Quick Questions On Notes Receivable And Discounting

- 1. Make all the Journal Entries required by Ace Company in relation to the following transactions assuming the Company has a calendar-year accounting cycle.
- Accepted a 90-day, 12%, \$8,000 note from I Am Poor Corporation, a customer delinquent on their account.

Dec. 31 Adjusting Entry completed.
March 15 I Am Poor Corporation paid the note dated December 16.

DATA SUMMARY:				
DATE	ACCOUNT TITLE AND DESCRIPTION	PR	DEBIT	CREDIT
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2. Jan. 14 Assume the March 15 transaction above did not happen. Make the January 14 Journal Entry necessary to discount the I Am Poor Corporation note receivable dated December 16. Assume the bank charges 14% interest.

DATE	ACCOUNT TITLE AND DESCRIPTION	PR	DEBIT	CREDIT