2. Hannah determines there are $20 in Lawn Supplies left at August 31, 2009. Journalize any required adjusting journal entries.
3. Post to the T-accounts, keying all items by date.
4. Prepare the adjusted trial balance, as illustrated in Exhibit 3-9.

Continuing Problem

P3-43 This problem continues the Haupt Consulting situation from Problem 2-64 of Chapter 2. Start from the trial balance and the posted T-accounts that Haupt Consulting prepared at December 18, as follows:

HAUPT CONSULTING
Trial Balance
December 18, 2010

Account Title	Balance Debit	Balance Credit
Cash	$ 8,100	
Accounts receivable	1,700	
Supplies	300	
Equipment	2,000	
Accumulated depreciation—equipment		
Furniture	3,600	
Accumulated depreciation—furniture		
Accounts payable		$ 3,900
Salary payable		
Unearned service revenue		
Carl Haupt, Capital		10,000
Carl Haupt, Withdrawals		
Service revenue		2,500
Rent expense	500	
Utilities expense	200	
Salary expense		
Depreciation expense—equipment		
Depreciation expense—furniture		
Supplies expense		
Total	$16,400	$16,400

Later in December, the business completed these transactions, as follows:

Dec 21	Received $900 in advance for client service to be performed evenly over the next 30 days.
21	Hired a secretary to be paid $1,500 on the 20th day of each month. The secretary begins work immediately.
26	Paid $300 on account.
28	Collected $600 on account.
30	Owner withdrew $1,600.

Requirements

1. Open these additional T-accounts: Accumulated depreciation—equipment; Accumulated depreciation—furniture; Salary payable; Unearned service revenue; Depreciation expense—equipment; Depreciation expense—furniture; Supplies expense.
2. Journalize the transactions of December 21–30.
3. Post to the T-accounts, keying all items by date.
4. Prepare a trial balance at December 31. Also set up columns for the adjustments and for the adjusted trial balance, as illustrated in Exhibit 3-9.
5. At December 31, the business gathers the following information for the adjusting entries:

   a. Accrued service revenue, $400
   b. Earned $300 of the service revenue collected in advance on December 21
   c. Supplies on hand, $100
   d. Depreciation expense—equipment, $33; furniture, $60
   e. Accrued $700 expense for secretary's salary

   On your work sheet make these adjustments directly in the adjustments columns, and complete the adjusted trial balance at December 31. Throughout the book, to avoid rounding errors, we base adjusting entries on 30-day months and 360-day years.
6. Journalize and post the adjusting entries. In the T-accounts denote each adjusting amount as *Adj* and an account balance as *Bal.*
7. Prepare the income statement and the statement of owner's equity of Haupt Consulting for the month ended December 31, 2010, and prepare the balance sheet at that date.

Practice Set

Using the Trial balance prepared in Chapter 2 consider the following adjustment data gathered by CJ:

a. CJ prepared an inventory of supplies and found there were $70 of supplies in the cabinet on April 30
b. One month's combined depreciation on all assets was estimated to be $300

Requirements

1. Using the data provided from the trial balance, the previous adjustment information, and the information from Chapter 2, prepare all required adjusting journal entries for April.
2. Prepare an adjusted trial balance as of April 30 for Crystal Clear Cleaning.

Apply Your Knowledge

Decision Cases

Case 1. Lee Nicholas has been the owner and has operated World.com Advertising since its beginning 10 years ago. The company has prospered. Recently, Nicholas mentioned that he would sell the business for the right price.

Continuing Problem

P4-38 This problem continues the Haupt Consulting situation from Problem 3-43 of Chapter 3. Start from the posted T-accounts and the *adjusted* trial balance that Haupt Consulting prepared for the company at December 31:

HAUPT CONSULTING Adjusted Trial Balance December 31, 2010		
	Balance	
Account Title	Debit	Credit
Cash	$ 7,700	
Accounts receivable	1,500	
Supplies	100	
Equipment	2,000	
Accumulated depreciation—equipment		$ 33
Furniture	3,600	
Accumulated depreciation—furniture		60
Accounts payable		3,600
Salary payable		700
Unearned service revenue		600
Carl Haupt, Capital		10,000
Carl Haupt, Withdrawals	1,600	
Service revenue		3,200
Rent expense	500	
Utilities expense	200	
Salary expense	700	
Depreciation expense—equipment	33	
Depreciation expense—furniture	60	
Supplies expense	200	
Total	$18,193	$18,193

Requirements

1. Complete the accounting work sheet at December 31.
2. Journalize and post the closing entries at December 31. Denote each closing amount as *Clo* and an account balance as *Bal*.
3. Prepare a classified balance sheet at December 31.

Practice Set

Refer to the Practice Set data provided in Chapters 1, 2, and 3.

Requirements

1. Prepare an accounting work sheet.
2. Prepare an income statement, statement of owner's equity, and balance sheet using the report format.
3. Prepare closing entries for the month.
4. Prepare a postclosing trial balance.