr Interest Expense \$200

Dr Loan Payable \$1,500

Cr Bank \$1,700

May 26: Depreciation Entry

Furniture depreciation = \$42

Entry:

Dr Depreciation Expense \$42

Cr Accumulated Depreciation \$42

May 28: Recognize Prepaid Marketing Expense

Half of prepaid marketing (\$2,000 from May 3) used in June campaign setup.

Entry:

Dr Marketing Expense \$1,000

Cr Prepaid Marketing Expense \$1,000

May 29: Bank Charges

Monthly service charge \$25

Entry:

Dr Bank Charges Expense \$25

Cr Bank \$25



May 31: Month- End Closing Tasks

1. Reconcile bank, PayPal, and petty cash
2. Verify all sales tax payable = \$2,550
3. Confirm AR/AP balances
4. Adjust for prepaid and accrued expenses

Generate:

- Profit & Loss
- Balance Sheet
- Cash Flow
- Sales Tax Report
- Aged Receivables & Payables

WHAT YOU LEARNED IN MAY

- ✓ Accounting for prepaid expenses and their monthly recognition
 - ✓ Handling customer returns, discounts, and sales adjustments
 - ✓ Managing instalment and partial payments
 - ✓ Understanding loan interest accruals
 - ✓ Performing month-end reconciliation and adjustments
- ✓ **At the end of May, you've completed 5 full months of realistic QuickBooks accounting work — mastering:**
- Daily transaction cycles**
 - Credit management**
 - Payroll & petty cash**
 - Inventory controls**
 - Month-end & quarter-end procedures**

June 2024:

Accounting Internship Simulation

Company: Future Tech Electronics

Software: QuickBooks Online

Industry: Electronics Retail

Period Covered: Feb 1–Feb 29, 2024

GOALS FOR JUNE

- Handle quarterly tax filing preparation
- Record depreciation & accrued liabilities
- Manage sales returns & supplier credits
- Prepare mid-year financial summary (Jan–Jun)
- Continue loan & payroll cycle

WEEK 1 (June 1–7): Opening the Month & Regular Operations

June 1: Inventory Purchase

Purchased 80 smartphones @ \$310 each from **TechZone Supplier**, on credit (30 days).

Total = \$24,800

Entry:

Dr Inventory \$24,800

Cr Accounts Payable – TechZone \$24,800

June 2: Cash Sale (with tax)

Sold 15 smartphones @ \$500 + 10% tax = \$8,250 (cash).

COGS = \$4,500

Entry:

Dr Cash \$8,250

Cr Sales Revenue \$7,500

Cr Sales Tax Payable \$750

Dr COGS \$4,500

Cr Inventory \$4,500

June 3: Payroll (Regular)

John: \$1,200

Maria: \$1,000

Alex: \$600

Entry:

Dr Salaries Expense \$2,800

Cr Bank \$2,800

June 4: Loan Payment

Paid \$1,700 (includes \$200 interest + \$1,500 principal).

Entry:

Dr Interest Expense \$200

Dr Loan Payable \$1,500

Cr Bank \$1,700

June 5: Utilities Expense

Received electricity bill for June: \$520 (to be paid next week).

Entry:

Dr Utilities Expense \$520

Cr Accounts Payable – City Power \$520

June 6: Petty Cash Refill

Added \$400 to petty cash.

Entry:

Dr Petty Cash \$400

Cr Bank \$400

June 7: Petty Cash Usage

Delivery expense: \$110

Office supplies: \$70

Entry:

Dr Delivery Expense \$110

Dr Office Expense \$70

Cr Petty Cash \$180

WEEK 2 (June 8–14): Sales, Returns & Supplier Credit

📅 June 8: Credit Sale

Sold 25 laptops @ \$900 + 10% tax = \$24,750 on credit to ABC Traders.

COGS = \$13,000

Entry:

Dr Accounts Receivable – ABC Traders \$24,750

Cr Sales Revenue \$22,500

Cr Sales Tax Payable \$2,250

Dr COGS \$13,000

Cr Inventory \$13,000

💰 June 9: Customer Payment

Received \$15,000 from ABC Traders.

Entry:

Dr Bank \$15,000

Cr Accounts Receivable – ABC Traders \$15,000

📅 June 10: Customer Return

ABC Traders returned 2 laptops (sold at \$900 + 10% tax).

Entry:

Dr Sales Returns & Allowances \$1,800

Dr Sales Tax Payable \$180

Cr Accounts Receivable – ABC Traders \$1,980

Dr Inventory \$1,040

Cr COGS \$1,040

💰 June 11: Payment to City Power

Paid \$520 electricity bill.

Entry:

Dr Accounts Payable – City Power \$520

Cr Bank \$520

📅 June 12: Supplier Credit Note

TechZone gave a \$500 credit for defective items from last month's purchase.

Entry:

Dr Accounts Payable – TechZone \$500

Cr Inventory \$500

 **June 13: Marketing Expense**

Paid \$1,200 for a short-term promotion (social media ads).

Entry:

Dr Marketing Expense \$1,200

Cr Bank \$1,200

 **June 14: Bank Service Fee**

Bank charged \$25.

Entry:

Dr Bank Charges Expense \$25

Cr Bank \$25

WEEK 3 (June 15– 21): Installments, Prepaid Recognition & Loan

 **June 15: Customer Payment (Remaining Balance)**

Received balance of \$7,770 from ABC Traders (after return).

Entry:

Dr Bank \$7,770

Cr Accounts Receivable – ABC Traders \$7,770

 **June 16: Loan Payment (Regular)**

Paid \$1,700 (\$200 interest + \$1,500 principal).

Entry:

Dr Interest Expense \$200

Dr Loan Payable \$1,500

Cr Bank \$1,700

 **June 17: Recognize Remaining Prepaid Marketing Expense**

Recognize final \$1,000 prepaid (from May 3).

Entry:

Dr Marketing Expense \$1,000

Cr Prepaid Marketing Expense \$1,000

 **June 18: Petty Cash Usage**

Delivery fuel: \$100

Staff refreshments: \$60

Entry:

Dr Delivery Expense \$100

Dr Office Expense \$60

Cr Petty Cash \$160

 **June 20: Supplier Payment**

Paid TechZone \$24,300 (after \$500 credit).

