

The company is called ABC Co. All of the company's accounting work has been completed through the end of November and its ledgers show November 30, 2001 balances. The terms of all credit sales are 2/10, n/30. During the final month of the year you record the following transactions:

- Dec 1      Issued cheque 501 to Property Management in payment of the Dec rent, \$3,700. Use two lines to record this transaction. Charge 80% of the rent to Rent Expense – Selling Space and the rest to Rent Expense – Office Space.
- Dec 2      Sold merchandise on credit to Ender Co. on invoice 7601 for \$6,000. Cost \$3,000.
- Dec 2      Issued a \$200 credit memorandum 201 to Noric Co. for defective merchandise we sold on November 28 and they returned for credit.
- Dec 3      Received an \$800 credit memorandum P720 from Panda Co. for merchandise we received on November 29 and we returned for credit.
- Dec 4      Purchased on credit from Tacid Co. merchandise \$38,000, store supplies \$500, and office supplies \$80. Invoice T64, terms n/10, EOM.
- Dec 5      Received full payment from Noric Co. (less the return and discount). Receipt 220.
- Dec 8      Issued cheque 502 to Panda Co. in full payment of account (less the return and the 2% discount)
- Dec 9      Sold store supplies to the merchant next door at cost for cash, \$300.
- Dec 10     Purchase office equipment on credit from Tacid Co, invoice T73, terms n/10, EOM, \$4,000.
- Dec 11     Received full payment from Ender Co. (less the discount). Receipt 221
- Dec 11     Received merchandise and an invoice G93, terms 2/10, n/30, from Gander Co., \$9,000
- Dec 12     Received an \$800 credit memorandum T104 from Tacid Co. for defective office equipment we received on Dec 10 and we returned for credit.
- Dec 15     Issued cheque 503, payable to Payroll, in payment of sales salaries for \$5,000 and office salaries for \$3,000.
- Dec 15     Cash sales for the first half of the month were \$60,000 with cost of \$30,000.

- Dec 16 Sold merchandise on credit to Ender Co. on invoice 7602 for \$4,000. Cost \$2,000.
- Dec 17 Received merchandise and an invoice C926, terms 2/10, n/60 from Central Co., \$14,000.
- Dec 19 Issued cheque 504 to Gander Co. in full payment of account (less the discount).
- Dec 22 Sold merchandise on credit to Oyster Co. on invoice 7603 for \$7,000. Cost \$3,500.
- Dec 23 Issued cheque 505 to Central Co. in full payment of account (less the discount).
- Dec 24 Purchased on credit from Tacid Co. merchandise for \$8,000, store supplies for \$600 and office supplies for \$300. Invoice T126, terms n/10, EOM.
- Dec 25 Received merchandise and an invoice P984, terms 2/10, n/30 from Panda Co. for \$3,000.
- Dec 26 Sold merchandise on credit to Dale Co. on. invoice 7604 for \$14,000. Cost \$7,000.
- Dec 26 Issued cheque 506 to Hydro Co. in payment of the November electric bill, \$1,200.
- Dec 29 The owner, Tom Smith, withdrew \$8,000 from the business for personal use. Cheque 507.
- Dec 30 Received full payment from Oyster Co (less the discount). Receipt 222
- Dec 30 Issued cheque 508, payable to Payroll, in payment of sales salaries for \$5,000 and office salaries for \$3,000.
- Dec 31 Cash sales for the last half of the month were \$66,000 with cost of \$33,000

**Required:**

1. Complete the attached Sales Journal, Purchase Journal, Cash Receipts Journal, Cash Disbursements Journal and General Journal posting to the Subledgers (if applicable) when entered on the journals.
2. Foot and cross-foot the appropriate journals.
3. Post the journals to the General Ledger cards.

4. Begin the Worksheet by putting the ending balance of the General Ledger cards in the Unadjusted Trial Balance columns.
5. Journalizing the following period end adjustments.  
**(DO NOT POST THE ADJUSTMENTS TO THE GENERAL LEDGER)**
  - a) Expired insurance, \$500.
  - b) Ending store supplies inventory, \$2,600.
  - c) Ending office supplies inventory, \$500.
  - d) Estimated amortization of store equipment, \$560.
  - e) Estimated amortization of office equipment, \$330.
  - f) Ending merchandise inventory, \$210,000
6. Complete the worksheet



## SALES JOURNAL – Page 1

Date	Account Debited	Invoice #	P.R.	A/R - DR Sales - CR	Cost of Sales – DR Inventory - CR
				-----	-----
				=====	=====

