

Recording adjusting entries

<b>Allowance for Uncollectible Accounts</b>	
	Bal. 215.00
	16.00
<b>Merchandise Inventory</b>	
Bal. 48 000.00	6 000.00
<b>Supplies</b>	
Bal. 740.00	140.00
<b>Prepaid Insurance</b>	
Bal. 820.00	60.00
<b>Accumulated Depreciation—Equipment</b>	
	Bal. 12 000.00
	250.00

<b>Income Summary</b>	
6 000.00	
<b>Bad Debts Expense</b>	
16.00	
<b>Depreciation Expense—Equipment</b>	
250.00	
<b>Insurance Expense</b>	
60.00	
<b>Supplies Expense</b>	
140.00	

Drill 18-D 2 is on page 242.

Recording closing entries

DRILL 18-D 3, p. 378  
[1, 2]

<b>Income Summary</b>	
2 000.00	22 000.00
7 591.00	
<b>Sales</b>	
22 000.00	22 000.00
<b>Purchases</b>	
3 450.00	3 450.00
<b>Bad Debts Expense</b>	
15.00	15.00
<b>Credit Card Fee Expense</b>	
246.00	246.00
<b>Depreciation Expense—Equipment</b>	
150.00	150.00

<b>Insurance Expense</b>	
70.00	70.00
<b>Miscellaneous Expense</b>	
380.00	380.00
<b>Rent Expense—Store</b>	
1 200.00	1 200.00
<b>Salary Expense</b>	
1 800.00	1 800.00
<b>Supplies Expense</b>	
280.00	280.00

Recording adjusting entries [1, 2]  
Business 1

<b>Allowance for Uncollectible Accounts</b>		24.00
<b>Merchandise Inventory</b>		
Bal.	88 000.00 4 000.00	
<b>Supplies</b>		
Bal.	920.00	110.00
<b>Prepaid Insurance</b>		
Bal.	840.00	140.00
<b>Accumulated Depr.—Equipment</b>		
		200.00
<b>Income Summary</b>		
		4 000.00
<b>Bad Debts Expense</b>		
	24.00	
<b>Depreciation Expense—Equipment</b>		
	200.00	
<b>Insurance Expense</b>		
	140.00	
<b>Supplies Expense</b>		
	110.00	

Business 2  
**Allowance for Uncollectible Accounts**

		17.00
<b>Merchandise Inventory</b>		
Bal.	74 000.00	4 000.00
<b>Supplies</b>		
Bal.	760.00	140.00
<b>Prepaid Insurance</b>		
Bal.	960.00	80.00
<b>Accumulated Depr.—Equipment</b>		
		200.00
<b>Income Summary</b>		
	4 000.00	
<b>Bad Debts Expense</b>		
	17.00	
<b>Depreciation Expense—Equipment</b>		
	200.00	
<b>Insurance Expense</b>		
	80.00	
<b>Supplies Expense</b>		
	140.00	

Business 3  
**Allowance for Uncollectible Accounts**

		12.00
<b>Merchandise Inventory</b>		
Bal.	92 000.00	2 000.00
<b>Supplies</b>		
Bal.	710.00	60.00
<b>Prepaid Insurance</b>		
Bal.	800.00	75.00
<b>Accumulated Depr.—Equipment</b>		
		300.00
<b>Income Summary</b>		
	2 000.00	
<b>Bad Debts Expense</b>		
	12.00	
<b>Depreciation Expense—Equipment</b>		
	300.00	
<b>Insurance Expense</b>		
	75.00	
<b>Supplies Expense</b>		
	60.00	

Recording and posting adjusting and closing entries;  
preparing a post-closing trial balance

