

AN ACCOUNTING CYCLE FOR A PARTNERSHIP: END-OF-FISCAL-PERIOD WORK [16-23]
The ledgers used in Part A are needed to complete Part B. Hardware Plus

Work Sheet

For Month Ended January 31, 19--

ACCOUNT TITLE	1		2		3		4		5		6		7		8	
	TRIAL BALANCE		ADJUSTMENTS		INCOME STATEMENT		BALANCE SHEET		DEBIT		CREDIT		DEBIT		CREDIT	
	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
1 Cash	674010													674010		
2 Accounts Receivable	117000													117000		
3 Allow. for Uncollectible Accounts		2100			(a) 2340											4440
4 Merchandise Inventory	1640000		(b) 100000											1650000		
5 Supplies	124100			(c) 30000										94100		
6 Prepaid Insurance	76000			(d) 12000										64000		
7 Equipment	1600000													1600000		
8 Accumulated Depr.—Equip.		940000			(e) 40000										980000	
9 Accounts Payable		485500													485500	
10 Sales Tax Payable		195060													195060	
11 Judy Ellis, Capital		8843700													8843700	
12 Judy Ellis, Drawing	104500													104500		
13 Kevin Witte, Capital		8843700													8843700	
14 Kevin Witte, Drawing	107500				(b) 100000									107500		
15 Income Summary																
16 Sales		824000														
17 Purchases	493500													493500		
18 Bad Debts Expense			(a) 2340											2340		
19 Credit Card Fee Expense	18460													18460		
20 Depreciation Expense—Equip.			(c) 40000											40000		
21 Insurance Expense			(d) 12000											12000		
22 Miscellaneous Expense	18990													18990		
23 Rent Expense—Store	100000													100000		
24 Salary Expense	300000													300000		
25 Supplies Expense			(c) 30000											30000		
26	20134060	20134060	184340	184340	1015290	1015290	924000	924000	19261110	19261110	19352400	19352400				
27 Net Loss														91290		
28					1015290	1015290	19352400	19352400						19352400	19352400	

Hardware Plus

Income Statement

For Month Ended January 31, 19--

Revenue:												
Sales								8	2	4	0	00
Cost of Merchandise Sold:												
Merchandise Inventory, Jan. 1, 19--	164	0	0	0	00							
Purchases	493	5	00									
Total Cost of Merchandise Available for Sale	1689	3	5	00								
Less Merchandise Inventory, Jan. 31, 19--	165	0	0	0	00							
Cost of Merchandise Sold								3	9	3	5	00
Gross Profit on Sales								4	3	0	5	00
Expenses:												
Bad Debts Expense				2	3	40						
Credit Card Fee Expense				1	8	60						
Depreciation Expense—Equipment				4	0	00						
Insurance Expense				1	2	00						
Miscellaneous Expense				1	8	90						
Rent Expense—Store				1	0	00						
Salary Expense				3	0	00						
Supplies Expense				3	0	00						
Total Expenses								5	2	1	7	90
Net Loss								9	1	2	90	

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Hardware Plus

Distribution of Net Income Statement

For Month Ended January 31, 19--

Judy Ellis									
50% of Net Loss				4	5	6	45		
Kevin Witte									
50% of Net Loss				4	5	6	45		
Net Loss				9	1	2	90		

COMBINATION JOURNAL

1	DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	1		2		3		4	
					GENERAL				ACCOUNTS RECEIVABLE			
					DEBIT		CREDIT		DEBIT		CREDIT	
1		Adjusting Entries										
2	19-- Jan. 31	Bad Debts Expense		6110		2340						
3		Allow. for Uncoll. Accounts		1130			2340					
4	31	Merchandise Inventory		1140	100000							
5		Income Summary		3150		100000						
6	31	Supplies Expense		6180	30000							
7		Supplies		1150		30000						
8	31	Insurance Expense		6140	12000							
9		Prepaid Insurance		1160		12000						
10	31	Depreciation Expense—Equip.		6130	40000							
11		Accumulated Depr.—Equip.		1220		40000						
12		Closing Entries										
13	31	Sales		4110	824000							
14		Income Summary		3150		824000						
15	31	Income Summary		3150	1015290							
16		Purchases		5110		493500						
17		Bad Debts Expense		6110		2340						
18		Credit Card Fee Expense		6120		18460						
19		Depreciation Expense—Equip.		6130		40000						
20		Insurance Expense		6140		12000						
21		Miscellaneous Expense		6150		18990						
22		Rent Expense—Store		6160		100000						
23		Salary Expense		6170		300000						
24		Supplies Expense		6180		30000						
25	31	Judy Ellis, Capital		3110	45645							
26		Kevin Witte, Capital		3130	45645							
27		Income Summary		3150		91290						
28	31	Judy Ellis, Capital		3110	104500							
29		Judy Ellis, Drawing		3120		104500						
30	31	Kevin Witte, Capital		3130	107500							
31		Kevin Witte, Drawing		3140		107500						
32												

