Maxwell Jewelry

A Merchandising Case

Maxwell Jewelry is a merchandising business which sells jewelry and giftware.
The retail store is rented, and is located at 115 E. Parliemanet Street, Vancouver, B.C.
M. Peters is the proprietor.

This package includes:
Source Documents
General Journal Pages
A General Ledger
Year End Financial Statements

Your tasks:
1 - Make the appropriate journal entries. (Opening / Daily Journal Entries / Adjusting / Closing)
2 - Post the journal entries to the general ledger.
3 - Prepare the year end financial statements.
You may also take off trial balances at any point throughout the cyle.

The following is a list of accounts from the Maxwell Jewelry ledger.

Bank	Freight-In	Miscellaneous Expense
Accounts Receivable	Sales	Credit Card Fee Expense
Supplies	Taxes Payable	M. Peters, Drawings
Taxes Recoverable	Accounts Payable	M. Peters, Capital
Merchandise Inventory	Supplies Expense	Income Summary
Purchases	Rent Expense	

The opening balance sheet for Maxwell is shown below:

Maxwell Jewelry
Balance Sheet
January 1, ----

Assets		Liabilities	
Bank	20,000	Total Liabilities	0
Merchandise Inventory	5,400		
		Owner's Equity	
		M. Peters, Capital	25,400
Total Assets	**25,400**	**Total Liabilities & Equity**	**25,400**

Form 1

MAXWELL JEWELRY
115 E. Parliament Street
Vancouver, BC V6M 2C4

Form __1__

Sold to Frimming Corporation
9195 Koebel Avenue
Vancouver, BC V6A 2M1

Cust. No. 120
Invoice No. 904
Date 12/1/– –

Telephone (604) 867-4251

QUANTITY	DESCRIPTION	PRICE	AMOUNT
50	Silver business card holders	29.00	1 450.00
25	Accent pen and pencil sets, chrome	45.00	1 125.00
5	Teski desk sets, walnut	72.00	360.00
		Subtotal	2 935.00
		Tax	146.75

Terms: Net 30 days

INVOICE TOTAL 3 081.75

Form 2

Redding Clock and Watch Company
2466 Guilford Street • Toronto, ON M4T 2N3

Form __2__

Customer's Name	Maxwell Jewelry
Address	115 E. Parliament Street
	Vancouver, BC V6M 2C4

RECD 12/1/– – P816

INVOICE NO. 6484

Quantity	Stock No.	Description	Unit Price	Extension
2	A193B	400-day silverplated anniversary clock	49.00	98.00 ✓
2	D347M	Executive style watch assortment (50 watches)	2 660.00	5 320.00 ✓
2	Q87D	Analog quartz watch assortment (50 watches)	2 612.00	5 224.00 ✓
11/29/– –	17243	UPS		10 642.00 ✓
Date	Cust. No.	Shipped Via		Total Due

Form 3

McKay Realty Co.
1157 Thorton Road, Vancouver, BC V6M 0S3

Form __3__

Date Nov. 30, 19– –

To	Amount Due
Maxwell Jewelry 115 E. Parliament Street Vancouver, BC V6M 2C4	875.00

FOR PERIOD

For Rent Of
115 E. Parliament Street
Vancouver, BC V6M 2C4

From 12/1/– –
To 12/31/– –

RECD 12/1/– – cheque P.M.

KEEP this portion for your records.

MAXWELL JEWELRY
115 E. Parliament Street
Vancouver, BC V6M 2C4
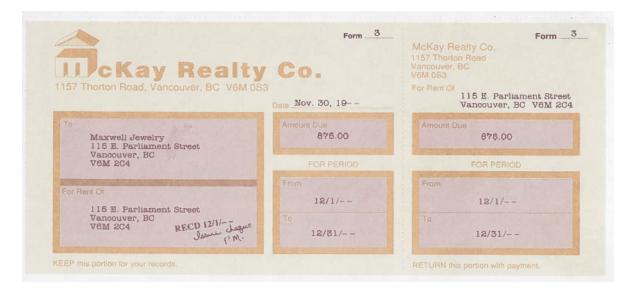
Form __4__