COMBINATION JOURNAL

1	2	3	4	DATE	ACCOUNT TITLE	Doc. No.	Post. Ref.	GENERAL		ACCOUNTS RECEIVABLE	
								DEBIT	CREDIT	DEBIT	CREDIT
1					<b>Adjusting Entries</b>						
2	19-- Dec.	31			Bad Debts Expense		6110	1500			
3					Allow. for Uncoll. Accounts		1130		1500		
4		31			Income Summary		3150	300000			
5					Merchandise Inventory		1140		300000		
6		31			Supplies Expense—Store		6180	14000			
7					Supplies—Store		1150		14000		
8		31			Insurance Expense		6140	7000			
9					Prepaid Insurance		1160		7000		
10		31			Depr. Expense—Equipment		6130	35000			
11					Accum. Depr.—Equipment		1220		35000		
12					<b>Closing Entries</b>						
13		31			Sales		4110	1600000			
14					Income Summary		3150		1600000		
15		31			Income Summary		3150	809500			
16					Purchases		5110		445000		
17					Bad Debts Expense		6110		1500		
18					Credit Card Fee Expense		6120		26000		
19					Depr. Expense—Equipment		6130		35000		
20					Insurance Expense		6140		7000		
21					Miscellaneous Expense		6150		31000		
22					Rent Expense—Store		6160		100000		
23					Salary Expense		6170		150000		
24					Supplies Expense—Store		6180		14000		
25		31			Income Summary		3150	490500			
26					Cindy Doyle, Capital		3110		245250		
27					Meala Jones, Capital		3130		245250		
28		31			Cindy Doyle, Capital		3110	120000			
29					Cindy Doyle, Drawing		3120		120000		
30		31			Meala Jones, Capital		3130	120000			
31					Meala Jones, Drawing		3140		120000		
32											

GENERAL LEDGER

ACCOUNT Cash

ACCOUNT NO. 1110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE		
					DEBIT	CREDIT	
19-- Dec.	31	Balance	✓			860000	

ACCOUNT Accounts Receivable

ACCOUNT NO. 1120

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE		
					DEBIT	CREDIT	
19-- Dec.	31	Balance	✓			102500	

ACCOUNT Allowance for Uncollectible Accounts

ACCOUNT NO. 1130

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE		
					DEBIT	CREDIT	
19-- Dec.	31	Balance	✓				17500
	31			7	1500		19000

ACCOUNT Merchandise Inventory

ACCOUNT NO. 1140

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE		
					DEBIT	CREDIT	
19-- Dec.	1	Balance	✓			880000	
	31			7	300000		850000

ACCOUNT Supplies—Store

ACCOUNT NO. 1150

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE		
					DEBIT	CREDIT	
19-- Dec.	31	Balance	✓			92000	
	31			7	14000		78000

ACCOUNT Prepaid Insurance

ACCOUNT NO. 1160

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE		
					DEBIT	CREDIT	
19-- Dec.	31	Balance	✓			77000	
	31			7	7000		70000

ACCOUNT Equipment

ACCOUNT NO. 1210

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE		
					DEBIT	CREDIT	
19-- Dec.	31	Balance	✓			240000	

GENERAL LEDGER

ACCOUNT Accumulated Depreciation—Equipment

ACCOUNT NO. 1220

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec-31	Balance	✓				12 600 00
	31	7		3 500 00		12 950 00

ACCOUNT Accounts Payable

ACCOUNT NO. 2110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec-31	Balance	✓				2 140 00

ACCOUNT Sales Tax Payable

ACCOUNT NO. 2120

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec-31	Balance	✓				9 600 00

ACCOUNT Cindy Doyle, Capital

ACCOUNT NO. 3110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec-31	Balance	✓				50 680 00
	31	7		2 452 50		53 132 50
	31	7	1 200 00			51 932 50

ACCOUNT Cindy Doyle, Drawing

ACCOUNT NO. 3120

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec-31	Balance	✓			1 200 00	
	31	7		1 200 00		

ACCOUNT Meala Jones, Capital

ACCOUNT NO. 3130

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec-31	Balance	✓				50 680 00
	31	7		2 452 50		53 132 50
	31	7	1 200 00			51 932 50

GENERAL LEDGER

ACCOUNT Meala Jones, Drawing

ACCOUNT NO. 3140

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31	Balance	✓			120000	
	31	7		120000		

ACCOUNT Income Summary

ACCOUNT NO. 3150

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31		7	300000		300000	
	31	7		160000		130000
	31	7	809500			490500
	31	7	490500			

ACCOUNT Sales

ACCOUNT NO. 4110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31	Balance	✓				160000
	31	7	160000			

ACCOUNT Purchases

ACCOUNT NO. 5110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31	Balance	✓			445000	
	31	7		445000		

ACCOUNT Bad Debts Expense

ACCOUNT NO. 6110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31		7	1500		1500	
	31	7		1500		

ACCOUNT Credit Card Fee Expense

ACCOUNT NO. 6120

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31	Balance	✓			26000	
	31	7		26000		

