P12-1B The post-closing trail balances of two proprietorships on January 1, 2010, are prsented below.

Account	John Company Dr.	John Company Cr.	Calvin Company Dr.	Calvin Company Cr.
Cash	10,000		8,000	
Accounts Receivable	18,000		30,000	
Allowance for doubtful accts		2,000	3,000	
Merchandise Inventory	35,000		20,000	
Equipment	60,000		35,000	
Accum depreciation-equip		28,000	15,000	
notes payable		20,000		
Accts payable		30,000	40,000	
john, capital		43,000		
Calvin, capital			35,000	
	$123,000	$123,000	$93,000	$93,000 that john will invest an investment

John and Calvin decide to form a partnership, John-Calvin Company, with he following agreed upon valuations for noncash assets.

	John Company	Calvin Company
Accounts Receivable	$18,000	$30,000
Allowance for doubtful accts	2,500	4,000
Merchandise Inventory	38,000	25,000
Equipment	40,000	22,000

All cash will be transferred to the partnership, and the partnership will assume all the liabilities of the two proprietorship's. Further, it is agreed that john will invest additional $3,500 in cash, and Calvin will invest an additional $16,000 in cash.

Instructions

(a) Prepare separate journal entries to record the transfer of **each proprietorship's assets and liabilites to the partnership.**

(b) Journalize the additonal cash investment by each each partner.

(c) Prepare a classified bslsnce sheet for the partnership on January 1, 2010.