## PURCHASES JOURNAL – Page 2

Date	Account Credited	Invoice #	Terms	P.R.	A/P - CR	Inventory - DR	Office Supplies - DR	Other Accounts – DR	Description
					-----	-----	-----	-----	
					=====	=====	=====	=====	

## CASH RECEIPTS JOURNAL – Page 3

Date	Account Credited	Explanation	P.R.	Cash DR	Sales Discount DR	A/R CR	Sales CR	Other Accts. CR	Cost of Sales – DR Inventory - CR
				-----	-----	-----	-----	-----	-----
				=====	=====	=====	=====	=====	=====

## CASH DISBURSEMENTS JOURNAL – Page 4

Date	Chq #	Payee	Other Account Debited	P.R.	Cash CR	Inventory CR	Other Accts. DR	A/P DR
					-----	-----	-----	-----
					=====	=====	=====	=====

## RECEIVABLE LEDGER

## Ender Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

## Noric Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 28	Balance Forward	BF			4,000

## Oyster Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

## Dale Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

## PAYABLE LEDGER

## Central Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

## Gander Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

## Panda Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 29	Balance Forward	BF			7,000

## Tacid Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

**GENERAL LEDGER****CASH****1010**

<b>DATE</b>	<b>EXPLANATION</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>
Nov 30	Balance forward				50,000

**ACCOUNTS RECEIVABLE****1060**

<b>DATE</b>	<b>EXPLANATION</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>
Nov 30	Balance forward				4,000

**INVENTORY****1190**

<b>DATE</b>	<b>EXPLANATION</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>
Nov 30	Balance forward				220,000

**STORE SUPPLIES****1240**

<b>DATE</b>	<b>EXPLANATION</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>
Nov 30	Balance forward				2,500

**OFFICE SUPPLIES****1250**

<b>DATE</b>	<b>EXPLANATION</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>
Nov 30	Balance forward				450

**PREPAID INSURANCE****1280**

<b>DATE</b>	<b>EXPLANATION</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>
Nov 30	Balance forward				3,000



**STORE EQUIPMENT****1630**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				39,000

**ACCUMULATED AMORTIZATION – STORE EQUIPMENT****1631**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				18,000

**OFFICE EQUIPMENT****1650**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				23,000

**ACCUMULATED AMORTIZATION – OFFICE EQUIPMENT****1651**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				9,900

**ACCOUNTS PAYABLE****2010**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				7,000

**TOM SMITH - CAPITAL****3020**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				307,050

**TOM SMITH - WITHDRAWALS****3030**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

**SALES****4130**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

**SALES RETURNS & ALLOWANCES****4140**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

**SALES DISCOUNTS****4150**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

**COST OF SALES****5020**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

**AMORTIZATION EXPENSE – STORE EQUIPMENT****5120**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

**AMORTIZATION EXPENSE – OFFICE EQUIPMENT****5130**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

**SALES SALARIES EXPENSE****5200**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

**OFFICE SALARIES EXPENSE****5210**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

**INSURANCE EXPENSE****5370**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

**RENT EXPENSE – SELLING SPACE****5410**

<b>DATE</b>	<b>EXPLANATION</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>

**RENT EXPENSE – OFFICE SPACE****5420**

<b>DATE</b>	<b>EXPLANATION</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>

**STORE SUPPLIES EXPENSE****5500**

<b>DATE</b>	<b>EXPLANATION</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>

**OFFICE SUPPLIES EXPENSE****5510**

<b>DATE</b>	<b>EXPLANATION</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>

**UTILITIES EXPENSE****5900**

<b>DATE</b>	<b>EXPLANATION</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>

**INCOME SUMMARY****5998**

<b>DATE</b>	<b>EXPLANATION</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>

ACCOUNT TITLES	TRIAL BALANCE		ADJUSTMENTS		INCOME STATEMENT		BALANCE SHEET	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Cash								
A/R								
Inventory								
Store Supp								
Office Supp								
Prepaid Ins								
Store Equip								
Acc Amort								
Office Equip								
Acc Amort								
A/P								
Capital								
Withdrawal								
Sale								
Sale Return								
Sale Disc.								
Cost of Sale								
Amort-Store								
Amort-Off.								
Sale Salaries								
Off. Salaries								
Insurance								
Rent Selling								
Rent Office								
Store Supp								
Off. Supp.								
Utilities								
	-----	-----	-----	-----	-----	-----	-----	-----
Totals								
Net Income	=====	=====	=====	=====				
					-----	-----	-----	-----
Totals								
					=====	=====	=====	=====