Entry:

Dr Accounts Payable – TechZone \$24,300

Cr Bank \$24,300

 **June 21: Employee Bonus (Mid-Year)**

Paid mid-year bonus:

John: \$250

Maria: \$200

Alex: \$100

Entry:

Dr Employee Bonus Expense \$550

Cr Bank \$550

WEEK 4 (June 22–30): Adjustments & Mid-Year Closing

June 23: Accrued Expenses (Unpaid)

Accrued \$600 for June rent (invoice not yet received).

Entry:

Dr Rent Expense \$600

Cr Accrued Expenses Payable \$600

June 25: Depreciation Entry

Furniture: \$42/month

Entry:

Dr Depreciation Expense \$42

Cr Accumulated Depreciation \$42

June 27: Sales Tax Payment

Paid sales tax for May (\$2,550).

Entry:

Dr Sales Tax Payable \$2,550

Cr Bank \$2,550

June 28: Interest Accrual (Month-End)

Accrue June interest \$200.

Entry:

Dr Interest Expense \$200

Cr Accrued Interest Payable \$200

June 29: Office Internet Bill (Paid)

Paid internet expense \$180.

Entry:

Dr Utilities Expense \$180

Cr Bank \$180



June 30: Mid-Year Review & Closing

Tasks:

1. Reconcile Bank, Petty Cash, PayPal
2. Confirm Accounts Receivable / Payable Aging
3. Record accruals and prepaids

Generate:

1. Profit & Loss (Jan–Jun 2024)
2. Balance Sheet
3. Cash Flow Statement
4. Loan Balance Schedule
5. Sales Tax Report

WHAT YOU LEARNED IN JUNE

- How to prepare mid-year reports (P&L, Balance Sheet, Cash Flow)
- How to account for supplier credits and customer returns
- How to handle accrued expenses and interest adjustments
- How to perform loan tracking and depreciation scheduling
- How to prepare data for tax filing and review

Mid-Year Checkpoint (Jan–Jun 2024)

By the end of June, your QuickBooks file now contains:

1. Fully reconciled 6 months of accounting data
2. Inventory, AP/AR cycles, payroll, and taxes tracked
3. Foundation ready for Quarter 3 forecasting and tax submission

July 2024:

 JULY 2024 – Month 7: Q3 Accounting Simulation

Company: Future Tech Electronics

Software: QuickBooks Online

Industry: Electronics Retail

Period: July 1 – July 31, 2024

GOALS FOR JULY

- Manage new equipment purchase and capitalization
- Process returns, discounts, and supplier credits
- Maintain loan and payroll schedule
- Learn inventory write-offs and internal audit adjustments
- Perform tax payment & quarterly projections

WEEK 1 (July 1–7): Opening Q3 and Regular Operations

July 1: Opening Balances

Carried forward automatically from June:

Bank: \$25,000

Accounts Receivable: \$0

Accounts Payable: \$18,000

Inventory: \$58,000

Loan Payable: \$13,500

No entry required (system auto-carry).

July 2: Payroll

Monthly salaries:

John: \$1,200

Maria: \$1,000

Alex: \$600

Entry:

Dr Salaries Expense \$2,800

Cr Bank \$2,800

July 3: Equipment Purchase (Fixed Asset)

Bought 3 display screens for the store, \$4,500 total, paid by bank.

Useful life: 3 years.

Entry:

Dr Furniture & Fixtures (or Display Equipment) \$4,500

Cr Bank \$4,500

(You'll depreciate this monthly from August.)

July 4: Utilities Expense

Received electricity bill \$550, due in 10 days.

Entry:

Dr Utilities Expense \$550

Cr Accounts Payable – City Power \$550

July 5: Cash Sale

Sold 12 smartphones @ \$500 + 10% tax = \$6,600 (cash).

COGS = \$3,600

Entry:

Dr Cash \$6,600

Cr Sales Revenue \$6,000

Cr Sales Tax Payable \$600

Dr COGS \$3,600

Cr Inventory \$3,600

July 6: Loan Payment

Paid \$1,700 (interest \$200 + principal \$1,500).

Entry:

Dr Interest Expense \$200

Dr Loan Payable \$1,500

Cr Bank \$1,700

July 7: Supplier Payment

Paid TechZone Supplier \$10,000.

Entry:

Dr Accounts Payable – TechZone \$10,000

Cr Bank \$10,000

WEEK 2 (July 8–14): Credit Sales, Returns & Petty Cash

July 8: Credit Sale

Sold 20 laptops @ \$850 + 10% tax = \$18,700 to ABC Traders (credit).
COGS = \$10,200

Entry:

Dr Accounts Receivable – ABC Traders \$18,700
Cr Sales Revenue \$17,000
Cr Sales Tax Payable \$1,700
Dr COGS \$10,200
Cr Inventory \$10,200

July 9: Payment Received (ABC Traders)

Received \$10,000 toward their July invoice.

Entry:

Dr Bank \$10,000
Cr Accounts Receivable – ABC Traders \$10,000

July 10: Petty Cash Refill

Replenished petty cash with \$400.

Entry:

Dr Petty Cash \$400
Cr Bank \$400

July 11: Petty Cash Usage

Delivery expense: \$100

Office cleaning: \$80

Parking fees: \$20

Entry:

Dr Delivery Expense \$100
Dr Office Expense \$80
Dr Miscellaneous Expense \$20
Cr Petty Cash \$200

July 12: Utilities Payment

Paid City Power \$550 bill.

Entry:

Dr Accounts Payable – City Power \$550
Cr Bank \$550

 **July 13: Bank Service Fee**

Bank charged \$25.

Entry:

Dr Bank Charges Expense \$25

Cr Bank \$25

 **July 14: Customer Return**

ABC Traders returned 2 laptops (sold at \$850 + 10% tax).

Entry:

Dr Sales Returns & Allowances \$1,700

Dr Sales Tax Payable \$170

Cr Accounts Receivable – ABC Traders \$1,870

Dr Inventory \$1,020

Cr COGS \$1,020

WEEK 3 (July 15– 21): Adjustments, Marketing & Loan

 **July 15: Loan Payment**

Paid \$1,700 (\$200 interest + \$1,500 principal).

Entry:

Dr Interest Expense \$200

Dr Loan Payable \$1,500

Cr Bank \$1,700

 **July 16: Marketing Expense**

Paid \$1,000 for July digital ads.

