Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_

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| 1. | For each item below, indicate whether a debit or a credit applies.  a. Decrease in Accounts Payable  b. Decrease in Land  c. Increase in Retained Earnings  d. Increase in Unearned Revenue  e. Decrease in Interest Payable  f. Increase in Prepaid Insurance  g. Increase in Wages Expense  h. Decrease in Art Supplies  i. Increase in Advertising Fees Earned |

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| 2. | For each item below, indicate whether a debit or a credit applies.  a. Increase in Art Fees Earned  b. Decrease in Prepaid Rent  c. Decrease in Unearned Fees  d. Increase in Common Stock  e. Increase in Depreciation Expense, Buildings  f. Increase in Interest Receivable  g. Decrease in Retained Earnings  h. Increase in Dividends  i. Increase in Notes Payable |

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| 3. | Indicate whether each account below has a normal debit or a normal credit balance.   |  |  | | --- | --- | | a. Automobiles | g. Dividends | | b. Accounts Payable | h. Retained Earnings | | c. Common Stock | i. Land | | d. Prepaid Rent | j. Interest Payable | | e. Advertising Expense | k. Notes Receivable | | f. Service Revenue |  | |

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| 4. | Indicate whether each account below has a normal debit or a normal credit balance.   |  |  | | --- | --- | | a. Cash | g. Interest Receivable | | b. Wages Payable | h. Store Equipment | | c. Wages Expense | i. Legal Fees Earned | | d. Unearned Fees | j. Common Stock | | e. Prepaid Insurance | k. Depreciation Expense, Buildings | | f. Notes Payable |  | |

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| 5. | In the journal provided, prepare journal entries without explanations for the following transactions. Write “no entry” if none is needed.  a. Received a $1,500 invoice for this month's rent. Payment will not be made right away.  b. Paid $1,600 in insurance premiums to cover the next six months.  c. A $350 dividend is declared and paid.  d. The rent of **a** is paid.  e. Purchased land for $60,000. The company paid half in cash and issued a promissory note for the other half. |
| 6. | Using the following transactions, calculate (a) the ending balance of Cash, (b) the ending balance of Accounts Receivable, (c) total liabilities, and (d) net income for the period.  a. Opened business by issuing common stock for $20,000.  b. Billed customers for services rendered, $4,000.  c. Paid for six months' subscription in advance, $1,000.  d. Received advertising bill, to be paid next week, $200.  e. Dividends of $1,600 were declared and paid.  f. Received $3,000 from customers billed in **b**.  g. Paid half of advertising bill.  h. Received $400 in advance of performing a service. |

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| 7. | Using the following transactions, calculate (a) net income for the period, as well as the ending balances of (b) total assets, (c) total liabilities, and (d) Cash.  a. Opened business by issuing common stock for $36,000.  b. Paid one year's insurance in advance, $2,400.  c. Billed customers for services rendered, $6,000.  d. Received utility bill, to be paid next month, $400.  e. Received $800 in advance of performing a service.  f. Received $4,400 from customers billed in **c**.  g. Paid $300 on the utility bill of **d**.  h. Dividends of $2,000 were declared and paid. |

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| 8. | In the journal provided, prepare journal entries (in good form) for the following transactions. If no entry is required, write “no entry.” Omit explanations.   |  |  |  | | --- | --- | --- | | Apr. | 1 | Investors opened a dry cleaning service, called Same Day Cleaners, by depositing $60,000 into a business bank account and receiving 60,000 shares of $1 par value stock in exchange. | |  | 3 | Paid two years' rent in advance, $14,400. | |  | 6 | Purchased dry cleaning equipment for $40,000. Paid $8,000 in cash, the remainder to be paid in two weeks. | |  | 9 | Hired a part-time worker, to be paid $300 per week, starting tomorrow. | |  | 17 | Paid the worker's weekly wage. | |  | 17 | Recorded cash received for services performed during the week, $3,000. | |  | 20 | Paid for the remainder of the equipment purchased on April 6. | |  | 21 | Received $200 in advance of cleaning and boxing a wedding gown. | |  | 23 | Performed $500 of dry cleaning services for Asa's Tuxedo Shop. It will remit payment in three days. | |  | 24 | Paid the weekly wages. | |  | 26 | Received payment from Asa's Tuxedo Shop. | |  | 30 | Received a telephone bill for $100, which will be paid in two weeks. | |

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| 9. | In the journal provided, prepare journal entries (in good form) for the following transactions. If no entry is required, write “no entry.” Omit explanations.   |  |  |  | | --- | --- | --- | | May | 1 | Investors opened a dry cleaning service, called Junction Cleaners, by depositing $100,000 into a business bank account and receiving 50,000 shares of $2 par value stock in exchange. | |  | 3 | Paid two years' rent in advance, $11,200. | |  | 6 | Purchased dry cleaning equipment for $36,000. Paid $14,000 in cash, the remainder to be paid in two weeks. | |  | 10 | Hired a worker, to be paid $550 per week. | |  | 17 | Paid the worker's weekly wage. | |  | 17 | Recorded cash received for services rendered during the week, $5,000. | |  | 20 | Paid for the remainder of the equipment purchased on May 6. | |  | 21 | Received $240 in advance of cleaning and boxing a wedding gown. | |  | 23 | Performed $390 of dry cleaning services for Tuxedos Unlimited. It will remit payment in three days. | |  | 24 | Paid the weekly wages. | |  | 26 | Received payment from Tuxedos Unlimited. | |  | 30 | Received a telephone bill for $114, which will be paid in two weeks. | |

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| 10. | In the journal provided, prepare journal entries (in good form) for the following transactions. If no entry is required, write “no entry.” Omit explanations.   |  |  |  | | --- | --- | --- | | Mar. | 1 | Investors opened a dance school, called Yolonda's Dance Studio, by depositing $15,000 into a business bank account in exchange for 15,000 shares of $1 par value stock. | |  | 2 | Paid three months' rent in advance, $1,800. | |  | 4 | Hired a part-time assistant, to be paid $250 per week, starting next week. | |  | 6 | Purchased sound equipment for $2,000. Paid $400 in cash, the remainder to be paid in installments of $800 every two weeks. | |  | 8 | Signed up five students, who will begin lessons on March 10, at $80 per week per student. | |  | 17 | Received the first week's tuition from four students; the fifth student will remit payment in three days. | |  | 17 | Paid the assistant his first week's wages. | |  | 20 | Received payment from the fifth student. | |  | 21 | Paid the first installment on the sound equipment purchased on March 6. | |  | 23 | Received an electric bill of $100, to be paid April 1. | |

