

PRACTICE SET ADJUSTMENTS, WORKSHEET, AND STATEMENTS

I. DEBITS AND CREDITS

ASSETS		=	LIABILITIES		+	OWNER'S EQUITY					
DR.	CR.		DR.	CR.		WITHDRAWALS		EXPENSES		REVENUE	
+	-		-	+		DR.	CR.	DR.	CR.	DR.	CR.
						+	-	+	-	-	+

II. TRIAL BALANCE

Speedy Ironing Service
Trial Balance
September 30, 1991

Cash	\$105	
Accounts Receivable	10	
Prepaid Advertising	60	
Ironing Supplies	10	
Ironing Equipment	60	
Accounts Payable		\$ 15
Unearned Ironing Revenue		10
Linda Smith, Capital		150
Linda Smith, Withdrawals	30	
Ironing Revenue		170
Rent Expense	50	
Telephone Expense	20	
	<u>\$345</u>	<u>\$345</u>

Instructions: Student should use the appropriate Trial Balance figures and the information provided to analyze adjustments on the left and journalize on the right. Journal entry descriptions are not required.

III. ADJUSTING JOURNAL ENTRIES

Practice Set Adjustments - Wednesday, September 30, 1991

TRANSACTIONS ANALYZING TRANSACTIONS JOURNALIZING

Assets = Liabilities + Owner's Equity

- a. One month of scheduled advertising appeared in the school newspaper. See Transaction 2, page A8.

<u>Prepaid Advertising</u>		<u>Advertising Expense</u>
15		15

- a. Advertising Expense 15
Prepaid Advertising 15

- b. A count of Ironing Supplies revealed approximately \$5 worth on hand.

<u>Ironing Supplies</u>		<u>Ironing Supplies Expense</u>
5		5

- b. Ironing Supplies Expense 5
Ironing Supplies 5

- c. Depreciation was taken on equipment with a useful life of 5 years.

<u>Accumulated Depreciation</u>		<u>Depreciation Expense</u>
<u>Ironing Equipment</u>		<u>Ironing Equipment</u>
1		1

- c. Depreciation Expense 1
Ironing Equipment 1
Accumulated Depreciation Ironing Equipment 1

- d. On Thursday, 10/1, Linda would pay her first employee, who worked Tuesday and Thursdays, \$12 for the week.

<u>Salaries Payable</u>		<u>Salaries Expense</u>
	6	6

- d. Salaries Expense 6
Salaries Payable 6

- e. Ironing Services for one of the two students who had paid in advance had been performed as of 9/30/91.

<u>Unearned Ironing Revenue</u>		<u>Ironing Revenue</u>
5		5

- e. Unearned Ironing Revenue 5
Ironing Revenue 5

- f. On Tuesday, September 29, services had been finished for 2 students who promised to pay \$5 each on 10/5.

<u>Accounts Receivable</u>		<u>Ironing Revenue</u>
10		10

- f. Accounts Receivable 10
Ironing Revenue 10