Entry:

Dr Marketing Expense \$1,000

Cr Bank \$1,000

 **July 17: Payment from ABC Traders**

Received remaining balance \$6,830.

Entry:

Dr Bank \$6,830

Cr Accounts Receivable – ABC Traders \$6,830

 **July 18: Supplier Credit**

MicroParts gave credit note for defective goods \$800.

Entry:

Dr Accounts Payable – MicroParts \$800

Cr Inventory \$800

 **July 19: Employee Reimbursement**

Reimbursed John for delivery expenses \$150.

Entry:

Dr Delivery Expense \$150

Cr Bank \$150

 **July 20: Rent Payment**

Paid office rent \$600 (from accrued liability in June).

Entry:

Dr Accrued Expenses Payable \$600

Cr Bank \$600

 **July 21: New Rent Expense (July)**

Recognize July rent for \$600 (already paid).

Entry:

Dr Rent Expense \$600

Cr Bank \$600

WEEK 4 (July 22–31): Depreciation, Tax, and Closing

July 22: Sales Tax Payment

Paid sales tax for June (\$3,000).

Entry:

Dr Sales Tax Payable \$3,000

Cr Bank \$3,000

July 25: Depreciation Entries

Furniture: \$42

New Display Equipment: \$125 (for July depreciation)

Entry:

Dr Depreciation Expense \$167

Cr Accumulated Depreciation \$167

July 26: Inventory Write-Off

During monthly count, found 2 smartphones damaged (cost \$320 each = \$640).

Entry:

Dr Inventory Shrinkage Expense \$640

Cr Inventory \$640

July 28: Interest Accrual

Accrue \$200 interest for July.

Entry:

Dr Interest Expense \$200

Cr Accrued Interest Payable \$200

July 29: Utilities Accrual

Electricity for July not billed yet (\$520).

Entry:

Dr Utilities Expense \$520

Cr Accrued Expenses Payable \$520

July 30: Marketing Prepayment

Paid \$1,200 advance for August advertising campaign.

Entry:

Dr Prepaid Marketing Expense \$1,200

Cr Bank \$1,200



July 31: Month-End Closing Tasks

- Reconcile bank, petty cash, and PayPal
- Review accounts payable and receivable
- Adjust for accruals and prepaids

Generate:

- Profit & Loss (July)
- Balance Sheet (as of July 31)
- Cash Flow
- Aged Receivables / Payables
- Sales Tax Report

WHAT YOU LEARNED IN JULY

- ✓ Accounting for fixed asset purchases & depreciation
- ✓ Handling supplier credits & inventory write-offs
- ✓ Managing accrued and prepaid adjustments
- ✓ Performing tax and interest reconciliations
- ✓ Understanding Q3 forecasting and expense control

Mid-Year Progress Review (Jan–Jul 2024)

By now, your QuickBooks file includes:

Accurate asset register (with depreciation)

Complete AR/AP cycles

Bank, tax, and petty cash reconciliations

Six full months of financial statements

Base for Q3 performance analysis

August 2024:

 **AUGUST 2024 – Month 8: Accounting Internship Simulation**

Company: Future Tech Electronics

Software: QuickBooks Online

Industry: Electronics Retail

Period: August 1 – August 31, 2024

GOALS FOR AUGUST

- Manage bulk inventory purchase and discount
- Record marketing campaigns and prepaids
- Handle high-volume sales and promotions
- Process loan, payroll, and accrual adjustments
- Perform budget vs actual analysis

WEEK 1 (Aug 1–7): Start of Month & Bulk Inventory Purchase

Aug 1: Opening Balances

System carries forward automatically (no entry required):

Bank: \$22,000

Accounts Payable: \$14,000

Inventory: \$55,000

Loan Payable: \$10,500

 **Aug 2: Bulk Inventory Purchase (with Discount)**

Purchased 150 smartphones @ \$300 each from **TechZone Supplier**.

Total = \$45,000

Received **3% early payment discount** → \$1,350

Entry:

Dr Inventory \$45,000

Cr Accounts Payable – TechZone \$45,000

(Later when paid early)

Dr Accounts Payable – TechZone \$45,000

Cr Bank \$43,650

Cr Purchase Discount \$1,350

 **Aug 3: Cash Sale (with 10% tax)**

Sold 20 smartphones @ \$520 + 10% tax = \$11,440 (cash).

COGS = \$6,000

Entry:

Dr Cash \$11,440

Cr Sales Revenue \$10,400

Cr Sales Tax Payable \$1,040

Dr COGS \$6,000

Cr Inventory \$6,000

 **Aug 4: Payroll**

John: \$1,200

Maria: \$1,000

Alex: \$600

Entry:

Dr Salaries Expense \$2,800

Cr Bank \$2,800

 **Aug 5: Loan Payment**

Paid \$1,700 (includes \$200 interest + \$1,500 principal).

Entry:

Dr Interest Expense \$200

Dr Loan Payable \$1,500

Cr Bank \$1,700

 **Aug 6: Utilities Expense**

Received electricity bill \$580.

Entry:

Dr Utilities Expense \$580

Cr Accounts Payable – City Power \$580

 **Aug 7: Pay Utilities**

Paid July's accrued utilities (\$520).

Entry:

Dr Accrued Expenses Payable \$520

Cr Bank \$520

WEEK 2 (Aug 8–14): Marketing, Promotions & Credit Sales

📄 Aug 8: Recognize Prepaid Marketing (from July 30)

Prepaid campaign (\$1,200) now active.

Entry:

Dr Marketing Expense \$1,200

Cr Prepaid Marketing Expense \$1,200

💰 Aug 9: Marketing Expense (New Ad Campaign)

Paid \$1,500 for August social media ads.

Entry:

Dr Marketing Expense \$1,500

Cr Bank \$1,500

📦 Aug 10: Credit Sale

Sold 30 laptops @ \$880 + 10% tax = \$29,040 to Gadget Hub (credit 30 days).

COGS = \$15,600

Entry:

Dr Accounts Receivable – Gadget Hub \$29,040

Cr Sales Revenue \$26,400

Cr Sales Tax Payable \$2,640

Dr COGS \$15,600

Cr Inventory \$15,600

👛 Aug 11: Petty Cash Refill

Added \$400.