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| 11. | In the journal provided, prepare journal entries (in good form) for the following transactions. If no entry is required, write “no entry.” Omit explanations.   |  |  |  | | --- | --- | --- | | Nov. | 1 | Investors opened a dance school called Olga's Dance Studio by depositing $24,000 into a business bank account in exchange for 24,000 shares of $1 par value stock. | |  | 2 | Paid three months' rent in advance, $2,400. | |  | 4 | Hired a part-time assistant, to be paid $275 per week. | |  | 6 | Purchased sound equipment for $4,200. Paid $600 in cash, the remainder to be paid in installments of $1,200 every two weeks. | |  | 8 | Signed up ten students, who will begin lessons on November 10, at $100 per week per student. | |  | 17 | Received the first week's tuition from nine students; the tenth student will remit payment in three days. | |  | 17 | Paid the assistant his first week's wages. | |  | 20 | Received payment from the tenth student. | |  | 20 | Paid the next installment on the sound equipment purchased on November 6. | |  | 23 | Received an electric bill of $150, to be paid on December 1. | |

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| 12. | Indicate by letter whether each item below would appear on the income statement (IS), balance sheet (BS), or statement of retained earnings (E).  \_\_\_\_\_\_\_\_ a. Common Stock  \_\_\_\_\_\_\_\_ b. Dividends  \_\_\_\_\_\_\_\_ c. Wages Expense  \_\_\_\_\_\_\_\_ d. Commissions Earned  \_\_\_\_\_\_\_\_ e. Buildings  \_\_\_\_\_\_\_\_ f. Accounts Payable  \_\_\_\_\_\_\_\_ g. Utilities Expense  \_\_\_\_\_\_\_\_ h. Beginning Retained Earnings  \_\_\_\_\_\_\_\_ i. Accounts Receivable  \_\_\_\_\_\_\_\_ j. Notes Payable |

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| 13. | Use the following accounts and information to prepare, in good form, an income statement, statement of retained earnings, and balance sheet for Cray Enterprises for the year ended December 31, 20x8.   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | Accounts Payable | $4,800 |  | Land | | $39,000 | | | Accounts Receivable | 600 |  | Notes Payable | | 6,000 | | | Buildings | 52,000 |  | Rent Expense | | 3,600 | | | Cash | 26,200 |  | Retained Earnings, | | 84,400 | | |  |  |  | | December 31, 20x7 | |  | | Commissions Earned | 19,000 |  | Salaries Expense | | 8,400 | | | Common Stock | 20,000 |  | Supplies | | 400 | | | Dividends | 3,000 |  |  | |  | | | Insurance Expense | 1,000 |  |  | |  | | |

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| 14. | Use the following accounts and information to prepare, in good form, an income statement, statement of retained earnings, and balance sheet for Hometown Industries for the month ended July 31, 20x7.   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | Accounts Payable | $3,100 |  | Land | | $35,000 | | Accounts Receivable | 1,400 |  | Notes Payable | | 3,300 | | Buildings | 22,000 |  | Rent Expense | | 2,400 | | Cash | 15,600 |  | Retained Earnings, | | 57,900 | |  |  |  |  | June 30, 20x7 |  | | Commissions Earned | 12,700 |  | Salaries Expense | | 10,000 | | Common Stock | 20,000 |  | Supplies | | 400 | | Dividends | 8,000 |  |  | |  | | Insurance Expense | 2,200 |  |  | |  | |

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| 15. | An examination of the Prepaid Insurance account shows a debit balance of $3,420 at the end of the accounting period before adjustment. Prepare journal entries to record the insurance expense for the period under each of the following independent assumptions:  a. An examination of insurance policies shows that insurance costing $1,200 has expired during the period.  b. An examination of insurance policies shows unexpired insurance of $2,640 at the end of the period. |

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| 16. | Answer the following questions. (Show your work.)  a. Equipment is purchased for $48,000, to be used for eight years. Assuming zero value at the end of eight years, what is the equipment's carrying value after two years and three months?  b. Prepaid Insurance has an $800 balance prior to adjustment. By year end, one-fourth has expired. What will be the balance in Prepaid Insurance after the adjusting entry has been made?  c. A company purchased $210 in supplies during the year, recorded $120 in Supplies Expense, and ended with $350 of supplies. What was the beginning balance of Supplies? |

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| 17. | In the journal provided, prepare adjusting entries for the following items. Omit explanations.  a. Depreciation on machinery is $940 for the accounting period.  b. Interest incurred on a loan but not paid or recorded is $635.  c. Office supplies of $600 were on hand at the beginning of the period. Purchases of office supplies during the period totaled $200. At the end of the period, $140 in office supplies remained.  d. Commissions amounting to $540 were earned but not recorded or collected by year end.  e. Prepaid Rent had an $8,000 normal balance prior to adjustment. By year end, 50 percent had expired.  f. Federal income taxes for the year are estimated to be $3,250. |

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| 18. | In the journal provided, prepare adjusting entries for the following items. Omit explanations.  a. Unrecorded interest on savings bonds is $680.  b. Property taxes incurred but not paid or recorded amount to $540.  c. Legal fees of $5,000 were collected in advance. By year end, 80 percent were still unearned.  d. Prepaid Insurance had a $1,600 debit balance prior to adjustment. By year end, 25 percent was still unexpired.  e. Salaries incurred by year end but not yet paid or recorded amounted to $1,375.  f. Services totaling $900 have been performed but not yet recorded or billed. |

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| 19. | In the journal provided, prepare year-end adjustments for the following situations. Omit explanations.  a. Accrued interest on notes receivable is $105.  b. Of the $12,000 received in advance of earning a service, one-third was still unearned by year end.  c. Three years' rent, totaling $36,000, was paid in advance at the beginning of the year.  d. Services totaling $5,300 had been performed, but not yet billed.  e. Depreciation on trucks totaled $3,400 for the year.  f. Supplies available for use totaled $690. However, by year end, only $100 in supplies remained.  g. Payroll for the five-day work week, to be paid on Friday, is $30,000. Year end falls on a Monday.  h. Estimated federal income taxes were $4,160. |

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| 20. | Scuilli Corporation purchased $5,000 worth of merchandise, terms n/30, from the Zupcic Corporation on June 4. The cost of the merchandise to Zupcic was $3,600. On June 10, Scuilli returned $700 worth of goods to Zupcic for full credit. The goods had a cost of $450 to Zupcic. On June 12, the account was paid in full. Prepare journal entries without explanations to record these transactions in (a) Scuilli's records and (b) Zupcic's records. Assume use of the perpetual inventory system by both companies.  a. Scuilli's records:  b. Zupcic's records: |