GENERAL LEDGER

ACCOUNT Depreciation Expense—Equipment

ACCOUNT NO. 6130

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31		7	3 5 0 00		3 5 0 00	
31		7		3 5 0 00		

ACCOUNT Insurance Expense

ACCOUNT NO. 6140

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31		7	7 0 00		7 0 00	
31		7		7 0 00		

ACCOUNT Miscellaneous Expense

ACCOUNT NO. 6150

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31	Balance	✓			3 1 0 00	
31		7		3 1 0 00		

ACCOUNT Rent Expense—Store

ACCOUNT NO. 6160

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31	Balance	✓			1 0 0 0 00	
31		7		1 0 0 0 00		

ACCOUNT Salary Expense

ACCOUNT NO. 6170

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31	Balance	✓			1 5 0 0 00	
31		7		1 5 0 0 00		

ACCOUNT Supplies Expense—Store

ACCOUNT NO. 6180

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31		7	1 4 0 00		1 4 0 00	
31		7		1 4 0 00		





Recording and posting adjusting and closing entries;  
preparing a post-closing trial balance

COMBINATION JOURNAL

1	DATE	ACCOUNT TITLE	DOC. No.	POST. REF.	GENERAL		ACCOUNTS RECEIVABLE		1	
					DEBIT	CREDIT	DEBIT	CREDIT		
		<b>Adjusting Entries</b>								
2	19-- Nov. 30	Bad Debts Expense		6110	1 6 00					1
3		Allow. for Uncoll. Accounts		1130		1 6 00				2
4	30	Income Summary		3150	2 0 0 0 00					3
5		Merchandise Inventory		1140		2 0 0 0 00				4
6	30	Supplies Expense—Store		6180	1 8 0 0 00					5
7		Supplies—Store		1150		1 8 0 0 00				6
8	30	Insurance Expense		6140	9 0 0 0					7
9		Prepaid Insurance		1160		9 0 0 0				8
10	30	Depr. Expense—Equipment		6130	2 5 0 0 00					9
11		Accum. Depr.—Equipment		1220		2 5 0 0 00				10
12		<b>Closing Entries</b>								11
13	30	Sales		4110	18 2 0 0 00					12
14		Income Summary		3150		18 2 0 0 00				13
15	30	Income Summary		3150	9 1 9 6 00					14
16		Purchases		5110		4 9 5 0 00				15
17		Bad Debts Expense		6110		1 6 00				16
18		Credit Card Fee Expense		6120		3 3 0 0 00				17
19		Depr. Expense—Equipment		6130		2 5 0 0 00				18
20		Insurance Expense		6140		9 0 0 0				19
21		Miscellaneous Expense		6150		3 8 0 0 00				20
22		Rent Expense—Store		6160		1 2 0 0 00				21
23		Salary Expense		6170		1 8 0 0 00				22
24		Supplies Expense—Store		6180		1 8 0 0 00				23
25	30	Income Summary		3150	7 0 0 4 00					24
26		Ralph Guerra, Capital		3110		3 5 0 2 00				25
27		Scott Guerra, Capital		3130		3 5 0 2 00				26
28	30	Ralph Guerra, Capital		3110	1 1 5 0 00					27
29		Ralph Guerra, Drawing		3120		1 1 5 0 00				28
30	30	Scott Guerra, Capital		3130	1 3 0 0 00					29
31		Scott Guerra, Drawing		3140		1 3 0 0 00				30
32										31
										32

GENERAL LEDGER

ACCOUNT Cash

ACCOUNT NO. 1110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Nov. 30	Balance	✓			930000	

ACCOUNT Accounts Receivable

ACCOUNT NO. 1120

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Nov. 30	Balance	✓			107500	

ACCOUNT Allowance for Uncollectible Accounts

ACCOUNT NO. 1130

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Nov. 30	Balance	✓				20400
	30	11		1600		22000

ACCOUNT Merchandise Inventory

ACCOUNT NO. 1140

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Nov. 1	Balance	✓			9500000	
	30	11		200000	9300000	

ACCOUNT Supplies—Store

ACCOUNT NO. 1150

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Nov. 30	Balance	✓			86000	
	30	11		18000	68000	

ACCOUNT Prepaid Insurance

ACCOUNT NO. 1160

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Nov. 30	Balance	✓			72000	
	30	11		9000	63000	