Entry:

Dr Petty Cash \$400

Cr Bank \$400

📄 Aug 12: Petty Cash Usage

Delivery expense: \$150

Office snacks: \$80

Entry:

Dr Delivery Expense \$150

Dr Office Expense \$80

Cr Petty Cash \$230

💰 Aug 13: Customer Payment (Gadget Hub)
Received \$15,000 partial payment.

Entry:

Dr Bank \$15,000

Cr Accounts Receivable – Gadget Hub \$15,000

💰 Aug 14: Bank Service Fee
Monthly charge \$25.

Entry:

Dr Bank Charges Expense \$25

Cr Bank \$25

WEEK 3 (Aug 15– 21): Discounts, Bonuses & Adjustments

 **Aug 15: Loan Payment**

Paid \$1,700 (\$200 interest + \$1,500 principal).

Entry:

Dr Interest Expense \$200

Dr Loan Payable \$1,500

Cr Bank \$1,700

 **Aug 16: Supplier Early Payment Discount (TechZone)**

Paid \$43,650 for \$45,000 invoice (discount \$1,350).

(Already recorded above on Aug 2.)

 Check QuickBooks: ensure the payment and discount were linked to the same bill.

 **Aug 17: Customer Return**

Gadget Hub returned 2 laptops (sold at \$880 + 10% tax).

Entry:

Dr Sales Returns & Allowances \$1,760

Dr Sales Tax Payable \$176

Cr Accounts Receivable – Gadget Hub \$1,936

Dr Inventory \$1,040

Cr COGS \$1,040

 **Aug 18: Employee Mid-Year Incentive**

Paid \$300 each to John and Maria.

Entry:

Dr Employee Bonus Expense \$600

Cr Bank \$600

 **Aug 19: Rent Expense**

Paid monthly rent \$600.

Entry:

Dr Rent Expense \$600

Cr Bank \$600

 **Aug 20: Utilities Payment**

Paid \$580 bill to City Power.

Entry:

Dr Accounts Payable – City Power \$580

Cr Bank \$580

 **Aug 21: Customer Payment (Gadget Hub)**

Received remaining \$12,104 after returns.

Entry:

Dr Bank \$12,104

Cr Accounts Receivable – Gadget Hub \$12,104

WEEK 4 (Aug 22–31): Adjustments, Depreciation & Closing

📄 Aug 22: Depreciation
Furniture: \$42
Display Equipment: \$125
Entry:
Dr Depreciation Expense \$167
Cr Accumulated Depreciation \$167

💰 Aug 24: Petty Cash Usage
Delivery fuel: \$90
Cleaning: \$70
Entry:
Dr Delivery Expense \$90
Dr Office Expense \$70
Cr Petty Cash \$160

📱 Aug 25: Inventory Write-Off
3 damaged smartphones (cost \$320 each = \$960).
Entry:
Dr Inventory Shrinkage Expense \$960
Cr Inventory \$960

🏛️ Aug 27: Sales Tax Payment
Paid sales tax for July (\$2,300).
Entry:
Dr Sales Tax Payable \$2,300
Cr Bank \$2,300

📅 Aug 29: Accruals
Accrue August interest (\$200) and rent (\$600, Sept invoice not yet received).
Entry 1:
Dr Interest Expense \$200
Cr Accrued Interest Payable \$200
Entry 2:
Dr Rent Expense \$600
Cr Accrued Expenses Payable \$600



August 31: Month-End Closing Tasks

Tasks:

- Reconcile bank, petty cash, and PayPal.
- Verify AR/AP aging schedules.
- Review marketing expenses and prepaid balances.

Generate:

1. Profit & Loss (August)
2. Balance Sheet (as of Aug 31)
3. Cash Flow Statement
4. Budget vs Actual Report
5. Sales Tax Report

WHAT YOU LEARNED IN AUGUST

- ✓ Accounting for bulk purchases with supplier discounts
- ✓ Handling high-volume credit sales and returns
- ✓ Recognizing prepaid and marketing expenses
- ✓ Managing bonus and payroll cycles
- ✓ Performing budget vs actual analysis

Quarter 3 Progress (July–Aug)

By this point in your internship:

You're now fluent with QuickBooks' Bank Reconciliation, Inventory Management, and Expense Tracking features.

You understand how to analyze profitability and expense trends month over month.

You're preparing for Quarterly Review Reports (Q3) in September.

September 2024:

 **SEPTEMBER 2024 – Month 9: Q3 Reporting & Inventory Management**

Company: Future Tech Electronics

Software: QuickBooks Online

Industry: Electronics Retail

Period: September 1 – 30, 2024

GOALS FOR SEPTEMBER

- Handle inventory reorder and purchase cycle
- Record sales, returns, and promotions
- Process quarter-end adjustments and depreciation
- Conduct Q3 tax & performance review
- Generate management financial statements

Quarterly tax filings

- Depreciation roll forward schedules
- Inventory reorder management
- And perform your first full internal financial report (Q3 summary)

WEEK 1 (Sept 1–7): Opening and Regular Operations

Sept 1: Opening Balances

Carried forward from August:

Bank: \$26,000

Inventory: \$52,000

Accounts Payable: \$11,000

Loan Payable: \$7,500

Sept 2: Payroll

John: \$1,200

Maria: \$1,000

Alex: \$600

Entry:

Dr Salaries Expense \$2,800

Cr Bank \$2,800

Sept 3: Cash Sale

Sold 25 smartphones @ \$550 + 10% tax = \$15,125 (cash).

COGS = \$7,500

Entry:

Dr Cash \$15,125

Cr Sales Revenue \$13,750

Cr Sales Tax Payable \$1,375

Dr COGS \$7,500

Cr Inventory \$7,500

Sept 4: Loan Payment

Paid \$1,700 (includes \$200 interest + \$1,500 principal).

Entry:

Dr Interest Expense \$200

Dr Loan Payable \$1,500

Cr Bank \$1,700

Sept 5: Utilities Expense

Received electricity bill \$600.

Entry:

Dr Utilities Expense \$600

Cr Accounts Payable – City Power \$600

Sept 6: Inventory Purchase

Purchased 50 laptops @ \$820 each from MicroParts Supplier, total \$41,000 (credit).

Entry:

Dr Inventory \$41,000

Cr Accounts Payable – MicroParts \$41,000

Sept 7: Payment to TechZone Supplier

Paid \$10,000 from outstanding balance.

