1. Linda Smith, a sophomore at State University, started the Speedy Ironing Service with a $125 cash investment on Sept. 1, 1991.

2. On Sept. 1, paid $60 for 4 months of ads in the School newspaper.

3. On Sept. 1, purchased Ironing Supplies for $10 cash.

4. On Sept. 1, purchased $60 in Ironing Equipment paying $30 down.

5. Linda made an additional investment of $25.

6. Paid one-half the amount owed on the Ironing Equipment.

7. Linda withdrew $30 for personal use.

8. Cash collected for Ironing Services performed during the first month amounted to $150. $20 was also due for services rendered.

9. Paid September rent of $50 for a room used when ironing clothes.

10. Received $10 on account.

11. Sept. 26, two students paid $5 each for next week's ironing.

III. GENERAL LEDGER

<table>
<thead>
<tr>
<th>CASH</th>
<th>Accounts Payable</th>
<th>Capital, Linda Smith</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

Unearned Ironing Revenue

Withdrawals, Linda Smith

Rent Expense

Ironing Revenue

Prepaid Advertising

Ironing Supplies

Ironing Equipment

Accounts Receivable

Accounts Payable

Capital, Linda Smith

Withdrawals, Linda Smith

Ironing Revenue

Rent Expense

Telephone Expense

Instructions: Post previous page Journal Entries into these T accounts which have been arranged according to the rewritten accounting equation and make a Trial Balance.

IV. TRIAL BALANCE

Speedy Ironing Service
Trial Balance
Sept. 30, 1991

Cash
Accounts Receivable
Prepaid Advertising
Ironing Supplies
Ironing Equipment
Accounts Payable
Unearned Ironing Revenue
Capital, Linda Smith
Withdrawals, Linda Smith
Ironing Revenue
Rent Expense
Telephone Expense

Note: A completed Trial Balance for September 30 appears on page A20 of the next Practice Set.

Instruction: Record the first transaction from page A9 in the formal journal below and post to the formal ledger accounts. Show all references. Assume Cash is account #1 and Capital is account #100.

V. GENERAL JOURNAL

<table>
<thead>
<tr>
<th>DATE</th>
<th>ACCOUNT TITLE AND EXPLANATION</th>
<th>PR</th>
<th>DEBIT</th>
<th>CREDIT</th>
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VI. GENERAL LEDGER

CASH

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<tr>
<th>DATE</th>
<th>EXPLANATION</th>
<th>PR</th>
<th>DEBIT</th>
<th>CREDIT</th>
<th>ACCOUNT NO.</th>
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</thead>
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CAPITAL, LINDA SMITH

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<tr>
<th>DATE</th>
<th>EXPLANATION</th>
<th>PR</th>
<th>DEBIT</th>
<th>CREDIT</th>
<th>ACCOUNT NO.</th>
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</thead>
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