**ANSWERS:****GENERAL JOURNAL (G5)**

<b>DATE</b>	<b>ACCOUNT</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>
Dec 2	Sales Returns	4140	200	
	Accounts Receivable – Noric Co.	1060 / ✓		200
	Explain: Credit Memo 201			
Dec 3	Accounts Payable – Panda Co.	2010 / ✓	800	
	Inventory	1190		800
	Explain: Credit Memo P720			
Dec 12	Accounts Payable – Tacid Co.	2010 / ✓	800	
	Office Equipment	1650		800
	Explain: Credit Memo T104			

**PERIOD END ADJUSTMENTS**

<b>ADJ#</b>	<b>ACCOUNT</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>
a)	Insurance Expense		500	
	Prepaid Insurance			500
	Explain: Record expired insurance			
b)	Store Supplies Expense		700	
	Store Supplies			700
	Explain: Record used supplies			
c)	Office Supplies Expense		330	
	Office Supplies			330
	Explain: Record used supplies			
d)	Amortization – Store Equipment		560	
	Acc. Amort. – Store Equipment			560
	Explain: Record amortization			
e)	Amortization – Office Equipment		330	
	Acc. Amort. – Office Equipment			330
	Explain: Record amortization			
f)	Cost of Sales		2,116	
	Inventory			2,116
	Explain: Adjust inventory to actual			

SALES JOURNAL – Page 1

Date	Account Debited	Invoice #	P.R.	A/R - DR Sales - CR	Cost of Sales – DR Inventory - CR
Dec 2	Ender Co.	7601	√	6,000	3,000
Dec 16	Ender Co.	7602	√	4,000	2,000
Dec 22	Oyster Co.	7603	√	7,000	3,500
Dec 26	Dale Co.	7604	√	14,000	7,000
				-----	-----
				31,000	15,500
				=====	=====
				(1060 / 4130)	(5020 / 1190)

PURCHASES JOURNAL – Page 2

Date	Account Credited	Invoice #	Terms	P.R.	A/P - CR	Inventory - DR	Office Supplies - DR	Other Accounts – DR	Description
Dec 4	Tacid Co.	T64	N/10,EOM	√/1240	38,580	38,000	80	500	Store supp.
Dec 10	Tacid Co.	T73	N/10,EOM	√/1650	4,000			4,000	Office Equip
Dec 11	Gander Co.	G93	2/10,n/30	√	9,000	9,000			
Dec 17	Central Co.	C926	2/10,n/60	√	14,000	14,000			
Dec 24	Tacid Co.	T126	N/10,EOM	√/1240	8,900	8,000	300	600	Store supp.
Dec 25	Panda Co.	P984	2/10,n/30	√	3,000	3,000			
					-----	-----	-----	-----	
					77,480	72,000	380	5,100	
					=====	=====	=====	=====	
					(2010)	(1190)	(1250)	(√)	

## CASH RECEIPTS JOURNAL – Page 3

Date	Account Credited	Explanation	P.R.	Cash DR	Sales Discount DR	A/R CR	Sales CR	Other Accts. CR	Cost of Sales – DR Inventory - CR
Dec 5	Noric Co.	R220	√	3,724	76	3,800			
Dec 9	Store Supplies	Neighbour	1240	300				300	
Dec 11	Ender Co.	R221	√	5,880	120	6,000			
Dec 15	Sales	Cash Sales		60,000			60,000		30,000
Dec 30	Oyster Co.	R222	√	6,860	140	7,000			
Dec 31	Sales	Cash Sales		66,000			66,000		33,000
				-----	-----	-----	-----	-----	-----
				142,764	336	16,800	126,000	300	63,000
				=====	=====	=====	=====	=====	=====
				(1010)	(4150)	(1060)	(4130)	(√)	(1190/5020)

## CASH DISBURSEMENTS JOURNAL – Page 4

Date	Chq #	Payee	Other Account Debited	P.R.	Cash CR	Inventory CR	Other Accts. DR	A/P DR
Dec 1	501	Property Management	Rent-Selling	5410	3,700		2,960	
			Rent-Office	5420			740	
Dec 8	502	Panda Co.		√	6,076	124		6,200
Dec 15	503	Payroll	Sales Salaries	5200	8,000		5,000	
			Office Salaries	5210			3,000	
Dec 19	504	Gander Co.		√	8,820	180		9,000
Dec 23	505	Central Co.		√	13,720	280		14,000
Dec 26	506	Hydro Co.	Utilities	5900	1,200		1,200	
Dec 29	507	Tom Smith	Withdrawals	3030	8,000		8,000	
Dec 30	508	Payroll	Sales Salaries	5200	8,000		5,000	
			Office Salaries	5210			3,000	
					-----	-----	-----	-----
					57,516	584	28,900	29,200
					=====	=====	=====	=====
					(1010)	(1190)	(√)	(2010)