Entry:

Dr Accounts Payable – TechZone \$10,000

Cr Bank \$10,000

WEEK 2 (Sept 8–14): Credit Sales, Returns & Promotions

Sept 8: Credit Sale

Sold 40 laptops @ \$900 + 10% tax = \$39,600 to Office Link Ltd (credit 30 days).

COGS = \$20,800

Entry:

Dr Accounts Receivable – Office Link \$39,600

Cr Sales Revenue \$36,000

Cr Sales Tax Payable \$3,600

Dr COGS \$20,800

Cr Inventory \$20,800

Sept 9: Received Payment

Gadget Hub paid final outstanding balance \$1,000.

Entry:

Dr Bank \$1,000

Cr Accounts Receivable – Gadget Hub \$1,000

Sept 10: Marketing Expense

Paid \$900 for new online ad campaign.

Entry:

Dr Marketing Expense \$900

Cr Bank \$900

Sept 11: Petty Cash Refill

Added \$400 to petty cash.

Entry:

Dr Petty Cash \$400

Cr Bank \$400

Sept 12: Petty Cash Usage

Office Supplies: \$100

Delivery Expense: \$80

Cleaning: \$40

Entry:

Dr Office Expense \$100

Dr Delivery Expense \$80

Dr Cleaning Expense \$40

Cr Petty Cash \$220

💰 Sept 13: Customer Payment (Office Link Ltd)
Received partial payment \$25,000.

Entry:

Dr Bank \$25,000

Cr Accounts Receivable – Office Link \$25,000

💡 Sept 14: Utilities Payment

Paid August electricity bill (\$580).

Entry:

Dr Accounts Payable – City Power \$580

Cr Bank \$580

WEEK 3 (Sept 15– 21): Adjustments, Bonuses & Supplier Payments

 **Sept 15: Loan Payment**

Paid \$1,700 (\$200 interest + \$1,500 principal).

Entry:

Dr Interest Expense \$200

Dr Loan Payable \$1,500

Cr Bank \$1,700

 **Sept 16: Supplier Payment (MicroParts)**

Paid \$20,000 toward the \$41,000 invoice.

Entry:

Dr Accounts Payable – MicroParts \$20,000

Cr Bank \$20,000

 **Sept 17: Employee Bonus**

Paid \$200 each for good sales performance.

Entry:

Dr Employee Bonus Expense \$400

Cr Bank \$400

 **Sept 18: Rent Expense**

Paid rent \$600.

Entry:

Dr Rent Expense \$600

Cr Bank \$600

 **Sept 19: Utilities Accrual**

Accrue September utilities \$590.

Entry:

Dr Utilities Expense \$590

Cr Accrued Expenses Payable \$590

 **Sept 20: Bank Service Fee**

Monthly charge \$25.

Entry:

Dr Bank Charges Expense \$25

Cr Bank \$25

 **Sept 21: Customer Return**

Office Link Ltd returned 2 laptops (sold at \$900 + tax).

Entry:

Dr Sales Returns & Allowances \$1,800

Dr Sales Tax Payable \$180

Cr Accounts Receivable – Office Link \$1,980

Dr Inventory \$1,040

Cr COGS \$1,040

WEEK 4 (Sept 22–30): Depreciation, Tax, and Q3 Closing

 **Sept 22: Depreciation**

Furniture: \$42

Display Equipment: \$125

Entry:

Dr Depreciation Expense \$167

Cr Accumulated Depreciation \$167

 **Sept 25: Sales Tax Payment**

Paid sales tax for August (\$3,680).

Entry:

Dr Sales Tax Payable \$3,680

Cr Bank \$3,680

 **Sept 26: Inventory Adjustment**

Stock count shows 3 missing items (cost \$320 each = \$960).

Entry:

Dr Inventory Shrinkage Expense \$960

Cr Inventory \$960

 **Sept 28: Payment from Office Link Ltd**

Received remaining \$12,620 balance.

Entry:

Dr Bank \$12,620

Cr Accounts Receivable – Office Link \$12,620

 **Sept 29: Interest Accrual**

Accrue \$200 interest for September.

Entry:

Dr Interest Expense \$200

Cr Accrued Interest Payable \$200



September 30: Month-End Closing

Tasks:

Reconcile Bank, Petty Cash, and Credit Card Accounts

Verify Inventory Valuation Report

Adjust accruals and prepaids

Generate Q3 financial reports:

- Profit & Loss (July–Sept)

- Balance Sheet (as of Sept 30)

- Cash Flow

- Sales Tax Summary

- Aged Payables / Receivables

- Inventory Valuation Summary

WHAT YOU LEARNED IN SEPTEMBER

- ✓ Preparing and closing quarterly books
- ✓ Managing inventory counts and adjustments
- ✓ Handling supplier and customer settlements
- ✓ Performing Q3 tax and management reports
- ✓ Understanding profitability analysis and trend review

✓ Your QuickBooks file (Jan–Sept 2024) now includes:

Full 9 months of transactional data

Regular reconciliations

Accurate depreciation, accruals, and prepaids

Consistent monthly closings

October 2024:

 **OCTOBER 2024 – Month 10: Q4 Budgeting & Holiday Prep**

Company: Future Tech Electronics

Software: QuickBooks Online

Industry: Electronics Retail

Period: October 1–31, 2024

GOALS FOR OCTOBER

- Prepare for holiday inventory and sales campaigns
 - Record bonuses, overtime, and marketing
 - Handle bulk supplier orders & early payment discounts
 - Manage bank and cash flow control
 - Perform monthly and year-end prep adjustments
-
- Q4 budgeting,
 - holiday season inventory buildup,
 - staff overtime/payroll management, and
 - year-end audit preparation setup

WEEK 1 (Oct 1–7): Q4 Kickoff & Inventory Buildup

Oct 1: Opening Balances

Carried forward from September:

Bank: \$30,000

Inventory: \$49,000

Accounts Payable: \$22,000

Loan Payable: \$6,000

 **Oct 2: Payroll (with overtime)**

John: \$1,300 (includes \$100 overtime)

Maria: \$1,100

Alex: \$600

Entry:

Dr Salaries Expense \$3,000

Cr Bank \$3,000

 **Oct 3: Bulk Inventory Purchase**

Purchased 200 smartphones @ \$310 = \$62,000 from **TechZone Supplier** (credit 30 days).