ACCOUNT Equipment

ACCOUNT NO. 1210

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Nov. 30	Balance	✓			2600000	

**GENERAL LEDGER**

ACCOUNT Accumulated Depreciation—Equipment ACCOUNT NO. 1220

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19- Nov. 30	Balance	✓				12 0 0 0 00
30		11		2 5 0 0 00		12 2 5 0 00

ACCOUNT Accounts Payable ACCOUNT NO. 2110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19- Nov. 30	Balance	✓				2 3 6 0 00

ACCOUNT Sales Tax Payable ACCOUNT NO. 2120

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19- Nov. 30	Balance	✓				1 0 9 2 00

ACCOUNT Ralph Guerra, Capital ACCOUNT NO. 3110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19- Nov. 30	Balance	✓				56 0 5 3 00
30		11		3 5 0 2 00		59 5 5 5 00
30		11	1 1 5 0 00			58 4 0 5 00

ACCOUNT Ralph Guerra, Drawing ACCOUNT NO. 3120

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19- Nov. 30	Balance	✓			1 1 5 0 00	
30		11		1 1 5 0 00		

ACCOUNT Scott Guerra, Capital ACCOUNT NO. 3130

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19- Nov. 30	Balance	✓				54 1 5 6 00
30		11		3 5 0 2 00		57 6 5 8 00
30		11	1 3 0 0 00			56 3 5 8 00

MASTERY PROBLEM 18-M, continued  
[2, 4]

GENERAL LEDGER

ACCOUNT Scott Guerra, Drawing

ACCOUNT NO. 3140

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Nov. 30	Balance	✓			1300000	
30		11		1300000		

ACCOUNT Income Summary

ACCOUNT NO. 3150

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Nov. 30		11	2000000		2000000	
30		11		18200000		16200000
30		11	9196000			7004000
30		11	7004000			

ACCOUNT Sales

ACCOUNT NO. 4110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Nov. 30	Balance	✓				18200000
30		11	18200000			

ACCOUNT Purchases

ACCOUNT NO. 5110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Nov. 30	Balance	✓			4950000	
30		11		4950000		

ACCOUNT Bad Debts Expense

ACCOUNT NO. 6110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Nov. 30		11	1600		1600	
30		11		1600		

ACCOUNT Credit Card Fee Expense

ACCOUNT NO. 6120

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Nov. 30	Balance	✓			330000	
30		11		330000		

**GENERAL LEDGER**

ACCOUNT Depreciation Expense—Equipment ACCOUNT NO. 6130

DATE		ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
19-- Nov.	30		11	25000		25000	
	30		11		25000		

ACCOUNT Insurance Expense ACCOUNT NO. 6140

DATE		ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
19-- Nov.	30		11	9000		9000	
	30		11		9000		

ACCOUNT Miscellaneous Expense ACCOUNT NO. 6150

DATE		ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
19-- Nov.	30	Balance	✓			38000	
	30		11		38000		

ACCOUNT Rent Expense—Store ACCOUNT NO. 6160

DATE		ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
19-- Nov.	30	Balance	✓			120000	
	30		11		120000		

ACCOUNT Salary Expense ACCOUNT NO. 6170

DATE		ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
19-- Nov.	30	Balance	✓			180000	
	30		11		180000		

ACCOUNT Supplies Expense—Store ACCOUNT NO. 6180

DATE		ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
						DEBIT	CREDIT
19-- Nov.	30		11	18000		18000	
	30		11		18000		



Completing end-of-fiscal-period work [1-6, 8]

