**APPLICATION EXERCISE 18 – SUGGESTED SOLUTION**

**General Journal**

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Details** | **Debit** | **Credit** |
| 31/03 | Interest Expense | 375 |  |
|  | Accrued Interest Expense |  | 375 |
|  | Rent Expense | 7 800 |  |
|  | Prepaid Rent Expense |  | 7 800 |
|  | Drawings | 640 |  |
|  | Inventory |  | 640 |
|  | Advertising | 2 400 |  |
|  | Accrued Advertising  |  | 2 400 |
|  | Inventory Loss | 2 850 |  |
|  | Inventory |  | 2 850 |