Entry:

Dr Inventory \$62,000

Cr Accounts Payable – TechZone \$62,000

 **Oct 4: Cash Sale**

Sold 30 smartphones @ \$550 + 10% tax = \$18,150.

COGS = \$9,300

Entry:

Dr Cash \$18,150

Cr Sales Revenue \$16,500

Cr Sales Tax Payable \$1,650

Dr COGS \$9,300

Cr Inventory \$9,300

 **Oct 5: Utilities Expense**

Received monthly bill for \$620.

Entry:

Dr Utilities Expense \$620

Cr Accounts Payable – City Power \$620

 **Oct 6: Loan Payment**

Paid \$1,700 (interest \$200 + principal \$1,500).

Entry:

Dr Interest Expense \$200

Dr Loan Payable \$1,500

Cr Bank \$1,700

 **Oct 7: Supplier Payment**

Paid MicroParts Supplier \$21,000.

Entry:

Dr Accounts Payable – MicroParts \$21,000

Cr Bank \$21,000

WEEK 2 (Oct 8–14): Marketing & Credit Sales

Oct 8: Credit Sale

Sold 25 laptops @ \$900 + 10% tax = \$24,750 to TechMart Ltd (credit 30 days).

COGS = \$13,000

Entry:

Dr Accounts Receivable – TechMart \$24,750

Cr Sales Revenue \$22,500

Cr Sales Tax Payable \$2,250

Dr COGS \$13,000

Cr Inventory \$13,000

Oct 9: Marketing Expense (Holiday Campaign)

Paid \$2,000 for October ad campaigns.

Entry:

Dr Marketing Expense \$2,000

Cr Bank \$2,000

Oct 10: Petty Cash Refill

Replenished petty cash \$500.

Entry:

Dr Petty Cash \$500

Cr Bank \$500

Oct 11: Petty Cash Usage

Delivery Expense: \$120

Office Refreshments: \$80

Cleaning Supplies: \$60

Entry:

Dr Delivery Expense \$120

Dr Office Expense \$80

Dr Cleaning Expense \$60

Cr Petty Cash \$260

💰 Oct 12: Customer Payment (Office Link Ltd)
Received \$3,000 for previous invoice.
Entry:
Dr Bank \$3,000
Cr Accounts Receivable – Office Link \$3,000

🏧 Oct 13: Bank Charges
Monthly fee \$25.
Entry:
Dr Bank Charges Expense \$25
Cr Bank \$25

💡 Oct 14: Utilities Payment
Paid August accrued utilities (\$590).
Entry:
Dr Accrued Expenses Payable \$590
Cr Bank \$590

WEEK 3 (Oct 15– 21): Promotions, Discounts & Adjustments

 **Oct 15: Loan Payment**

Paid \$1,700 (\$200 interest + \$1,500 principal).

Entry:

Dr Interest Expense \$200

Dr Loan Payable \$1,500

Cr Bank \$1,700

 **Oct 16: Supplier Early Payment Discount**

Paid **TechZone Supplier** \$60,000 (full payment for \$62,000 invoice, 3% discount).

Entry:

Dr Accounts Payable – TechZone \$62,000

Cr Bank \$60,000

Cr Purchase Discount \$2,000

 **Oct 17: Customer Return (TechMart)**

Returned 1 laptop (\$900 + 10% tax).

Entry:

Dr Sales Returns & Allowances \$900

Dr Sales Tax Payable \$90

Cr Accounts Receivable – TechMart \$990

Dr Inventory \$520

Cr COGS \$520

 **Oct 18: Rent Expense**

Paid rent \$600.

Entry:

Dr Rent Expense \$600

Cr Bank \$600

 **Oct 19: Customer Payment (TechMart Ltd)**

Received \$23,760 after return.

Entry:

Dr Bank \$23,760

Cr Accounts Receivable – TechMart \$23,760

 **Oct 20: Marketing Prepayment**

Paid \$1,800 advance for November campaign.

Entry:

Dr Prepaid Marketing Expense \$1,800

Cr Bank \$1,800

 **Oct 21: Utilities Payment**

Paid \$620 bill to City Power.

Entry:

Dr Accounts Payable – City Power \$620

Cr Bank \$620

WEEK 4 (Oct 22– 31): Adjustments & Month-End Closing

Oct 22: Depreciation

Furniture: \$42

Display Equipment: \$125

Entry:

Dr Depreciation Expense \$167

Cr Accumulated Depreciation \$167

Oct 24: Inventory Write-Off

2 damaged smartphones (\$310 each = \$620).

Entry:

Dr Inventory Shrinkage Expense \$620

Cr Inventory \$620

Oct 25: Sales Tax Payment

Paid September's sales tax (\$4,975).

Entry:

Dr Sales Tax Payable \$4,975

Cr Bank \$4,975

Oct 27: Accruals

Accrue October interest (\$200) and utilities (\$600).

Entry 1:

Dr Interest Expense \$200

Cr Accrued Interest Payable \$200

Entry 2:

Dr Utilities Expense \$600

Cr Accrued Expenses Payable \$600

Oct 28: Staff Performance Bonus

Paid \$250 to John and Maria each.

Entry:

Dr Employee Bonus Expense \$500

Cr Bank \$500



October 31: Month-End Closing

Tasks:

- Reconcile Bank, Petty Cash, Credit Card Accounts
- Verify AR/AP Aging
- Record Accruals & Depreciation

Generate:

1. Profit & Loss (October)
2. Balance Sheet (as of Oct 31)
3. Cash Flow Statement
4. Sales Tax Report
5. Inventory Valuation

WHAT YOU LEARNED IN SEPTEMBER

- ✓ Handling bulk inventory with supplier discounts
- ✓ Managing holiday marketing and prepaid expenses
- ✓ Applying overtime and bonuses in payroll
- ✓ Performing month-end accruals and reconciliations
- ✓ Building cash flow awareness for Q4

November 2024:

NOVEMBER 2024 – Black Friday & Year-End Planning

Company: Future Tech Electronics

Industry: Electronics Retail

Software: QuickBooks Online

Period: November 1–30, 2024

GOALS FOR NOVEMBER

- Manage holiday season promotions and discounts
- Handle high-volume sales & returns
- Manage supplier restocks
- Track sales tax and year-end adjustments
- Reconcile AR/AP and cash flow

Black Friday sales surge,
massive inventory turnover,
supplier coordination, and
tax & payroll year-end preparations



WEEK 1 (Nov 1–7): Opening & Holiday Prep

Nov 1: Opening Balances (as of Oct 31)

Bank: \$32,500

Inventory: \$46,000

Accounts Receivable: \$12,000

Accounts Payable: \$18,000

Owner's Capital: \$50,000

Retained Earnings: \$31,727

Nov 2: Payroll

John: \$1,200 | Maria: \$1,100 | Alex: \$600

Entry:

Dr Salaries Expense \$2,900

Cr Bank \$2,900

Nov 3: Inventory Purchase

Ordered 150 smartphones @ \$320 = \$48,000 from **TechZone Supplier** (credit 30 days).

