

Study Guide 8

Name	Perfect Score	Your Score
Identifying Accounting Terms	6 Pts.	
Analyzing Accounts Affected by Adjusting and Closing Entries	14 Pts.	
Analyzing Accounts After Closing Entries Are Posted	16 Pts.	
Analyzing Adjusting and Closing Entries	9 Pts.	
Identifying the Accounting Cycle for a Service Business	8 Pts.	
Total	53 Pts.	

Part One—Identifying Accounting Terms

Directions: Select the one term in Column I that best fits each definition in Column II. Print the letter identifying your choice in the Answers column.

Column I	Column II	Answers
A. accounting cycle	1. Journal entries recorded to update general ledger accounts at the end of a fiscal period. (p. 202)	1. _____
B. adjusting entries	2. Accounts used to accumulate information from one fiscal period to the next. (p. 206)	2. _____
C. closing entries	3. Accounts used to accumulate information until it is transferred to the owner's capital account. (p. 206)	3. _____
D. permanent accounts	4. Journal entries used to prepare temporary accounts for a new fiscal period. (p. 206)	4. _____
E. post-closing trial balance	5. A trial balance prepared after the closing entries are posted. (p. 216)	5. _____
F. temporary accounts	6. The series of accounting activities included in recording financial information for a fiscal period. (p. 217)	6. _____

Part Two—Analyzing Accounts Affected by Adjusting and Closing Entries

Directions: Use the partial chart of accounts given below. For each adjusting or closing entry described, decide which accounts are debited and credited. Write the account numbers identifying your choice in the proper Answers column.

Account Title	Acct. No.
Supplies	150
Prepaid Insurance	160
J. Nichols, Capital	310
J. Nichols, Drawing	320
Income Summary	330
Sales	410
Advertising Expense	510
Insurance Expense	520
Supplies Expense	550

	Accounts to Be	
	Debited	Credited
1-2. Adjusting entry for Supplies. (p. 203)	1. _____	2. _____
3-4. Adjusting entry for Prepaid Insurance. (p. 204)	3. _____	4. _____
5-6. Closing entry for Sales. (p. 208)	5. _____	6. _____
7-8. Closing entry for all expense accounts. (p. 209)	7. _____	8. _____
9-10. Closing entry for Income Summary with a net income. (p. 210)	9. _____	10. _____
11-12. Closing entry for Income Summary with a net loss. (p. 210)	11. _____	12. _____
13-14. Closing entry for owner's drawing account. (p. 211)	13. _____	14. _____

Part Three—Analyzing Accounts After Closing Entries Are Posted (p. 216)

Directions: For each account listed below, decide whether the account will normally appear on a post-closing trial balance. Place a check mark in the proper Answers column to show your answer.

	Appears on a Post-Closing Trial Balance	
	Yes	No
1. Accounts Receivable—Imagination Station	1. _____	_____
2. Supplies Expense	2. _____	_____
3. Sales	3. _____	_____
4. Miscellaneous Expense	4. _____	_____
5. Prepaid Insurance	5. _____	_____
6. Petty Cash	6. _____	_____
7. Accounts Payable—Suburban Office Supplies	7. _____	_____
8. Rent Expense	8. _____	_____
9. J. Nichols, Drawing	9. _____	_____
10. Supplies	10. _____	_____
11. Cash	11. _____	_____
12. Advertising Expense	12. _____	_____
13. Insurance Expense	13. _____	_____
14. J. Nichols, Capital	14. _____	_____
15. Income Summary	15. _____	_____
16. Utilities Expense	16. _____	_____

Part Four—Analyzing Adjusting and Closing Entries

Directions: For each of the following items, select the choice that best completes the statement. Print the letter identifying your choice in the Answers column.

