

**CASE STUDY: KBC DECORATING CO.**

KBC Decorating Co – Winnipeg, Manitoba

These transactions occurred during the second half of January. Record these in the General Journal. You can continue at the end of your previous General Journal sheet. Be sure to account for taxes as indicated. (Remember GST=5% and PST=8%)

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- Jan 16 Bought advertising space in the local community newspaper, \$125 plus taxes. Issued Cheque #7.
- 16 Paid shipping costs on the merchandise bought on the 5th, \$85 plus taxes. Issued Cheque #8.
- 17 Paid transportation cost for new paint mixer and color dispenser bought on the 9th and delivered from Toronto. Issued Cheque #9 for \$81.36 (includes \$3.60 GST).
- 20 Cash sales: paint and supplies, \$2,500; wallpaper, \$2,000; plus taxes.
- 21 Paid delivery costs for paint and supplies delivered to customer, \$60 plus taxes. Cheque #10.
- 26 Bought paint and supplies, \$8,500 plus GST. Cheque #11.
- 26 Paid for delivery of the paint and supplies bought today, \$45 plus taxes. Cheque #12.
- 30 Cash sales: paint and supplies, \$3,000; wallpaper, \$1,000; plus taxes.

Post these entries to the ledger accounts and prepare a trial balance on January 31, 20—. Remember to use the Trial Balance sheets from your student package that have **GST Payable**, **GST-ITC** and **PST Payable**.