Entry:

Dr Inventory \$48,000

Cr Accounts Payable – TechZone \$48,000

Nov 4: Prepaid Insurance (New 1-Year Policy)

Paid \$3,600 for 12-month business insurance.

Entry:

Dr Prepaid Insurance \$3,600

Cr Bank \$3,600

Nov 5: Utilities Expense

Received October bill \$640 (to pay next month).

Entry:

Dr Utilities Expense \$640

Cr Accounts Payable – City Power \$640

Nov 6: Customer Credit Sale

Sold 25 laptops @ \$920 + 10% tax = \$25,300 to **Office Link Ltd** (credit 30 days).

COGS = \$12,500

Entry:

Dr Accounts Receivable – Office Link \$25,300

Cr Sales Revenue \$23,000

Cr Sales Tax Payable \$2,300

Dr COGS \$12,500

Cr Inventory \$12,500

Nov 7: Loan Payment

Paid \$1,700 (\$200 interest + \$1,500 principal).

Entry:

Dr Interest Expense \$200

Dr Loan Payable \$1,500

Cr Bank \$1,700



WEEK 2 (Nov 8–14): Black Friday Inventory & Marketing

💰 Nov 8: Marketing Expense

Paid \$2,800 for Black Friday campaign.

Entry:

Dr Marketing Expense \$2,800

Cr Bank \$2,800

📦 Nov 9: Bulk Cash Sale (Early Black Friday)

Sold 50 smartphones @ \$520 + 10% tax = \$28,600.

COGS = \$15,500

Entry:

Dr Cash \$28,600

Cr Sales Revenue \$26,000

Cr Sales Tax Payable \$2,600

Dr COGS \$15,500

Cr Inventory \$15,500

💰 Nov 10: Petty Cash Usage

Delivery Expense: \$130

Refreshments: \$90

Entry:

Dr Delivery Expense \$130

Dr Office Expense \$90

Cr Petty Cash \$220

🏪 Nov 12: Customer Payment (TechMart)

Received \$5,000 partial payment.

Entry:

Dr Bank \$5,000

Cr Accounts Receivable – TechMart \$5,000

🏪 Nov 13: Supplier Payment

Paid TechZone Supplier \$45,000 (for earlier October purchase).

Entry:

Dr Accounts Payable – TechZone \$45,000

Cr Bank \$45,000

📦 Nov 14: Depreciation

Furniture: \$42

Display Equipment: \$125

Entry:

Dr Depreciation Expense \$167

Cr Accumulated Depreciation \$167



WEEK 3 (Nov 15–21): BLACK FRIDAY SALES WEEK

Nov 15–20: Massive Cash Sales

Sold total of 120 smartphones @ \$500 + 10% tax = \$66,000.

COGS = \$36,000

Entry:

Dr Cash \$66,000

Cr Sales Revenue \$60,000

Cr Sales Tax Payable \$6,000

Dr COGS \$36,000

Cr Inventory \$36,000

Nov 21: Rent Payment

Paid rent \$600.

Entry:

Dr Rent Expense \$600

Cr Bank \$600

 **WEEK 4 (Nov
22–30): Cyber
Monday, Returns &
Adjustments**

 Nov 22: Cyber Monday Marketing

Paid \$1,500 for online ads.

Entry:

Dr Marketing Expense \$1,500

Cr Bank \$1,500

 Nov 23: Credit Sale

Sold 30 tablets @ \$250 + 10% tax = \$8,250 to City Office Supplies Ltd (credit 15 days).

COGS = \$4,800

Entry:

Dr Accounts Receivable – City Office Supplies \$8,250

Cr Sales Revenue \$7,500

Cr Sales Tax Payable \$750

Dr COGS \$4,800

Cr Inventory \$4,800

 Nov 24: Customer Return (Black Friday)

2 smartphones returned @ \$500 + 10% tax = \$1,100.

Entry:

Dr Sales Returns & Allowances \$1,000

Dr Sales Tax Payable \$100

Cr Cash \$1,100

Dr Inventory \$600

Cr COGS \$600

 Nov 26: Bank Charges

Monthly fee \$25.

Entry:

Dr Bank Charges Expense \$25

Cr Bank \$25

📅 Nov 28: Accruals

Interest Payable: \$200

Utilities Payable: \$640

Entry:

Dr Interest Expense \$200

Cr Accrued Interest Payable \$200

Dr Utilities Expense \$640

Cr Accrued Expenses Payable \$640

💰 Nov 29: Sales Tax Payment

Paid \$7,800 collected in October.

Entry:

Dr Sales Tax Payable \$7,800

Cr Bank \$7,800

📅 Nov 30: Month-End Adjustments

Insurance expense (1 month): \$300 ($3,600 \div 12$)

Entry:

Dr Insurance Expense \$300

Cr Prepaid Insurance \$300



November 31: Month-End Closing

Tasks:

- Reconcile Bank, Petty Cash, Credit Card Accounts
- Sales Tax liability
- Verify AR/AP Aging
- Record Accruals & Depreciation

Generate:

1. Profit & Loss (October)
2. Balance Sheet (as of Oct 31)
3. Cash Flow Statement
4. Sales Tax Report
5. Inventory Valuation

🧠 WHAT YOU LEARNED IN SEPTEMBER

- ✓ Handling high-volume transactions and returns
- ✓ Managing prepaid insurance and monthly expense recognition
- ✓ Tracking sales tax liability under high sales volume
- ✓ Practicing holiday promotion accounting
- ✓ Applying Black Friday sales and margin analysis

December 2024:

Company: Future Tech Electronics
Industry: Electronics Retail
Software: QuickBooks Online
Period: December 1–31, 2024

GOALS FOR DECEMBER

- Manage holiday sales & year-end promotions
- Record bonuses, depreciation, and adjustments
- Conduct year-end stocktake & write-offs
- Prepare final financial statements
- Close books for 2024

You've reached the year-end closing period at Future Tech Electronics — a crucial time when accountants handle everything from holiday sales, bonuses, and inventory counts to depreciation, accruals, and final financial reports in QuickBooks.