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| 21. | Sandy's Supply Store, Inc., entered into the transactions listed below. In the journal provided, prepare Sandy's entries, assuming use of the perpetual inventory system. Omit explanations.   |  |  |  | | --- | --- | --- | | Mar. | 2 | Purchased $900 of merchandise on credit, terms n/30. | |  | 6 | Returned $150 of the items purchased on March 2. | |  | 8 | Paid freight charges of $50 on the items purchased March 2. | |  | 16 | Sold merchandise on credit for $1,200, terms n/15. The merchandise had a cost in inventory of $750. | |  | 17 | Of the merchandise sold on March 16, $100 of it was returned. The items had cost Sandy's $30. | |  | 25 | Received payment in full from the customer of March 16. | |  | 31 | Paid for the merchandise purchased on March 2. | |

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| 22. | For each of the items below, use the following letters to identify the correct treatment in a bank reconciliation.   |  |  | | --- | --- | | A = Add to balance per bank | C = Add to balance per books | | B = Deduct from balance per bank | D = Deduct from balance per books |   \_\_\_\_ 1. Interest income  \_\_\_\_ 2. Outstanding checks  \_\_\_\_ 3. Check written for $89, but $98 recorded in books  \_\_\_\_ 4. Customer's NSF check  \_\_\_\_ 5. Note receivable collected by bank  \_\_\_\_ 6. Deposit made for $70, but $700 recorded in books  \_\_\_\_ 7. Bank check-printing charge  \_\_\_\_ 8. Check written for $52, but $25 recorded in books  \_\_\_\_ 9. Deposits in transit  \_\_\_\_ 10. Bank fee for collection on note receivable |

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| 23. | On December 31, Skinner Enterprises has a $400 debit balance in Allowance for Uncollectible Accounts. If an accounts receivable aging method analysis indicated that an estimated $3,200 of December 31 receivables are uncollectible, for what amount would the adjusting entry for uncollectible accounts be recorded? (Show your work.) |

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| 24. | On December 31, Alsop Products has a $300 credit balance in Allowance for Uncollectible Accounts. It estimates that 4 percent of the $60,000 in sales are uncollectible. After the appropriate adjusting entry for uncollectible accounts has been made, what will be the balance in Allowance for Uncollectible Accounts? Indicate if the balance is a debit or credit. (Show your work.) |

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| 25. | At year end, Erwin Graphics has a $350 debit balance in Allowance for Uncollectible Accounts. It estimates that 5 percent of the $20,000 in sales are uncollectible. Give the amount that should be used in the adjusting entry to record uncollectible accounts. (Show your calculations.) |

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| 26. | At year end, Gorgin Design Company has a $1,800 credit balance in Allowance for Uncollectible Accounts. If an accounts receiving aging method analysis indicates that an estimated $11,400 of year-end receivables are uncollectible, what will be the balance in Allowance for Uncollectible Accounts after the appropriate adjusting entry for uncollectible accounts has been made? Indicate if the balance is a debit or credit. |

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| 27. | Assume that part of accounts and other receivables on Thompson Toys' February 2, 20x7, balance sheet is $16 million of accounts receivable. Also assume that Allowance for Uncollectible Accounts has a credit balance of $550,000 and that Thompson estimates its uncollectible accounts as 0.1 percent of net sales. Record the adjusting entry to recognize uncollectible accounts. |

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| 28. | Assume that part of accounts and other receivables on Thompson Toys' balance sheet is $16 million of accounts receivable and that Thompson estimates its uncollectible accounts as 2 percent of all accounts receivable. Record the adjusting entry to recognize uncollectible accounts if the Allowance for Uncollectible Accounts has a balance of:  a. $104,000 credit  b. $46,000 debit |
| 29. | Assume that part of accounts and other receivables on Thompson Toys' February 2, 20x7, balance sheet is comprised of $43,225,000 of notes receivable. Two notes make up the amount. The first note has a face value of $30,000,000 and bears interest at 7 percent for 90 days. The second note has a face value of $13,225,000 and bears interest at 9 percent for 120 days. Record the journal entry for the collection of the 7 percent note on May 3 and the dishonor of the 9 percent note on June 2. (Omit explanations; assume no interest had been accrued.) |
| 30. | In the journal provided, prepare entries for the following (assume a calendar-year accounting period):   |  |  |  | | --- | --- | --- | | Dec. | 1 | Received a three-month, 15 percent note receivable for $3,120 from a customer as an extension of his past-due account. | |  | 31 | Made the year-end adjustment for accrued interest. | | Mar. | 1 | Received full payment on the note. | |

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| 31. | Determine the interest on the following notes payable:  a. $3,000 at 10 percent for 60 days  b. $600 at 16 percent for 4 months  c. $5,000 at 12 percent for 45 days  d. $900 at 14 percent for 30 days |

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| 32. | The following information pertains to the bank transactions of Crawford Company:   |  |  | | --- | --- | | a. | Cash on the books as of September 30 was $499. Cash as shown on the bank statement for the same date was $1,330. | | b. | A deposit of $160, representing cash receipts of September 30, did not appear on the bank statement. | | c. | Outstanding checks totaled $240. | | d. | Bank service charges for September amounted to $9. | | e. | The bank collected for Crawford Company $840 (which includes $40 interest) on a note left for collection. | | f. | An NSF check for $80 from a customer, Jack Betz, was returned with the statement. |   1. Prepare a bank reconciliation for Crawford Company as of September 30.  2. State the amount of cash that would appear on the balance sheet as of September 30. |

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| 33. | The general ledger account for Accounts Receivable shows a debit balance of $37,500. The Allowance for Uncollectible Accounts has a debit balance of $1,000. Net sales for the year were $375,000. In the past, 2 percent of net sales have proved uncollectible. An aging of accounts receivable accounts results in an estimate of $6,250 of uncollectible accounts receivable. Calculate (1) Uncollectible Accounts Expense and (2) the ending balance of the Allowance for Uncollectible Accounts using (a) the percentage of net sales method and (b) the accounts receivable aging method. |

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| 34. | The general ledger account for Accounts Receivable shows a debit balance of $40,000. The Allowance for Uncollectible Accounts has a credit balance of $2,000. Net sales for the year were $250,000. In the past, 3 percent of net sales have proved uncollectible. An aging of accounts receivable accounts results in an estimate of $9,000 of uncollectible accounts receivable. Calculate (1) Uncollectible Accounts Expense and (2) the ending balance of the Allowance for Uncollectible Accounts using (a) the percentage of net sales method and (b) the accounts receivable aging method. |