Devoe & Stokes  
Work Sheet

For Month Ended December 31, 19--

ACCOUNT TITLE	1		2		3		4		5		6		7		8	
	TRIAL BALANCE		ADJUSTMENTS		INCOME STATEMENT		BALANCE SHEET		INCOME STATEMENT		BALANCE SHEET		INCOME STATEMENT		BALANCE SHEET	
	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
1 Cash	1580000												1580000			
2 Accounts Receivable	236000												236000			
3 Allow. for Uncollectible Accounts		14800			(a) 2360										17160	
4 Merchandise Inventory	1270000				(b) 200000								1250000			
5 Supplies	63000				(c) 18000								45000			
6 Prepaid Insurance	96000				(d) 16000								80000			
7 Equipment	1400000												1400000			
8 Accumulated Depr. --- Equip.		640000			(e) 20000										660000	
9 Accounts Payable		294000													294000	
10 Sales Tax Payable		221000													221000	
11 Susan Devoe, Capital		6948850													6948850	
12 Susan Devoe, Drawing	100000												100000			
13 Harry Stokes, Capital		6948850													6948850	
14 Harry Stokes, Drawing	100000												100000			
15 Income Summary					(b) 200000				200000							
16 Sales		2170000								2170000						
17 Purchases	632000								632000							
18 Bad Debts Expense					(a) 2360				2360							
19 Credit Card Fee Expense	29000								29000							
20 Depreciation Expense --- Equip.					(e) 20000				20000							
21 Insurance Expense					(d) 16000				16000							
22 Miscellaneous Expense	31500								31500							
23 Rent Expense --- Store	120000								120000							
24 Salary Expense	150000								150000							
25 Supplies Expense					(c) 18000				18000							
26	17237500	17237500	256360	256360	256360	256360	2170000	2170000	1218860	1218860	16041000	16041000	15089860	15089860		
27									951140	951140				951140		
28									2170000	2170000	16041000	16041000	16041000	16041000		
Net Income																

Devoe & Stokes

Income Statement

For Month Ended December 31, 19--

<b>Revenue:</b>										
Sales								21	700	00
<b>Cost of Merchandise Sold:</b>										
Merchandise Inventory, Dec. 1, 19--	127	000	00							
Purchases	63	200	00							
Total Cost of Merchandise Available for Sale	133	320	00							
Less Merchandise Inventory, Dec. 31, 19--	125	000	00							
Cost of Merchandise Sold								8	320	00
Gross Profit on Sales								13	380	00
<b>Expenses:</b>										
Bad Debts Expense				2	3	60				
Credit Card Fee Expense				2	9	00				
Depreciation Expense — Equipment				2	0	00				
Insurance Expense				1	6	00				
Miscellaneous Expense				3	1	50				
Rent Expense — Store				1	2	00				
Salary Expense				1	5	00				
Supplies Expense				1	8	00				
Total Expenses								3	868	60
Net Income								9	511	40

[3]

Devoe & Stokes

Distribution of Net Income Statement

For Month Ended December 31, 19--

<b>Susan Devoe</b>									
50% of Net Income	4	7	5	5	70				
<b>Harry Stokes</b>									
50% of Net Income	4	7	5	5	70				
Net Income	9	5	1	1	40				







COMBINATION JOURNAL

1	DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	1				2				3				4			
					GENERAL								ACCOUNTS RECEIVABLE							
					DEBIT				CREDIT				DEBIT				CREDIT			
		<b>Adjusting Entries</b>																		
2	19-- Dec. 31	Bad Debts Expense		6110				23	60											
3		Allow. for Uncoll. Accounts		1130						23	60									
4	31	Income Summary		3150	2	0	0	0	00											
5		Merchandise Inventory		1140				2	0	0	0	00								
6	31	Supplies Expense		6180				1	8	0	00									
7		Supplies		1150						1	8	0	00							
8	31	Insurance Expense		6140				1	6	0	00									
9		Prepaid Insurance		1160						1	6	0	00							
10	31	Depr. Expense—Equipment		6130				2	0	0	00									
11		Accum. Depr.—Equipment		1220						2	0	0	00							
12		<b>Closing Entries</b>																		
13	31	Sales		4110	21	7	0	0	00											
14		Income Summary		3150						21	7	0	0	00						
15	31	Income Summary		3150	10	1	8	8	60											
16		Purchases		5110						6	3	2	0	00						
17		Bad Debts Expense		6110								23	60							
18		Credit Card Fee Expense		6120								2	9	0	00					
19		Depr. Expense—Equipment		6130								2	0	0	00					
20		Insurance Expense		6140								1	6	0	00					
21		Miscellaneous Expense		6150								3	1	5	00					
22		Rent Expense—Store		6160								1	2	0	0	00				
23		Salary Expense		6170								1	5	0	0	00				
24		Supplies Expense		6180								1	8	0	00					
25	31	Income Summary		3150	9	5	1	1	40											
26		Susan Devoe, Capital		3110								4	7	5	5	70				
27		Harry Stokes, Capital		3130								4	7	5	5	70				
28	31	Susan Devoe, Capital		3110	1	0	0	0	00											
29		Susan Devoe, Drawing		3120								1	0	0	0	00				
30	31	Harry Stokes, Capital		3130	1	0	0	0	00											
31		Harry Stokes, Drawing		3140								1	0	0	0	00				
32																				