WEEK 1 (Dec 1–7): Opening & Holiday Prep

Dec 1: Opening Balances (from Nov 30)

- Bank: \$48,000
- Inventory: \$42,000
- Accounts Receivable: \$18,000
- Accounts Payable: \$15,000
- Loan Payable: \$1,500 remaining
- Owner's Capital: \$50,000
- Retained Earnings: \$69,395

Dec 2: Payroll

John: \$1,200

Maria: \$1,100

Alex: \$600

Entry:

Dr Salaries Expense \$2,900

Cr Bank \$2,900

Dec 3: Inventory Purchase (Holiday Stock)

Purchased 100 smartphones @ \$330 = \$33,000 (credit, TechZone Supplier).

Entry:

Dr Inventory \$33,000

Cr Accounts Payable – TechZone \$33,000

Dec 4: Cash Sale

Sold 40 smartphones @ \$560 + 10% tax = \$24,640.

COGS = \$13,200

Entry:

Dr Cash \$24,640

Cr Sales Revenue \$22,400

Cr Sales Tax Payable \$2,240

Dr COGS \$13,200

Cr Inventory \$13,200

Dec 5: Utilities Expense (Accrued)

November bill received \$650.

Entry:

Dr Utilities Expense \$650

Cr Accounts Payable – City Power \$650

Dec 6: Loan Final Payment

Paid off the last loan installment (\$1,500 principal + \$200 interest).

Entry:

Dr Loan Payable \$1,500

Dr Interest Expense \$200

Cr Bank \$1,700

Dec 7: Supplier Payment

Paid TechZone \$30,000 (for November stock).

Entry:

Dr Accounts Payable – TechZone \$30,000

Cr Bank \$30,000

WEEK 2 (Dec 8–14): Mid-Month Sales & Bonuses

Dec 8: Credit Sale

Sold 30 laptops @ \$930 + 10% tax = \$30,690 to Office Link Ltd (credit).
COGS = \$15,600

Entry:

Dr Accounts Receivable – Office Link \$30,690
Cr Sales Revenue \$27,900
Cr Sales Tax Payable \$2,790
Dr COGS \$15,600
Cr Inventory \$15,600

Dec 10: Marketing Expense

Paid \$1,800 for “Year-End Clearance” campaign.

Entry:

Dr Marketing Expense \$1,800
Cr Bank \$1,800

Dec 12: Customer Payment

Received \$20,000 from Office Link Ltd.

Entry:

Dr Bank \$20,000
Cr Accounts Receivable – Office Link \$20,000

Dec 13: Rent Payment

Paid rent \$600.

Entry:

Dr Rent Expense \$600
Cr Bank \$600

Dec 14: Depreciation

Furniture: \$42
Display Equipment: \$125

Entry:

Dr Depreciation Expense \$167
Cr Accumulated Depreciation \$167



WEEK 3 (Dec 15–21): Year-End Promotions & Adjustments

💰 Dec 15–20: Holiday Sales Surge

Cash sales: \$40,000 + 10% tax = \$44,000

COGS = \$25,000

Entry:

Dr Cash \$44,000

Cr Sales Revenue \$40,000

Cr Sales Tax Payable \$4,000

Dr COGS \$25,000

Cr Inventory \$25,000

💎 Dec 19: Employee Bonuses

John \$400 | Maria \$300 | Alex \$200

Entry:

Dr Employee Bonus Expense \$900

Cr Bank \$900

💰 Dec 20: Petty Cash Refill

Replenished petty cash \$400.

Entry:

Dr Petty Cash \$400

Cr Bank \$400

WEEK 4 (Dec 22–31): Stocktake, Closing & Adjustments

📅 Dec 23: Customer Return
2 laptops returned @ \$930 + 10% tax = \$2,046.
COGS = \$1,040
Entry:
Dr Sales Returns & Allowances \$1,860
Dr Sales Tax Payable \$186
Cr Accounts Receivable – Office Link \$2,046
Dr Inventory \$1,040
Cr COGS \$1,040

📅 Dec 24: Supplier Payment
Paid City Power for November bill \$650.
Entry:
Dr Accounts Payable – City Power \$650
Cr Bank \$650

💰 Dec 26: Sales Tax Payment
Paid \$9,000 collected in November.
Entry:
Dr Sales Tax Payable \$9,000
Cr Bank \$9,000

📅 Dec 27: Inventory Adjustment (Year-End Stocktake)
Found damaged/missing stock worth \$850.
Entry:
Dr Inventory Shrinkage Expense \$850
Cr Inventory \$850

📅 Dec 28: Accruals
Accrue December interest (\$200) and utilities (\$680).
Entry:
Dr Interest Expense \$200
Cr Accrued Interest Payable \$200
Dr Utilities Expense \$680
Cr Accrued Expenses Payable \$680

💰 Dec 29: Insurance Expense (Monthly Adjustment)
Recognize one month of prepaid insurance (\$300).
Entry:
Dr Insurance Expense \$300
Cr Prepaid Insurance \$300



December 31: Month-End Closing

Tasks:

Transfer income to Retained Earnings

- Dr Sales Revenue (total)
- Cr Income Summary

Close Expenses

- Dr Income Summary
- Cr All Expense Accounts

Transfer Profit

- Dr Income Summary (net profit)
- Cr Retained Earnings

In QuickBooks:

- Go to Gear → Accounting → Close the Books
- Set Closing Date: 12/31/2024
- Require a password for protection.

WHAT YOU LEARNED IN DECEMBER

- Managing year-end closing & adjusting entries
- Performing inventory stocktake and write-offs
- Processing bonuses, accruals, and prepaid expenses
- Preparing financial statements for tax filing
- Locking books & transferring profit to retained earnings

FINAL REPORTS TO GENERATE

-  Profit & Loss (Jan–Dec 2024)
-  Balance Sheet (as of Dec 31, 2024)
-  Cash Flow Statement
-  Inventory Valuation Summary
-  Trial Balance
-  General Ledger (Full Year)