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| 35. | Caplan Corporation uses the accounts receivable aging method to account for Uncollectible Accounts Expense. As of December 31, Caplan's accountant prepared the following data about ending receivables: $20,000 was not yet due (1 percent expected not to be collected), $10,000 was 1-60 days past due (4 percent expected not to be collected), and $2,000 was over 60 days past due (8 percent expected not to be collected). At December 31, Allowance for Uncollectible Accounts had a credit balance prior to adjustment of $200. In the journal provided, prepare Caplan's end-of-period adjustment for estimated uncollectible accounts. Also prepare the entry that would have been made had the *credit* balance instead been a *debit* balance. |

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| 36. | Assuming that the allowance method is being used, prepare journal entries to record the following transactions. Omit explanations.   |  |  |  |  | | --- | --- | --- | --- | | Mar. | 15 |  | Sold merchandise to Faust for $6,000 on account. | | Apr. | 15 |  | Received $3,000 from Faust. | | Aug. | 15 |  | Wrote off Faust's account as uncollectible. | | Nov. | 15 |  | Unexpectedly received payment in full from Faust. | |

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| 37. | In the journal provided, prepare the entries for the following transactions. (Omit explanations.)   |  |  |  |  | | --- | --- | --- | --- | | Dec. | 1 |  | Sold merchandise on account to Katurah Wells for $600. | |  | 12 |  | Received payment of $400 from Katurah Wells. | |  | 31 |  | Made adjusting entry for Uncollectible Accounts Expense, using the percentage of net sales method. Net sales for the year totaled $14,000, uncollectible accounts are estimated at 2 percent, and Allowance for Uncollectible Accounts has a $50 credit balance prior to adjustment. | | Feb. | 5 |  | Wrote off Katurah Wells's balance because she filed for bankruptcy. | |  | 17 |  | Unexpectedly received the $200 from Katurah Wells. | |

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| 38. | Indicate whether each of the following assets is subject to depreciation (D), depletion (DL), amortization (A), or none of these (X).   |  |  |  |  | | --- | --- | --- | --- | | \_\_\_\_\_ | 1. Copyrights | \_\_\_\_\_ | 6. Trademark | | \_\_\_\_\_ | 2. Patents | \_\_\_\_\_ | 7. Mineral deposit | | \_\_\_\_\_ | 3. Oil well | \_\_\_\_\_ | 8. Office equipment | | \_\_\_\_\_ | 4. Company vehicle | \_\_\_\_\_ | 9. Office supplies | | \_\_\_\_\_ | 5. Land | \_\_\_\_\_ | 10. Leasehold improvement | |

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| 39. | Press Corporation purchased a truck for $40,000. The company expected the truck to last four years or 100,000 miles, with an estimated residual value of $4,000 at the end of that time. During the second year, the truck was driven 27,500 miles. Compute the depreciation for the *second* year under each of the following methods: (a) straight-line, (b) production, and (c) double-declining-balance. (Show your work.) |

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| 40. | Saticoy Corporation purchased a truck for $50,000. The company expected the truck to last five years or 100,000 miles, with an estimated residual value of $5,000 at the end of that time. During the second year, the truck was driven 23,000 miles. Compute the depreciation for the *second* year under each of the following methods: (a) straight-line, (b) production, and (c) double-declining-balance. (Show your work.) |

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| 41. | Speedy Printing purchased a new printing press for $80,000. It depreciates the press over a five-year period, using the double-declining-balance method of depreciation. If the press has an $8,000 estimated residual value, calculate depreciation expense for each of the five years. (Show your work.) |

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| 42. | In 20xx, Minneapolis Mining purchased a mineral deposit for $12,000,000. It is estimated that 15,000,000 tons can be extracted from the mine. Calculate depletion expense during 20xx when 700,000 tons were extracted and sold. |

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| 43. | In 20xx, Massachusetts Mining purchased a mineral deposit for $36,000,000. It is estimated that 15,000,000 tons can be extracted from the mine. Calculate depletion expense during 20xx when 800,000 tons were extracted and sold. |

