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| CCC2 CONTINUING COOKIE CHRONICLE |

**After researching the different forms of business organization, Natalie Koebel decides to operate “Cookie Creations” as a corporation. She then starts the process of getting the business running. In November 2018, the following activities take place.**

**Nov. 8 Natalie cashes her U.S. Savings Bonds and receives $520, which she deposits in her personal bank account.**

**8 She opens a bank account under the name “Cookie Creations” and transfers $500 from her personal account to the new account in exchange for common stock.**

**11 Natalie pays $65 to have advertising brochures and posters printed. She plans to distribute these as opportunities arise. (Hint: Use Advertising Expense.)**

**13 She buys baking supplies, such as flour, sugar, butter, and chocolate chips, for $125 cash.**

**14 Natalie starts to gather some baking equipment to take with her when teaching the cookie classes. She has an excellent top-of-the-line food processor and mixer that originally cost her $750. Natalie decides to start using it only in her new business. She estimates that the equipment is currently worth $300. She invests the equipment in the business in exchange for common stock.**

**16 Natalie realizes that her initial cash investment is not enough. Her grandmother lends her $2,000 cash, for which Natalie signs a note payable in the name of the business. Natalie deposits the money in the business bank account. (Hint: The note does not have to be repaid for 24 months. As a result, the notes payable should be reported in the accounts as the last liability and also on the balance sheet as the last liability.)**

**17 She buys more baking equipment for $900 cash.**

**20 She teaches her first class and collects $125 cash.**

**25 Natalie books a second class for December 4 for $150. She receives $30 cash in advance as a down payment.**

**30 Natalie pays $1,320 for a one-year insurance policy that will expire on December 1, 2019.**

**CCC2 (Continued)**

***Instructions***

**(a) Prepare journal entries to record the November transactions.**

**(b) Post the journal entries to general ledger accounts.**

**(c) Prepare a trial balance at November 30.**