Brief Exercise 4-5

The ledger of Rios Company contains the following balances: Owner’s Capital $30,000; Owner’s Drawings $2,000; Service Revenue $50,000; Salaries and Wages Expense $27,000; and Supplies Expense $7,000.

The closing entries are as follows:

(1) Close revenue accounts.
(2) Close expense accounts.
(3) Close net income/(loss).
(4) Close drawings.

Post the closing entries in the order presented in the problem and use the numbers as a reference.

Salaries and Wages Expense

Supplies Expense

Service Revenue

Owner’s Drawings

Income Summary

Owner’s Capital

Brief Exercise 4-7

The following selected accounts appear in the adjusted trial balance columns of the worksheet for Goulet Company.

Identify the accounts that would be included in a post-closing trial balance.

Accumulated Depreciation
Depreciation Expense
Owner’s Capital
Owner’s Drawings
Service Revenue
Supplies
Accounts Payable

Brief Exercise 4-8

The steps in the accounting cycle are listed in random order below.

List the steps in proper sequence, assuming no worksheet is prepared, by placing numbers 1–9.

(a) Prepare a trial balance.
(b) Journalize the transactions.
(c) Journalize and post closing entries.
(d) Prepare financial statements.
(e) Journalize and post adjusting entries.
(f) Post to ledger accounts.
(g) Prepare a post-closing trial balance.
(h) Prepare an adjusted trial balance.
(i) Analyze business transactions.

Brief Exercise 4-10

The balance sheet debit column of the worksheet for Hamidi Company includes the following accounts: Accounts Receivable $12,500; Prepaid Insurance $3,600; Cash $4,100; Supplies $5,200, and Debt Investments (short-term) $6,700.

Prepare the current assets section of the balance sheet, listing the accounts in proper sequence. ***(List current assets in order of liquidity.)***

HAMIDI COMPANY
Partial Balance Sheet

	$
	$

Exercise 4-1

The trial balance columns of the worksheet for Nanduri Company at June 30, 2014, are as follows.

NANDURI COMPANY
Worksheet
For the Month Ended June 30, 2014

Account Titles	Trial Balance Dr.	Trial Balance Cr.
Cash	2,320	
Accounts Receivable	2,440	
Supplies	1,880	
Accounts Payable		1,120
Unearned Service Revenue		240
Owner's Capital		3,600
Service Revenue		2,400
Salaries and Wages Expense	560	
Miscellaneous Expense	160	
Total	7,360	7,360

Other data:

1. A physical count reveals $500 of supplies on hand.
2. $100 of the unearned revenue is still unearned at month-end.
3. Accrued salaries are $210.

Complete the worksheet.

NANDURI COMPANY
Worksheet
For the Month Ended June 30, 2014

Account Titles	Trial Balance Dr	Trial Balance Cr.	Adjustments Dr	Adjustments Cr.	Adj. Trial Balance Dr	Adj. Trial Balance Cr.	Income Statement Dr	Income Statement Cr.	Dr
Cash	2,320								
Accounts Receivable	2,440								
Supplies	1,880								
Accounts Payable		1,120							
Unearned Service Revenue		240							
Owner's Capital		3,600							
Service Revenue		2,400							
Salaries and Wages Expense	560								
Miscellaneous Expense	160								
Totals	7,360	7,360							
Supplies Expense									
Salaries and Wages Payable									
Totals									
Net Income									
Totals									

Exercise 4-9 (Part level Submission)

The adjusted trial balance for Plevin Company.

PLEVIN COMPANY
Adjusted Trial Balance
July 31, 2014

No.	Account Titles	Debit	Credit
101	Cash	$9,840	
112	Accounts Receivable	8,780	
157	Equipment	15,900	
158	Accumulated Depreciation-Equip.		$7,400
201	Accounts Payable		4,220
208	Unearned Rent Revenue		1,800
301	Owner’s Capital		45,200
306	Owner’s Drawings	16,000	
400	Service Revenue		64,000
429	Rent Revenue		6,500
711	Depreciation Expense	8,000	
726	Salaries and Wages Expense	55,700	
732	Utilities Expense	14,900	
		$129,120	$129,120

(a1)

Prepare an income statement for the year.

PLEVIN COMPANY
Income Statement
For the Year Ended July 31, 2014

$ $ $ $ $

(a2)

Prepare an owner’s equity statement for the year. Plevin did not make any capital investments during the year. ***(List items that increase owner's equity first.)***

PLEVIN COMPANY
Owner’s Equity Statement
For the Year Ended July 31, 2014

$: $

(b)

Prepare a classified balance sheet at July 31. ***(List current assets in order of liquidity.)***

PLEVIN COMPANY
Balance Sheet
July 31, 2014

Assets

$ $

Liabilities and Owner's Equity

$

$

$

Exercise 4-11 (Part level Submission)

Selected accounts for Heather's Salon are presented below. All June 30 postings are from closing entries.

Salaries and Wages Expense			
6/10	3,200	6/30	8,800
6/28	5,600		

Supplies Expense			
6/12	600	6/30	1,300
6/24	700		

Service Revenue			
6/30	18,100	6/15	9,700
		6/24	8,400

Rent Expense			
6/1	3,000	6/30	3,000

Owner's Capital			
6/30	2,500	6/1	12,000
		6/30	5,000
		Bal.	14,500

Owner's Drawings			
6/13	1,000	6/30	2,500
6/25	1,500		

(a)

Prepare the closing entries that were made. ***(Credit account titles are automatically indented when amount is entered. Do not indent manually.)***

Date	Account Titles and Explanation	Debit	Credit
June 30			
	(To close revenue account.)		
June 30			
	(To close expense account.)		
June 30			
	(To close net income / (loss).)		
June 30			
	(To close drawings.)		

(b)

Post the closing entries to Income Summary. ***(Post entries in the order of journal entries posted in the previous part of the question.)***

Income Summary

June 30		June 30	
June 30		June 30	