**Answer Key**

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| --- | --- |
| 1. | a. Debit  b. Credit  c. Credit  d. Credit  e. Debit  f. Debit  g. Debit  h. Credit  i. Credit |
| 2. | a. Credit  b. Credit  c. Debit  d. Credit  e. Debit  f. Debit  g. Debit  h. Debit  i. Credit |
| 3. | |  |  | | --- | --- | | a. Debit | g. Debit | | b. Credit | h. Credit | | c. Credit | i. Debit | | d. Debit | j. Credit | | e. Debit | k. Debit | | f. Credit |  | |
| 4. | |  |  | | --- | --- | | a. Debit | g. Debit | | b. Credit | h. Debit | | c. Debit | i. Credit | | d. Credit | j. Credit | | e. Debit | k. Debit | | f. Credit |  | |
| 5. | |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | General Journal | | | | | Page 1 | | Date | Description | | Post.  Ref. | Debit | Credit | |  | a. Rent Expense | |  | 1,500 |  | |  |  | Rent Payable (or Accounts Payable) |  |  | 1,500 | |  |  | |  |  |  | |  | b. Prepaid Insurance | |  | 1,600 |  | |  |  | Cash |  |  | 1,600 | |  |  | |  |  |  | |  | c. Dividends | |  | 350 |  | |  |  | Cash |  |  | 350 | |  |  | |  |  |  | |  | d. Rent Payable (or Accounts Payable) | |  | 1,500 |  | |  |  | Cash |  |  | 1,500 | |  |  | |  |  |  | |  | e. Land | |  | 60,000 |  | |  |  | Cash |  |  | 30,000 | |  |  | Notes Payable |  |  | 30,000 | |
| 6. | a. $20,700 debit ($20,000 + $3,000 + $400 – $1,000 – $1,600 – $100)  b. $1,00 debit ($4,000 – $3,000)  c. $500 ($200 + $400 – $100)  d. $3,800 ($4,000 – $200) |
| 7. | a. $5,600 ($6,000 – $400)  b. $40,500 ($36,000 + $6,000 + $800 – $300 – $2,000)  c. $900 ($400 + $800 – $300)  d. $36,500 debit ($36,000 + $800 + $4,400 – $2,400 – $300 – $2,000) |
| 8. | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | General Journal | | | | | | Page 1 | | Date | | Description | | Post.  Ref. | Debit | Credit | | Apr. | 1 | Cash | |  | 60,000 |  | |  |  |  | Common Stock |  |  | 60,000 | |  |  |  | |  |  |  | |  | 3 | Prepaid Rent | |  | 14,400 |  | |  |  |  | Cash |  |  | 14,400 | |  |  |  | |  |  |  | |  | 6 | Dry Cleaning Equipment | |  | 40,000 |  | |  |  |  | Cash |  |  | 8,000 | |  |  |  | Accounts Payable |  |  | 32,000 | |  |  |  | |  |  |  | |  | 9 | No entry | |  |  |  | |  |  |  | |  |  |  | |  | 17 | Wages Expense | |  | 300 |  | |  |  |  | Cash |  |  | 300 | |  |  |  | |  |  |  | |  | 17 | Cash | |  | 3,000 |  | |  |  |  | Dry Cleaning Revenue |  |  | 3,000 | |  |  |  | |  |  |  | |  | 20 | Accounts Payable | |  | 32,000 |  | |  |  |  | Cash |  |  | 32,000 | |  |  |  | |  |  |  | |  | 21 | Cash | |  | 200 |  | |  |  |  | Unearned Dry Cleaning Revenue |  |  | 200 | |  |  |  | |  |  |  | |  | 23 | Accounts Receivable | |  | 500 |  | |  |  |  | Dry Cleaning Revenue |  |  | 500 | |  |  |  | |  |  |  | |  | 24 | Wages Expense | |  | 300 |  | |  |  |  | Cash |  |  | 300 | |  |  |  | |  |  |  | |  | 26 | Cash | |  | 500 |  | |  |  |  | Accounts Receivable |  |  | 500 | |  |  |  | |  |  |  | |  | 30 | Telephone Expense | |  | 100 |  | |  |  |  | Accounts Payable |  |  | 100 | |
| 9. | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | General Journal | | | | | | Page 1 | | Date | | Description | | Post.  Ref. | Debit | Credit | | May | 1 | Cash | |  | 100,000 |  | |  |  |  | Common Stock |  |  | 100,000 | |  |  |  | |  |  |  | |  | 3 | Prepaid Rent | |  | 11,200 |  | |  |  |  | Cash |  |  | 11,200 | |  |  |  | |  |  |  | |  | 6 | Dry Cleaning Equipment | |  | 36,000 |  | |  |  |  | Cash |  |  | 14,000 | |  |  |  | Accounts Payable |  |  | 22,000 | |  |  |  | |  |  |  | |  | 10 | No entry | |  |  |  | |  |  |  | |  |  |  | |  | 17 | Wages Expense | |  | 550 |  | |  |  |  | Cash |  |  | 550 | |  |  |  | |  |  |  | |  | 17 | Cash | |  | 5,000 |  | |  |  |  | Dry Cleaning Revenue |  |  | 5,000 | |  |  |  | |  |  |  | |  | 20 | Accounts Payable | |  | 22,000 |  | |  |  |  | Cash |  |  | 22,000 | |  |  |  | |  |  |  | |  | 21 | Cash | |  | 240 |  | |  |  |  | Unearned Dry Cleaning Revenue |  |  | 240 | |  |  |  | |  |  |  | |  | 23 | Accounts Receivable | |  | 390 |  | |  |  |  | Dry Cleaning Revenue |  |  | 390 | |  |  |  | |  |  |  | |  | 24 | Wages Expense | |  | 550 |  | |  |  |  | Cash |  |  | 550 | |  |  |  | |  |  |  | |  | 26 | Cash | |  | 390 |  | |  |  |  | Accounts Receivable |  |  | 390 | |  |  |  | |  |  |  | |  | 30 | Telephone Expense | |  | 114 |  | |  |  |  | Accounts Payable |  |  | 114 | |
| 10. | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | General Journal | | | | | | Page 1 | | Date | | Description | | Post.  Ref. | Debit | Credit | | Mar. | 1 | Cash | |  | 15,000 |  | |  |  |  | Common Stock |  |  | 15,000 | |  |  |  | |  |  |  | |  | 2 | Prepaid Rent | |  | 1,800 |  | |  |  |  | Cash |  |  | 1,800 | |  |  |  | |  |  |  | |  | 4 | No entry | |  |  |  | |  |  |  | |  |  |  | |  | 6 | Sound Equipment | |  | 2,000 |  | |  |  |  | Cash |  |  | 400 | |  |  |  | Accounts Payable |  |  | 1,600 | |  |  |  | |  |  |  | |  | 8 | No entry | |  |  |  | |  |  |  | |  |  |  | |  | 17 | Cash | |  | 320 |  | |  |  | Accounts Receivable | |  | 80 |  | |  |  |  | Tuition Revenue |  |  | 400 | |  |  |  | |  |  |  | |  | 17 | Wages Expense | |  | 250 |  | |  |  |  | Cash |  |  | 250 | |  |  |  | |  |  |  | |  | 20 | Cash | |  | 80 |  | |  |  |  | Accounts Receivable |  |  | 80 | |  |  |  | |  |  |  | |  | 21 | Accounts Payable | |  | 800 |  | |  |  |  | Cash |  |  | 800 | |  |  |  | |  |  |  | |  | 23 | Utilities Expense | |  | 100 |  | |  |  |  | Accounts Payable |  |  | 100 | |
