P10-5A

At December 31, 2008, Jimenez Company reported the following as plant assets:

Land $4,000,000

Buildings $28,500,000

Less: Accumulated depreciation - buildings 12,100,000 16,400,000

Equipment 48,000,000

Less: Accumulated depreciation - equipment 5,000,000 43,000,000

Total plant assets $63,400,000

During 2009, the following selected cash transactions occurred:

April 1 Purchased land for $2,130,000.

May 1 Sold equipment that cost $780,000 when purchased on January 1, 2005. The equipment was sold for $450,000.

June 1 Sold land purchased on June 1, 1999 for $1,500,000. The land cost $400,000.

July 1 Purchase equipment for $2,000,000.

Dec 31 Retired equipment that cost $500,000 when purchased on December 31, 1999. No salvage value was received.

Journalize the above transactions. The company uses straight-line depreciation for buildings and equipment. The buildings are estimated to have a 50-year life and no salvage value. The equipment is estimated to have a 10-year useful and no salvage value. Update depreciation on assets disposed of at the time of sale or retirement. (List multiple debit/credit entries in descending order of amount.)