Sold to Harriet Swegman
791 Bonham Road
Regina, SK S4N 3T7

Cust. No. 166
Invoice No. 905
Date 12/2/--

Telephone (604) 867-4251

QUANTITY	DESCRIPTION	PRICE	AMOUNT
1	Starter set Gillespie china, Old Rose	310.00	310.00
1	5/8 Ct. T.W. diamond/sapphire ballerina ring	1 159.00	1 159.00
2	14K gold bracelet, men's solid oval link	255.00	510.00
1	1 Ct. T.W. diamond necklace	1 297.00	1 297.00
		Subtotal	3 276.00
		Tax	163.80

Terms: Net 30 days

INVOICE TOTAL 3 439.80

Luxor Jewelry

4899 Trabant Road
Winnipeg, MB
R2G 1P7

Form __5__

— Sold To —
Maxwell Jewelry
115 E. Parliament Street
Vancouver, BC
V6M 2C4

— Ship To —
Same

Date December 1, 19 --

Invoice No. 37823

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
1	Diamond solitaire, 1/2ct.	$ 525.00	$ 525.00
3	Men's ring, black star	75.00	225.00
3	Men's ring, cat's eye	51.00	153.00
4 pr.	Diamond earrings, 1/2ct., assorted styles	2 695.00	10 780.00
3 pr.	Diamond earrings, 1ct.	345.00	1 035.00
TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	$ 12 718.00

RICHARD POTTINGER
127 Lisbon Avenue
Halifax, NS
B3H 4B4

Form __7__

RECD 12/31/-- R324
for $ 892, P.M.

DATE December 1, 19--   NO. 426

Pay to the
Order of Maxwell Jewelry $ 4 221.50

For Classroom Use Only

Four thousand two hundred twenty-one and 50/100 DOLLARS

Bank of Montreal
135 East Place Road
Halifax, NS B3H 3B1

Richard Pottinger

⑈426⑈ ⑆36752⑆001⑈ 2671-3122-5⑈

MEMORANDUM

TO: Accounting Dept.
FROM: Donna Maxwell

NO.: 733
DATE: December 3, 19 – –

Form ___8___

Our bank statement for November shows a service charge of $14.50. Record this miscellaneous expense.

MEMORANDUM

TO: Accounting Dept.
FROM: Donna Maxwell

NO.: 734
DATE: December 3, 19 – –

Form ___9___

Our bank statement for November shows a credit card fee of $423.43. Record this expense.

Additional Journal Entries

Dec-05 $844 (+ 13% Tax) worth of supplies were purchased. They were payed for in cash.
Dec-06 UPS was paid $234 in cash for the delivery of various inventory shipments.
Dec-10 The owner, M. Peters, withdrew $260 for his personal use.
Dec-15 Taxes were remitted to the government.

Additional Information

Dec-31 At the end of the year, $800 worth of supplies remained.
Dec-31 A physical inventory was taken and $8,224 worth of inventory remained.

Name:

DATE		PARTICULARS	P.R.	DEBIT					CREDIT				

Name:

Page:

DATE		PARTICULARS	P.R.	DEBIT					CREDIT				

Name:

DATE		PARTICULARS	P.R.	DEBIT	CREDIT

Account: Bank   No: 1

DATE		PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE

Account: Accounts Receivable (A/R)   No: 2

DATE		PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE

Account: Supplies   No: 3

DATE		PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE

Account: Taxes Recoverable   No: 4

DATE		PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE

Account: Merchandise Inventory   No: 5

DATE		PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE

Account: Purchases   No: 6

DATE		PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE

Account: Freight-In   No: 7

DATE		PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE

Account: Sales   No: 8

DATE		PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE

Account: Taxes Payable   No: 9

DATE		PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE

Account: Accounts Payable (A/P)   No: 10

DATE		PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE

Account: Supplies Expense   No: 11

DATE		PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE

Account: Rent Expense   No: 12

DATE		PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE

Account: Miscellaneous Expense   No: 13

DATE		PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE

Account: Credit Card Fee Expense   No: 14

DATE		PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE

Account: M. Peters, Drawings   No: 15

DATE		PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE

Account: M. Peters, Capital   No: 16

DATE		PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE

Account: Income Summary   No: 17

DATE		PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE

Maxwell Jewelry

Income Statement

For the Year Ended, Dec 31, ----

Maxwell Jewelry

Balance Sheet

December 31, ----