

Following is the Unadjusted Trial Balance of ABC Company as at December 31, 2002:

Cash	4,850	
Office Supplies	1,100	
Prepaid Insurance	2,120	
Office Equipment	27,860	
Acc. Amort. - Office Equip.		11,630
Accounts Payable		890
John Doe, Capital		16,380
John Doe, Withdrawals	22,500	
Fees Earned		56,400
Wages Expense	18,220	
Rent Expense	7,500	
Utilities Expense	1,150	
	-----	-----
Totals	85,300	85,300
	=====	=====

1. Put the Unadjusted Trial Balance on the worksheet
2. Journalize the following adjustments
  - a. Expired insurance was \$1,410
  - b. There was really only \$460 of Office Supplies on hand.
  - c. Estimated amortization on the Office Equipment was \$2,800
  - d. Wages owing to one employee was \$220
3. Post the Adjusting entries on the worksheet
4. Complete the Worksheet
5. Journalize the year end Closing Entries.

**GENERAL JOURNAL**

Adjusting Entries:

ADJ #	ACCOUNT	TYPE	DEBIT	CREDIT
a)				
	Explain:			
b)				
	Explain:			
c)				
	Explain:			
d)				
	Explain:			

Closing Entries:

#	ACCOUNT	TYPE	DEBIT	CREDIT
1.				
	Explain:			
2.				
	Explain:			
3.				
	Explain:			
4.				
	Explain:			

WORKSHEET

	Unadjusted T/Bal		Adjustments		Adjusted T/Bal		Income Statement		Balance Sheet	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
	-----	-----								
	=====	=====								
			-----	-----	-----	-----	-----	-----	-----	-----
			=====	=====	=====	=====				
							-----	-----	-----	-----
							=====	=====	=====	=====

## ABC COMPANY

## WORKSHEET

DECEMBER 31, 2002

	Unadjusted T/Bal		Adjustments		Adjusted T/Bal		Income Statement		Balance Sheet	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Cash	4,850				4,850				4,850	
Office Supplies	1,100		b)	640	460				460	
Prepaid Insurance	2,120		a)	1,410	710				710	
Office Equipment	27,860				27,860				27,860	
Acc. Amort – Off Equip		11,630	c)	2,800		14,430				14,430
Accounts Payable		890				890				890
John Doe, Capital		16,380				16,380				16,380
John Doe, Withdrawals	22,500				22,500				22,500	
Fees Earned		56,400				56,400		56,400		
Wages Expense	18,220		220	d)	18,440		18,440			
Rent Expense	7,500				7,500		7,500			
Utilities Expense	1,150				1,150		1,150			
	-----	-----								
	85,300	85,300								
	=====	=====								
Insurance Expense			1,410	a)	1,410		1,410			
Office Supplies Expense			640	b)	640		640			
Amort Expense			2,800	c)	2,800		2,800			
Wages Payable			d)	220		220				220
			-----	-----	-----	-----	-----	-----	-----	-----
			5,070	5,070	88,320	88,320	31,940	56,400	56,380	31,920
			=====	=====	=====	=====	24,460			24,460
							-----	-----	-----	-----
							56,400	56,400	56,380	56,380
							=====	=====	=====	=====

## GENERAL JOURNAL

Adjusting Entries:

ADJ #	ACCOUNT	TYPE	DEBIT	CREDIT
a)	Insurance Expense	EX	1,410	
	Prepaid Insurance	A		1,410
	Explain: Record expired insurance			
b)	Office Supplies Expense	EX	640	
	Office Supplies	A		640
	Explain: Adjust supplies amount to actual			
c)	Amortization Expense – Office Equipment	EX	2,800	
	Acc. Amort. – Office Equipment	A		2,800
	Explain: Record estimated amortization			
d)	Wages Expense	EX	220	
	Wages Payable	L		220
	Explain: Record wages owed to employee			

Closing Entries:

#	ACCOUNT	TYPE	DEBIT	CREDIT
1.	Fees Earned	R	56,400	
	Income Summary	T		56,400
	Explain: Close Revenue accounts			
2.	Income Summary	T	31,940	
	Wages Expense	EX		18,440
	Rent Expense	EX		7,500
	Utilities Expense	EX		1,150
	Insurance Expense	EX		1,410
	Office Supplies Expense	EX		640
	Amortization Expense – Office Equipment	EX		2,800
	Explain: Close Expense accounts			
3.	Income Summary	T	24,460	
	John Doe, Capital	EQ		24,460
	Explain: Close Income Summary to Capital			
4.	John Doe, Capital	EQ	22,500	
	John Doe, Withdrawals	EQ		22,500
	Explain: Close Withdrawals account			