- | | Answers |
|--|----------------|
| 1. Which accounting concept applies when a work sheet is prepared at the end of each fiscal cycle to summarize the general ledger information needed to prepare financial statements? (A) Business Entity (B) Accounting Period Cycle (C) Adequate Disclosure (D) Consistent Reporting (p. 202) | 1. _____ |
| 2. Which accounting concept applies when expenses are reported in the same fiscal period that they are used to produce revenue? (A) Business Entity (B) Going Concern (C) Matching Expenses with Revenue (D) Adequate Disclosure (p. 203) | 2. _____ |
| 3. Information needed for journalizing the adjusting entries is obtained from the (A) general ledger account Balance columns (B) income statement (C) work sheet's Adjustments columns (D) balance sheet (p. 203) | 3. _____ |
| 4. After adjusting entries are posted, the supplies account balance will be equal to (A) the cost of supplies used during the fiscal period (B) the cost of the supplies on hand at the end of the fiscal period (C) zero (D) none of these. (p. 203) | 4. _____ |
| 5. When revenue is greater than total expenses, resulting in a net income, the income summary account has a (A) debit balance (B) credit balance (C) normal debit balance (D) normal credit balance. (p. 207) | 5. _____ |
| 6. Information needed for recording the closing entries is obtained from the (A) general ledger accounts' Debit Balance columns (B) work sheet's Income Statement and Balance Sheet columns (C) balance sheet (D) income statement. (p. 207) | 6. _____ |
| 7. Income Summary is (A) an asset account (B) a liability account (C) a temporary account (D) a permanent account. (p. 207) | 7. _____ |
| 8. After the closing entries are posted, the owner's capital account balance should be the same as (A) shown on the balance sheet for the fiscal period (B) shown in the work sheet's Balance Sheet Debit column (C) shown in the work sheet's Balance Sheet Credit column (D) shown in the work sheet's Income Statement Debit column. (p. 211) | 8. _____ |
| 9. The accounts listed on a post-closing trial balance are (A) general ledger accounts with balances after the closing entries are posted (B) all general ledger accounts (C) those that have no balances after adjusting and closing entries (D) those that appear in the work sheet's Trial Balance columns. (p. 216) | 9. _____ |

Part Five—Identifying the Accounting Cycle for a Service Business

Directions: Arrange the series of accounting activities listed below for the accounting cycle for a service business. Indicate the sequence of the steps by writing a number from 1 to 8 to the left of each activity. (p. 217)

Answers

- _____ A work sheet, including a trial balance, is prepared from the general ledger.
- _____ Transactions, from information on source documents, are recorded in a journal.
- _____ Source documents are checked for accuracy, and transactions are analyzed into debit and credit parts.
- _____ Adjusting and closing entries are posted to the general ledger.
- _____ Financial statements are prepared from the work sheet.
- _____ Adjusting and closing entries are journalized from the work sheet.
- _____ A post-closing trial balance of the general ledger is prepared.
- _____ Journal entries are posted to the general ledger.

8-1 and 8-2 WORK TOGETHER, pp. 205, 212

**8-1 Journalizing and posting adjusting entries
8-2 Journalizing and posting closing entries**

ACCOUNT TITLE	3 ADJUSTMENTS		5 INCOME STATEMENT		7 BALANCE SHEET	
	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
1 Cash					7350 00	
2 Accts. Rec.—Romelle Woods					372 00	
3 Accts. Rec.—Wyatt Ames					88 00	
4 Supplies		(a) 713 00			250 00	
5 Prepaid Insurance		(b) 300 00			900 00	
6 Accts. Pay.—Colin Gas						975 00
7 Accts. Pay.—Grand Uniforms						212 00
8 Darlene Wong, Capital						6543 00
9 Darlene Wong, Drawing					2100 00	
10 Income Summary						
11 Sales				5511 00		
12 Advertising Expense			821 00			
13 Insurance Expense	(b) 300 00		300 00			
14 Miscellaneous Expense			347 00			
15 Supplies Expense	(a) 713 00		713 00			
16 Net Income	1013 00	1013 00	2181 00	5511 00	11060 00	7730 00
17			3330 00			3330 00
18			5511 00	5511 00	11060 00	11060 00
19						
20						
21						
22						
23						

JOURNAL

		1		2		3		4		5			
DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		SALES CREDIT	CASH		1	2	3	4	5
				DEBIT	CREDIT		DEBIT	CREDIT					
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
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24													

8-1 and 8-2 WORK TOGETHER (continued)

GENERAL LEDGER

ACCOUNT **Cash**

ACCOUNT NO. **110**

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
July 31	Balance	✓			7350	00

ACCOUNT **Accounts Receivable—Romelle Woods**

ACCOUNT NO. **120**

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
July 31	Balance	✓			372	00

ACCOUNT **Accounts Receivable—Wyatt Ames**

ACCOUNT NO. **130**

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
July 31	Balance	✓			88	00

ACCOUNT **Supplies**

ACCOUNT NO. **140**

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
July 31	Balance	✓			963	00

ACCOUNT **Prepaid Insurance**

ACCOUNT NO. **150**

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
July 31	Balance	✓			1200	00