| 11. | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | General Journal | | | | | | Page 1 | | Date | | Description | | Post.  Ref. | Debit | Credit | | Nov. | 1 | Cash | |  | 24,000 |  | |  |  |  | Common Stock |  |  | 24,000 | |  |  |  | |  |  |  | |  | 2 | Prepaid Rent | |  | 2,400 |  | |  |  |  | Cash |  |  | 2,400 | |  |  |  | |  |  |  | |  | 4 | No entry | |  |  |  | |  |  |  | |  |  |  | |  | 6 | Sound Equipment | |  | 4,200 |  | |  |  |  | Cash |  |  | 600 | |  |  |  | Accounts Payable |  |  | 3,600 | |  |  |  | |  |  |  | |  | 8 | No entry | |  |  |  | |  |  |  | |  |  |  | |  | 17 | Cash | |  | 900 |  | |  |  | Accounts Receivable | |  | 100 |  | |  |  |  | Tuition Revenue |  |  | 1,000 | |  |  |  | |  |  |  | |  | 17 | Wages Expense | |  | 275 |  | |  |  |  | Cash |  |  | 275 | |  |  |  | |  |  |  | |  | 20 | Cash | |  | 100 |  | |  |  |  | Accounts Receivable |  |  | 100 | |  |  |  | |  |  |  | |  | 20 | Accounts Payable | |  | 1,200 |  | |  |  |  | Cash |  |  | 1,200 | |  |  |  | |  |  |  | |  | 23 | Utilities Expense | |  | 150 |  | |  |  |  | Accounts Payable |  |  | 150 | |
| 12. | |  |  | | --- | --- | | a. BS | f. BS | | b. E | g. IS | | c. IS | h. E | | d. IS | i. BS | | e. BS | j. BS | |
| 13. | |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Cray Enterprises** | | | | | | **Income Statement** | | | | | | **For the Year Ended December 31, 20x8** | | | | | | **Revenues** | | | | | |  | Commissions earned |  | | $19,000 | |  |  |  | |  | | Expenses | | | | | |  | Insurance expense | $1,000 |  | | |  | Rent expense | 3,600 |  | | |  | Salaries expense | 8,400 | 13,000 | | | Net income | |  | $ 6,000 | |  |  |  | | --- | --- | | **Cray Enterprises** | | | **Statement of Retained Earnings** | | | **For the Year Ended December 31, 20x8** | | | Retained earnings, December 31, 20x7 | $84,400 | | Net income for the year | 6,000 | | Subtotal | $90,400 | | Less dividends | 3,000 | | Retained earnings, December 31, 20x8 | $87,400 |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **Cray Enterprises** | | | | | | | **Balance Sheet** | | | | | | | **December 31, 20x8** | | | | | | | **Assets** | | **Liabilities** | | | | | Cash | $ 26,200 | Accounts payable | | $ 4,800 |  | | Accounts receivable | 600 | Notes payable | | 6,000 |  | | Supplies | 400 | Total liabilities | |  | $ 10,800 | | Land | 39,000 |  | |  |  | | Buildings | 52,000 | **Stockholders' Equity** | | | | |  |  | Common stock | | $20,000 |  | |  |  | Retained earnings | | 87,400 |  | |  |  | Total stockholders' | |  |  | |  |  |  | equity | | 107,400 | |  | | | | | | |  |  | Total liabilities and | | |  | | Total assets | $118,200 |  | stockholders' equity | | $118,200 | |
| 14. | |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Hometown Industries** | | | | | | **Income Statement** | | | | | | **For the Month Ended July 31, 20x8** | | | | | | Revenues | | | | | |  | Commissions earned |  | | $12,700 | |  |  |  | |  | | Expenses | | | | | |  | Insurance expense | $ 2,200 |  | | |  | Rent expense | 2,400 |  | | |  | Salaries expense | 10,000 | 14,600 | | | Net loss | |  | ($ 1,900) | |  |  |  | | --- | --- | | **Hometown Industries** | | | **Statement of Retained Earnings** | | | **For the Month Ended July 31, 20x8** | | | Retained earnings, June 30, 20x8 | $57,900 | | Net loss for the month | (1,900) | | Subtotal | $56,000 | | Less dividends | 8,000 | | Retained earnings, July 31, 20x8 | $48,000 |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **Hometown Industries** | | | | | | | **Balance Sheet** | | | | | | | **July 31, 20x8** | | | | | | | **Assets** | | **Liabilities** | | | | | Cash | $15,600 | Accounts payable | | $ 3,100 |  | | Accounts Receivable | 1,400 | Notes payable | | 3,300 |  | | Supplies | 400 | Total liabilities | |  | $ 6,400 | | Land | 35,000 |  | |  |  | | Buildings | 22,000 | **Stockholders' Equity** | | | | |  |  | Common stock | | $20,000 |  | |  |  | Retained earnings | | 48,000 |  | |  |  | Total stockholders' | |  |  | |  |  |  | equity | | 68,000 | |  | | | | | | |  |  | Total liabilities and | | |  | | Total assets | $74,400 |  | Stockholders' equity | | $74,400 | |
| 15. | a.   |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | General Journal | | | | | | | Page 1 | | Date | | Description | | | Post.  Ref. | Debit | Credit | |  |  | Insurance Expense | | |  | $1,200 |  | |  |  |  | Prepaid Insurance | |  |  | $1,200 | |  |  |  | Recorded expired insurance | |  |  |  | |  |  |  | | |  |  |  | |  |  |  | |  |  |  |  |   b.   |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | General Journal | | | | | | | Page 1 | | Date | | Description | | | Post.  Ref. | Debit | Credit | |  |  | Insurance Expense | | |  | $780 |  | |  |  |  | Prepaid Insurance | |  |  | $780 | |  |  |  | Recorded expired insurance | |  |  |  | |  |  |  | | |  |  |  | |  |  |  | |  |  |  |  | |
| 16. | a. $34,500 [$48,000 - ($48,000 ÷ 8 = $6,000 ÷ 12 = $500 × 27 months = $13,500)]  b. $600 [$800 - ($800 ÷ 4)]  **c. $260 ($350 + $120 = $470 - $210)** |
| 17. | |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | General Journal | | | | | Page 1 | | Date | Description | | Post.  Ref. | Debit | Credit | | a. | Depreciation Expense-Machinery | |  | 940 |  | |  |  | Accumulated Depreciation-Machinery |  |  | 940 | |  |  |  |  |  |  | | b. | Interest Expense | |  | 635 |  | |  |  | Interest Payable |  |  | 635 | |  |  |  |  |  |  | | c. | Office Supplies Expense | |  | 660 |  | |  |  | Office Supplies |  |  | 660 | |  |  |  |  |  |  | | d. | Accounts Receivable | |  | 540 |  | |  |  | Commissions Earned |  |  | 540 | |  |  |  |  |  |  | | e. | Rent Expense | |  | 4,000 |  | |  |  | Prepaid Rent |  |  | 4,000 | |  |  |  |  |  |  | | f. | Income Taxes Expense | |  | 3,250 |  | |  |  | Income Taxes Payable |  |  | 3,250 | |
