

#### **CASE STUDY 4.1.**

1st November 2X19 “**THEUDIS, SRL**” a limited liability company is settled up being the gymnastic its commercial purpose. The three shareholders contribute to the social constitution with 16.000 euros each, total amount transferred to the Company bank account.

- 1) 10th November the Company’s commercial name is registered in the Spanish Patent and Trademark Office, paying by bank transfer 300 euros.
- 2) 20th November the license to open the business is paid to the Council for 1.600 euros.
- 3) 30th November a loan is asked to a financial entity due in 5 years and for 20.000 euros total amount, which is transferred to the Company bank Account. Interest rate 6% annual, being paid by every month end.
- 4) 1st December a local leasehold agreement is signed lasting 3 years, being paid by that time 3.000 euros for the monthly leasehold and a deposit for 3 years for the same amount.
- 5) Some machines are bought for the gym the 15th December for 8.000 euros, being paid the half of the invoice, while the rest remains outstanding to 18 months.
- 6) 20th December, a computer is bought for 2.500 euros for the financial activity of the Company therefore, at the same time a software is bought summing up 400 euros. 1.000 euros are paid in that moment but the remaining amount will be paid in 60 days.
- 7) 22th December an invoice from the Company that refurbished the commercial premise is received, up to 5.900 euros.
- 8) Other expenses (23th December):
  - Electricity, water y heating paid by bank: 300 euros.
  - Publicity (due for payment): 1.700 euros.
- 9) By 28th December the Company has sublease one of the empty rooms to a personal trainer who has transferred to the bank account 500 euros.
- 10) 30th December the bank charged the loan interest.

#### **To do:**

- a) Bookkeep the financial events in General Ledger.
- b) Regularization Journal.
- c) Elaborate Balance Sheet and Income Statement by 31st December 2X19.