ACCOUNT **Accounts Payable—Colin Gas**

ACCOUNT NO. **210**

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
July 31	Balance	✓				975
						00

GENERAL LEDGER

ACCOUNT Accounts Payable—Grand Uniforms

ACCOUNT NO. 220

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
July 31	Balance	✓				212 00

ACCOUNT Darlene Wong, Capital

ACCOUNT NO. 310

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
July 31	Balance	✓				6543 00

ACCOUNT Darlene Wong, Drawing

ACCOUNT NO. 320

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
July 31	Balance	✓			2100 00	

ACCOUNT Income Summary

ACCOUNT NO. 330

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

ACCOUNT Sales

ACCOUNT NO. 410

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
July 31	Balance	✓				5511 00

ACCOUNT Advertising Expense

ACCOUNT NO. 510

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
July 31	Balance	✓			821 00	

8-1 and 8-2 WORK TOGETHER (concluded)

GENERAL LEDGER

ACCOUNT Insurance Expense

ACCOUNT NO. 520

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

ACCOUNT Miscellaneous Expense

ACCOUNT NO. 530

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
July 31	Balance	✓			347	00

ACCOUNT Supplies Expense

ACCOUNT NO. 540

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

ACCOUNT

ACCOUNT NO.

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

ACCOUNT

ACCOUNT NO.

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

ACCOUNT

ACCOUNT NO.

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

8-1 Journalizing and posting adjusting entries
8-2 Journalizing and posting closing entries

ACCOUNT TITLE	3 ADJUSTMENTS		4 ADJUSTMENTS		5 INCOME STATEMENT		6 INCOME STATEMENT		7 BALANCE SHEET		8
	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	
1 Cash									611600		1
2 Petty Cash									20000		2
3 Accts. Rec.—Jodi Ford									31700		3
4 Accts. Rec.—Midville Center									14800		4
5 Supplies		(a) 377 00							22500		5
6 Prepaid Insurance		(b) 250 00							40000		6
7 Accts. Pay.—Beauty Supply Co.										42200	7
8 Accts. Pay.—Midwest Towel										18200	8
9 Kelley Cooper, Capital										590000	9
10 Kelley Cooper, Drawing									100000		10
11 Income Summary											11
12 Sales							384700				12
13 Insurance Expense	(b) 250 00				250 00						13
14 Miscellaneous Expense					98 00						14
15 Supplies Expense	(a) 377 00				377 00						15
16 Utilities Expense					1220 00						16
17	627 00		627 00		1945 00	3847 00	3847 00	840600	650400		17
18 Net Income					1902 00				190200		18
19					3847 00	3847 00	3847 00	840600	840600		19
20											20
21											21
22											22

8-1 and 8-2 ON YOUR OWN (continued)

DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	1		2		3	4		5
				DEBIT	CREDIT	GENERAL	CREDIT		SALES CREDIT	DEBIT	
1											
2											
3											
4											
5											
6											
7											
8											
9											
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11											
12											
13											
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16											
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18											
19											
20											
21											
22											
23											
24											

GENERAL LEDGER

ACCOUNT Cash

ACCOUNT NO. 110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Feb. 28	Balance	✓			6116	00

ACCOUNT Petty Cash

ACCOUNT NO. 120

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Feb. 28	Balance	✓			200	00

ACCOUNT Accounts Receivable—Jodi Ford

ACCOUNT NO. 130

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Feb. 28	Balance	✓			317	00

ACCOUNT Accounts Receivable—Midville Center

ACCOUNT NO. 140

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Feb. 28	Balance	✓			148	00

ACCOUNT Supplies

ACCOUNT NO. 150

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Feb. 28	Balance	✓			602	00

ACCOUNT Prepaid Insurance

ACCOUNT NO. 160

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Feb. 28	Balance	✓			650	00

8-1 and 8-2 ON YOUR OWN (continued)

GENERAL LEDGER

ACCOUNT **Accounts Payable—Beauty Supply Co.**

ACCOUNT NO. 210

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20-- Feb. 28	Balance	✓				422.00

ACCOUNT **Accounts Payable—Midwest Towel**

ACCOUNT NO. 220

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20-- Feb. 28	Balance	✓				182.00

ACCOUNT **Kelley Cooper, Capital**

ACCOUNT NO. 310

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20-- Feb. 28	Balance	✓				5900.00