| 18. | |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | General Journal | | | | | Page 1 | | Date | Description | | Post.  Ref. | Debit | Credit | | a. | Interest Receivable | |  | 680 |  | |  |  | Interest Income |  |  | 680 | |  |  |  |  |  |  | | b. | Property Taxes Expense | |  | 540 |  | |  |  | Property Taxes Payable |  |  | 540 | |  |  |  |  |  |  | | c. | Unearned Legal Fees | |  | 1,000 |  | |  |  | Legal Fees Earned |  |  | 1,000 | |  |  |  |  |  |  | | d. | Insurance Expense | |  | 1,200 |  | |  |  | Prepaid Insurance |  |  | 1,200 | |  |  |  |  |  |  | | e. | Salaries Expense | |  | 1,375 |  | |  |  | Salaries Payable |  |  | 1,375 | |  |  |  |  |  |  | | f. | Accounts Receivable | |  | 900 |  | |  |  | Service Revenue Earned |  |  | 900 | |
| 19. | |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | General Journal | | | | | Page 1 | | Date | Description | | Post.  Ref. | Debit | Credit | | a. | Interest Receivable | |  | 105 |  | |  |  | Interest Income |  |  | 105 | |  |  |  |  |  |  | | b. | Unearned Revenue | |  | 8,000 |  | |  |  | Service Revenue |  |  | 8,000 | |  |  |  |  |  |  | | c. | Rent Expense | |  | 12,000 |  | |  |  | Prepaid Rent |  |  | 12,000 | |  |  |  |  |  |  | | d. | Accounts Receivable | |  | 5,300 |  | |  |  | Service Revenue |  |  | 5,300 | |  |  |  |  |  |  | | e. | Depreciation Expense-Trucks | |  | 3,400 |  | |  |  | Accumulated Depreciation-Trucks |  |  | 3,400 | |  |  |  |  |  |  | | f. | Supplies Expense | |  | 590 |  | |  |  | Supplies |  |  | 590 | |  |  |  |  |  |  | | g. | Wages Expense | |  | 6,000 |  | |  |  | Wages Payable |  |  | 6,000 | |  |  |  |  |  |  | | h. | Income Taxes Expense | |  | 4,160 |  | |  |  | Income Taxes Payable |  |  | 4,160 | |
| 20. | a. Scuilli's records:   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | General Journal | | | | | | Page 1 | | Date | | Description | | Post.  Ref. | Debit | Credit | | June | 4 | Merchandise Inventory | |  | 5,000 |  | |  |  |  | Accounts Payable |  |  | 5,000 | |  |  |  |  |  |  |  | |  | 10 | Accounts Payable | |  | 700 |  | |  |  |  | Merchandise Inventory |  |  | 700 | |  |  |  |  |  |  |  | |  | 12 | Accounts Payable | |  | 4,300 |  | |  |  |  | Cash |  |  | 4,300 |   b. Zupcic's records:   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | General Journal | | | | | | Page 1 | | Date | | Description | | Post.  Ref. | Debit | Credit | | June | 4 | Accounts Receivable | |  | 5,000 |  | |  |  |  | Sales |  |  | 5,000 | |  |  |  |  |  |  |  | |  | 4 | Cost of Goods Sold | |  | 3,600 |  | |  |  |  | Merchandise Inventory |  |  | 3,600 | |  |  |  |  |  |  |  | |  | 10 | Sales Returns and Allowances | |  | 700 |  | |  |  |  | Accounts Receivable |  |  | 700 | |  |  |  |  |  |  |  | |  | 10 | Merchandise Inventory | |  | 450 |  | |  |  |  | Cost of Goods Sold |  |  | 450 | |  |  |  |  |  |  |  | |  | 12 | Cash | |  | 4,300 |  | |  |  |  | Accounts Receivable |  |  | 4,300 | |
| 21. | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | General Journal | | | | | | Page 1 | | Date | | Description | | Post.  Ref. | Debit | Credit | | Mar. | 2 | Merchandise Inventory | |  | 900 |  | |  |  |  | Accounts Payable |  |  | 900 | |  |  |  |  |  |  |  | |  | 6 | Accounts Payable | |  | 150 |  | |  |  |  | Merchandise Inventory |  |  | 150 | |  |  |  |  |  |  |  | |  | 8 | Freight-In | |  | 50 |  | |  |  |  | Cash |  |  | 50 | |  |  |  |  |  |  |  | |  | 16 | Accounts Receivable | |  | 1,200 |  | |  |  |  | Sales |  |  | 1,200 | |  |  |  |  |  |  |  | |  | 16 | Cost of Goods Sold | |  | 750 |  | |  |  |  | Merchandise Inventory |  |  | 750 | |  |  |  |  |  |  |  | |  | 17 | Sales Returns and Allowances | |  | 100 |  | |  |  |  | Accounts Receivable |  |  | 100 | |  |  |  |  |  |  |  | |  | 17 | Merchandise Inventory | |  | 30 |  | |  |  |  | Cost of Goods Sold |  |  | 30 | |  |  |  |  |  |  |  | |  | 25 | Cash | |  | 1,100 |  | |  |  |  | Accounts Receivable |  |  | 1,100 | |  |  |  |  |  |  |  | |  | 31 | Accounts Payable | |  | 750 |  | |  |  |  | Cash |  |  | 750 | |
| 22. | 1. C  2. B  3. C  4. D  5. C  6. D  7. D  8. D  9. A  10. D |
| 23. | $3,600 ($3,200 + $400) |
| 24. | $2,700 credit ($60,000 × 4/100 = $2,400 + $300) |
| 25. | $1,000 credit to Allowance for Uncollectible Accounts ($20,000 × 5/100) |
| 26. | $11,400 credit |
| 27. | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | General Journal | | | | | | Page 1 | | Date | | Description | | Post.  Ref. | Debit | Credit | | 20x7 |  |  | |  |  |  | | Feb. | 2 | Uncollectible Accounts Expense | |  | 11,019,000 |  | |  |  |  | Allowance for Uncollectible Accounts |  |  | 11,019,000 | |
| 28. | |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | General Journal | | | | | | | Page 1 | | Date | | Description | | | Post.  Ref. | Debit | Credit | | a. |  | Uncollectible Accounts Expense | | |  | 216,000 |  | |  |  |  | Allowance for Uncollectible Accounts | |  |  | 216,000 | |  |  |  | | To adjust balance in the Allowance Account from $104,000 to $320,000. |  |  |  | |  |  |  | | |  |  |  | | b. |  | Uncollectible Accounts Expense | | |  | 366,000 |  | |  |  |  | Allowance for Uncollectible Accounts | |  |  | 366,000 | |  |  |  | | To adjust balance in the Allowance Account from $46,000 debit to $320,000 credit. |  |  |  | |