CHALLENGE PROBLEM 18-C, continued  
[7, 9, 10]

GENERAL LEDGER

ACCOUNT Cash

ACCOUNT NO. 1110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec-31	Balance	✓			15,800.00	

ACCOUNT Accounts Receivable

ACCOUNT NO. 1120

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec-31	Balance	✓			2,360.00	

ACCOUNT Allowance for Uncollectible Accounts

ACCOUNT NO. 1130

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec-31	Balance	✓				1,480.00
	31	15		2,360		1,716.00

ACCOUNT Merchandise Inventory

ACCOUNT NO. 1140

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec-1	Balance	✓			127,000.00	
	31	15		2,000.00	125,000.00	

ACCOUNT Supplies

ACCOUNT NO. 1150

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec-31	Balance	✓			630.00	
	31	15		1,800.00	450.00	

ACCOUNT Prepaid Insurance

ACCOUNT NO. 1160

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec-31	Balance	✓			960.00	
	31	15		1,600.00	800.00	

ACCOUNT Equipment

ACCOUNT NO. 1210

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec-31	Balance	✓			14,000.00	

**GENERAL LEDGER**

**ACCOUNT** Accumulated Depreciation—Equipment **ACCOUNT NO.** 1220

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31	Balance	✓				64 0 0 00
	31	15		2 0 0 00		66 0 0 00

**ACCOUNT** Accounts Payable **ACCOUNT NO.** 2110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31	Balance	✓				29 4 0 00

**ACCOUNT** Sales Tax Payable **ACCOUNT NO.** 2120

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31	Balance	✓				22 1 0 00

**ACCOUNT** Susan Devoe, Capital **ACCOUNT NO.** 3110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31	Balance	✓				69 4 8 8 50
	31	15		4 7 5 5 70		74 2 4 4 20
	31	15	1 0 0 0 00			73 2 4 4 20

**ACCOUNT** Susan Devoe, Drawing **ACCOUNT NO.** 3120

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31	Balance	✓			1 0 0 0 00	
	31	15		1 0 0 0 00		

**ACCOUNT** Harry Stokes, Capital **ACCOUNT NO.** 3130

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31	Balance	✓				69 4 8 8 50
	31	15		4 7 5 5 70		74 2 4 4 20
	31	15	1 0 0 0 00			73 2 4 4 20

CHALLENGE PROBLEM 18-C, continued  
[7, 9, 10]

GENERAL LEDGER

ACCOUNT Harry Stokes, Drawing

ACCOUNT NO. 3140

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31	Balance	✓			100000	
	31	15		100000		

ACCOUNT Income Summary

ACCOUNT NO. 3150

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31		15	200000		200000	
	31	15		217000		197000
	31	15	1018860			951140
	31	15	951140			

ACCOUNT Sales

ACCOUNT NO. 4110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31	Balance	✓				217000
	31	15	217000			

ACCOUNT Purchases

ACCOUNT NO. 5110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31	Balance	✓			632000	
	31	15		632000		

ACCOUNT Bad Debts Expense

ACCOUNT NO. 6110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31		15	2360		2360	
	31	15		2360		

ACCOUNT Credit Card Fee Expense

ACCOUNT NO. 6120

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-- Dec. 31	Balance	✓			29000	
	31	15		29000		

GENERAL LEDGER

ACCOUNT Depreciation Expense—Equipment ACCOUNT NO. 6130

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec. 31		15	2 0 0 0 0		2 0 0 0 0	
31		15		2 0 0 0 0		

ACCOUNT Insurance Expense ACCOUNT NO. 6140

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec. 31		15	1 6 0 0 0		1 6 0 0 0	
31		15		1 6 0 0 0		

ACCOUNT Miscellaneous Expense ACCOUNT NO. 6150

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec. 31	Balance	✓			3 1 5 0 0	
31		15		3 1 5 0 0		

ACCOUNT Rent Expense—Store ACCOUNT NO. 6160

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec. 31	Balance	✓			1 2 0 0 0	
31		15		1 2 0 0 0		

ACCOUNT Salary Expense ACCOUNT NO. 6170

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec. 31	Balance	✓			1 5 0 0 0	
31		15		1 5 0 0 0		

ACCOUNT Supplies Expense ACCOUNT NO. 6180

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
19-Dec. 31		15	1 8 0 0 0		1 8 0 0 0	
31		15		1 8 0 0 0		