ACCOUNT **Kelley Cooper, Drawing**

ACCOUNT NO. 320

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20-- Feb. 28	Balance	✓			1000.00	

ACCOUNT **Income Summary**

ACCOUNT NO. 330

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

ACCOUNT **Sales**

ACCOUNT NO. 410

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20-- Feb. 28	Balance	✓				3847.00

GENERAL LEDGER

ACCOUNT Insurance Expense

ACCOUNT NO. 510

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

ACCOUNT Miscellaneous Expense

ACCOUNT NO. 520

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Feb. 28	Balance	✓			9800	

ACCOUNT Supplies Expense

ACCOUNT NO. 530

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

ACCOUNT Utilities Expense

ACCOUNT NO. 540

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Feb. 28	Balance	✓			122000	

ACCOUNT

ACCOUNT NO.

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

ACCOUNT

ACCOUNT NO.

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

8-1 and 8-2 APPLICATION PROBLEMS, p. 221

8-1 Journalizing and posting adjusting entries
8-2 Journalizing and posting closing entries

DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	1		2		3		4		5	
				DEBIT	CREDIT	DEBIT	CREDIT	SALES CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													
21													
22													

GENERAL LEDGER

ACCOUNT Cash

ACCOUNT NO. 110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Apr. 30	Balance	✓			7607	00

ACCOUNT Accounts Receivable—Natasha Goodlad

ACCOUNT NO. 130

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Apr. 30	Balance	✓			700	00

ACCOUNT Accounts Receivable—R. Henry

ACCOUNT NO. 140

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Apr. 30	Balance	✓			498	00

ACCOUNT Supplies

ACCOUNT NO. 150

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Apr. 30	Balance	✓			881	00

ACCOUNT Prepaid Insurance

ACCOUNT NO. 160

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Apr. 30	Balance	✓			400	00

8-1 and 8-2 APPLICATION PROBLEMS (continued)

GENERAL LEDGER

ACCOUNT Accounts Payable—Tri-County Supplies

ACCOUNT NO. 210

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20-- Apr. 30	Balance	✓				38100

ACCOUNT Accounts Payable—West End Supply Co.

ACCOUNT NO. 220

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20-- Apr. 30	Balance	✓				55500

ACCOUNT Leonard Long, Capital

ACCOUNT NO. 310

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20-- Apr. 30	Balance	✓				652700

ACCOUNT Leonard Long, Drawing

ACCOUNT NO. 320

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20-- Apr. 30	Balance	✓			100000	

ACCOUNT Income Summary

ACCOUNT NO. 330

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

ACCOUNT Sales

ACCOUNT NO. 410

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20-- Apr. 30	Balance	✓				623300

GENERAL LEDGER

ACCOUNT Advertising Expense

ACCOUNT NO. 510

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20-- Apr. 30	Balance	✓			800	00

ACCOUNT Insurance Expense

ACCOUNT NO. 520

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

ACCOUNT Miscellaneous Expense

ACCOUNT NO. 530

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20-- Apr. 30	Balance	✓			315	00

ACCOUNT Supplies Expense

ACCOUNT NO. 540

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

ACCOUNT Utilities Expense

ACCOUNT NO. 550

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20-- Apr. 30	Balance	✓			1495	00

ACCOUNT

ACCOUNT NO.

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

Journalizing and posting adjusting and closing entries with a net loss; preparing a post-closing trial balance

1, 2.

JOURNAL										PAGE	
DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		SALES CREDIT	CASH				
				DEBIT	CREDIT		DEBIT	CREDIT			
1											1
2											2
3											3
4											4
5											5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13											13
14											14
15											15
16											16
17											17
18											18
19											19
20											20
21											21
22											22

8-4 MASTERY PROBLEM (continued)

1., 2. GENERAL LEDGER

ACCOUNT **Cash** ACCOUNT NO. **110**

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20-- Oct. 31	Balance	✓			6958	00

ACCOUNT **Petty Cash** ACCOUNT NO. **120**

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20-- Oct. 31	Balance	✓			150	00

ACCOUNT **Accounts Receivable—M. Hollerud** ACCOUNT NO. **130**

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20-- Oct. 31	Balance	✓			197	00

ACCOUNT **Supplies** ACCOUNT NO. **140**

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20-- Oct. 31	Balance	✓			2180	00

ACCOUNT **Prepaid Insurance** ACCOUNT NO. **150**

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20-- Oct. 31	Balance	✓			957	00

8-4 MASTERY PROBLEM (continued)

1., 2.