| 29. | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | General Journal | | | | | | Page 1 | | Date | | Description | | Post.  Ref. | Debit | Credit | | May | 3 | Cash | |  | 30,517,808 |  | |  |  |  | Notes Receivable |  |  | 30,000,000 | |  |  |  | Interest Income |  |  | 517,808 | |  |  |  | |  |  |  | | June | 2 | Accounts Receivable | |  | 13,616,315 |  | |  |  |  | Notes Receivable |  |  | 13,225,000 | |  |  |  | Interest Income |  |  | 391,315 | |
| 30. | |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | General Journal | | | | | | | Page 1 | | Date | | Description | | | Post.  Ref. | Debit | Credit | | Dec. | 1 | Notes Receivable | | |  | 3,120 |  | |  |  |  | Accounts Receivable | |  |  | 3,120 | |  |  |  | | |  |  |  | |  | 31 | Interest Receivable | | |  | 39 |  | |  |  |  | Interest Income | |  |  | 39 | |  |  |  | | $3,120 × 15/100 × 1/12 |  |  |  | |  |  |  |  | |  |  |  | | Mar. | 1 | Cash | | |  | 3,237 |  | |  |  |  | Notes Receivable | |  |  | 3,120 | |  |  |  | Interest Receivable | |  |  | 39 | |  |  |  | Interest Income | |  |  | 78 | |  |  |  | | $3,120 × 15/100 × 2/12 |  |  |  | |
| 31. | a. $49.32 ($3,000 × 10/100 × 60/365)  b. $32.00 ($600 × 16/100 × 4/12)  c. $73.97 ($5,000 × 12/100 × 45/365)  d. $10.36 ($900 × 14/100 × 30/365) |
| 32. | 1.   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Crawford Company** | | | | | | **Bank Reconciliation** | | | | | | **September 30, 20x7** | | | | | | Balance per bank, September 30 | | |  | $1,330 | |  | Add deposit in transit | |  | 160 | |  |  | |  | $1,490 | |  | Less outstanding checks | |  | 240 | | Adjusted bank balance, September 30 | | |  | $1,250 | |  |  | |  |  | | Balance per books, September 30 | | |  | $ 449 | |  | Add: | |  |  | |  | | Note collected by bank | $800 |  | |  | | Interest on note collected by bank | 40 | 840 | |  |  | |  | $1,339 | | Less: | | |  |  | |  | Bank service charges | | $ 9 |  | |  | NSF check of Jack Betz | | 80 | 89 | | Adjusted book balance, September 30 | | |  | $1,250 |   2. $1,250 |
| 33. | |  |  | | --- | --- | | 1. | (a) $7,500 ($375,000 × 2/100)  (b) $7,200 ($6,250 + $1,000) | | 2. | (a) $6,500 ($7,500 – $1,000)  (b) $6,250 (given) | |
| 34. | |  |  | | --- | --- | | 1. | (a) $7,500 ($250,000 × 3/100)  (b) $7,000 ($9,000 – $2,000) | | 2. | (a) $9,500 ($7,500 + $2,000)  (b) $9,000 (given) | |
| 35. | |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | General Journal | | | | | | | Page 1 | | Date | | Description | | | Post.  Ref. | Debit | Credit | | Dec. | 31 | Uncollectible Accounts Expense | | |  | 560 |  | |  |  |  | Allowance for Uncollectible Accounts | |  |  | 560 | |  |  |  | | Entry assuming $200 credit balance. [($20,000 × 1/100) + ($10,000 × 4/100) + ($2,000 × 8/100)] – $200 |  |  |  | |  |  |  | | |  |  |  | |  | 31 | Uncollectible Accounts Expense | | |  | 960 |  | |  |  |  | Allowance for Uncollectible Accounts | |  |  | 960 | |  |  |  | | Entry assuming $200 debit balance. [($20,000 × 1/100) + ($10,000 × 4/100) + ($2,000 × 8/100)] + $200 |  |  |  | |
| 36. | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | General Journal | | | | | | Page 1 | | Date | | Description | | Post.  Ref. | Debit | Credit | | Mar. | 15 | Accounts Receivable | |  | 6,000 |  | |  |  |  | Sales |  |  | 6,000 | |  |  |  | |  |  |  | | Apr. | 15 | Cash | |  | 3,000 |  | |  |  |  | Accounts Receivable |  |  | 3,000 | |  |  |  | |  |  |  | | Aug. | 15 | Allowance for Uncollectible Accounts | |  | 3,000 |  | |  |  |  | Accounts Receivable |  |  | 3,000 | |  |  |  | |  |  |  | | Nov. | 15 | Accounts Receivable | |  | 3,000 |  | |  |  |  | Allowance for Uncollectible Accounts |  |  | 3,000 | |  |  |  | |  |  |  | |  | 15 | Cash | |  | 3,000 |  | |  |  |  | Accounts Receivable |  |  | 3,000 | |
| 37. | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | General Journal | | | | | | Page 1 | | Date | | Description | | Post.  Ref. | Debit | Credit | | Dec. | 1 | Accounts Receivable | |  | 600 |  | |  |  |  | Sales |  |  | 600 | |  |  |  | |  |  |  | |  | 12 | Cash | |  | 400 |  | |  |  |  | Accounts Receivable |  |  | 400 | |  |  |  | |  |  |  | |  | 31 | Uncollectible Accounts Expense | |  | 280 |  | |  |  |  | Allowance for Uncollectible Accounts |  |  | 280 | |  |  |  | |  |  |  | | Feb. | 5 | Allowance for Uncollectible Accounts | |  | 200 |  | |  |  |  | Accounts Receivable |  |  | 200 | |  |  |  | |  |  |  | |  | 17 | Accounts Receivable | |  | 200 |  | |  |  |  | Allowance for Uncollectible Accounts |  |  | 200 | |  |  |  | |  |  |  | |  | 17 | Cash | |  | 200 |  | |  |  |  | Accounts Receivable |  |  | 200 | |
| 38. | |  |  | | --- | --- | | 1. A | 6. A | | 2. A | 7. DL | | 3. DL | 8. D | | 4. D | 9. X | | 5. X | 10. A | |
| 39. | a. $9,000 ($40,000 – $4,000 = $36,000 ÷ 4)  b. $9,900 ($36,000 ÷ 100,000 = $0.36 × 27,500)  c. $10,000 (100% ÷ 4 = 25% × 2 = 50% × $40,000 = $20,000; $40,000 – $20,000 = $20,000 × 50% = $10,000) |
| 40. | a. $9,000 ($50,000 – $5,000 = $45,000 ÷ 5)  b. $10,350 ($45,000 ÷ 100,000 = $0.45 × 23,000)  c. $12,000 (100% ÷ 5 = 20% × 2 = 40% × $50,000 = $20,000; $50,000 – $20,000 = $30,000 × 40% = $12,000) |
| 41. | Year 1: $32,000 (100% ÷ 5 = 20% × 2 = 40% × $80,000)  Year 2: $19,200 ($80,000 – $32,000 = $48,000 × .4)  Year 3: $11,520 ($48,000 – $19,200 = $28,800 × .4)  Year 4: $6,912 ($28,800 – $11,520 = $17,280 × .4)  Year 5: $2,368 ($17,280 – $6,912 = $10,368 – $8,000) |
| 42. | $560,000 ($12,000,000 ÷ 15,000,000 = $.80 × 700,000) |
| 43. | $1,920,000 ($36,000,000 ÷ 15,000,000 = $2.40 × 800,000) |