GENERAL LEDGER

ACCOUNT Accounts Payable—Tampa Supply

ACCOUNT NO. 210

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Oct. 31	Balance	✓				612.00

ACCOUNT Ron Rolstad, Capital

ACCOUNT NO. 310

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Oct. 31	Balance	✓				9337.00

ACCOUNT Ron Rolstad, Drawing

ACCOUNT NO. 320

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Oct. 31	Balance	✓			600.00	

ACCOUNT Income Summary

ACCOUNT NO. 330

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

ACCOUNT Sales

ACCOUNT NO. 410

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Oct. 31	Balance	✓				3269.00

8-4 MASTERY PROBLEM (continued)

1., 2. GENERAL LEDGER

ACCOUNT Advertising Expense

ACCOUNT NO. 510

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Oct. 31	Balance	✓			450	00

ACCOUNT Insurance Expense

ACCOUNT NO. 520

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

ACCOUNT Miscellaneous Expense

ACCOUNT NO. 530

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Oct. 31	Balance	✓			85	00

ACCOUNT Supplies Expense

ACCOUNT NO. 540

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

ACCOUNT Utilities Expense

ACCOUNT NO. 550

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Oct. 31	Balance	✓			1641	00

ACCOUNT

ACCOUNT NO.

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

8-4 MASTERY PROBLEM (concluded)

3.

ACCOUNT TITLE	DEBIT			CREDIT		

8-5

CHALLENGE PROBLEM, p. 223

Journalizing and posting adjusting and closing entries with two revenue accounts and a net loss; preparing a post-closing trial balance 1, 2.

JOURNAL										PAGE				
DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		SALES CREDIT	CASH			1	2	3	4	5
				DEBIT	CREDIT		DEBIT	CREDIT						
1														
2														
3														
4														
5														
6														
7														
8														
9														
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11														
12														
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16														
17														
18														
19														
20														
21														
22														

8-5 CHALLENGE PROBLEM (continued)

1., 2.

GENERAL LEDGER

ACCOUNT Cash

ACCOUNT NO. 110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Sept. 30	Balance	✓			1898	00

ACCOUNT Accounts Receivable—Sandra Rohe

ACCOUNT NO. 120

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Sept. 30	Balance	✓			95	00

ACCOUNT Supplies

ACCOUNT NO. 130

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Sept. 30	Balance	✓			3850	00

ACCOUNT Prepaid Insurance

ACCOUNT NO. 140

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Sept. 30	Balance	✓			1600	00

ACCOUNT Accounts Payable—Corner Garage

ACCOUNT NO. 210

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Sept. 30	Balance	✓				58
						00

8-5 CHALLENGE PROBLEM (continued)

1., 2. GENERAL LEDGER

ACCOUNT Accounts Payable—Broadway Gas ACCOUNT NO. 220

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Sept. 30	Balance	✓				11000

ACCOUNT Accounts Payable—Esko Repair ACCOUNT NO. 230

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Sept. 30	Balance	✓				21500

ACCOUNT Ryo Morrison, Capital ACCOUNT NO. 310

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Sept. 30	Balance	✓				400000

ACCOUNT Ryo Morrison, Drawing ACCOUNT NO. 320

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Sept. 30	Balance	✓			10000	

ACCOUNT Income Summary ACCOUNT NO. 330

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

ACCOUNT Sales—Lawn Care ACCOUNT NO. 410

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Sept. 30	Balance	✓				490000

8-5 CHALLENGE PROBLEM (continued)

1., 2.

GENERAL LEDGER

ACCOUNT Sales—Shrub Care

ACCOUNT NO. 420

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Sept. 30	Balance	✓				2500 00

ACCOUNT Advertising Expense

ACCOUNT NO. 510

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Sept. 30	Balance	✓			3900 00	

ACCOUNT Insurance Expense

ACCOUNT NO. 520

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

ACCOUNT Miscellaneous Expense

ACCOUNT NO. 530

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Sept. 30	Balance	✓			5500 00	

ACCOUNT Rent Expense

ACCOUNT NO. 540

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Sept. 30	Balance	✓			3300 00	

ACCOUNT Supplies Expense

ACCOUNT NO. 550

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT

8-5 CHALLENGE PROBLEM (concluded)

4.

A series of horizontal lines for writing, providing space for the student to solve the challenge problem.