**RECEIVABLE LEDGER****Ender Co.**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 2	Invoice 7601	S1	6,000		6,000
Dec 11	Receipt 221	R3		6,000	0
Dec 16	Invoice 7602	S1	4,000		4,000

**Noric Co.**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 28	Balance Forward	BF			4,000
Dec 2	Credit Memo 201	G5		200	3,800
Dec 5	Receipt 220	R3		3,800	0

**Oyster Co.**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 22	Invoice 7603	S1	7,000		7,000
Dec 30	Receipt 222	R3		7,000	0

**Dale Co.**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 26	Invoice 7604	S1	14,000		14,000

**PAYABLE LEDGER****Central Co.**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 17	Invoice C926	P2		14,000	14,000
Dec 23	Cheque 505	D4	14,000		0

**Gander Co.**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 11	Invoice G93	P2		9,000	9,000
Dec 19	Cheque 504	D4	9,000		0

**Panda Co.**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 29	Balance Forward	BF			7,000
Dec 3	Credit Memo P720	G5	800		6,200
Dec 8	Cheque 502	D4	6,200		0
Dec 25	Invoice P984	P2		3,000	3,000

**Tacid Co.**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 4	Invoice T64	P2		38,580	38,580
Dec 10	Invoice T73	P2		4,000	42,580
Dec 12	Credit Memo T104	G5	800		41,780
Dec 24	Invoice T126	P2		8,900	50,680



## GENERAL LEDGER

## CASH

1010

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				50,000
Dec 31		R3	142,764		192,764
Dec 31		D4		57,516	135,248

## ACCOUNTS RECEIVABLE

1060

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				4,000
Dec 31		S1	31,000		35,000
Dec 31		R3		16,800	18,200
Dec 31		G5		200	18,000

## INVENTORY

1190

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				220,000
Dec 31		S1		15,500	204,500
Dec 31		P2	72,000		276,500
Dec 31		R3		63,000	213,500
Dec 31		D4		584	212,916
Dec 31		G5		800	212,116

## STORE SUPPLIES

1240

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				2,500
Dec 31		P2	500		3,000
Dec 31		P2	600		3,600
Dec 31		R3		300	3,300

## OFFICE SUPPLIES

1250

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				450
Dec 31		P2	380		830

## PREPAID INSURANCE

1280

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				3,000

**STORE EQUIPMENT****1630**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				39,000

**ACCUMULATED AMORTIZATION – STORE EQUIPMENT****1631**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				18,000

**OFFICE EQUIPMENT****1650**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				23,000
Dec 31		P2	4,000		27,000
Dec 31		G5		800	26,200

**ACCUMULATED AMORTIZATION – OFFICE EQUIPMENT****1651**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				9,900

**ACCOUNTS PAYABLE****2010**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				7,000
Dec 31		P2		77,480	84,480
Dec 31		D4	29,200		55,280
Dec 31		G5	800		54,480
Dec 31		G5	800		53,680

**TOM SMITH - CAPITAL****3020**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				307,050

**TOM SMITH - WITHDRAWALS****3030**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	8,000		8,000

**SALES****4130**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		S1		31,000	31,000
Dec 31		R3		126,000	157,000

**SALES RETURNS & ALLOWANCES****4140**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G5	200		200

**SALES DISCOUNTS****4150**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		R3	336		336

**COST OF SALES****5020**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		S1	15,500		15,500
Dec 31		R3	63,000		78,500

**AMORTIZATION EXPENSE – STORE EQUIPMENT****5120**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

**AMORTIZATION EXPENSE – OFFICE EQUIPMENT****5130**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

**SALES SALARIES EXPENSE****5200**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	5,000		5,000
Dec 31		D4	5,000		10,000

**OFFICE SALARIES EXPENSE****5210**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	3,000		3,000
Dec 31		D4	3,000		6,000

**INSURANCE EXPENSE****5370**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

**RENT EXPENSE – SELLING SPACE****5410**

<b>DATE</b>	<b>EXPLANATION</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>
Dec 31		D4	2,960		2,960

**RENT EXPENSE – OFFICE SPACE****5420**

<b>DATE</b>	<b>EXPLANATION</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>
Dec 31		D4	740		740

**STORE SUPPLIES EXPENSE****5500**

<b>DATE</b>	<b>EXPLANATION</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>

**OFFICE SUPPLIES EXPENSE****5510**

<b>DATE</b>	<b>EXPLANATION</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>

**UTILITIES EXPENSE****5900**

<b>DATE</b>	<b>EXPLANATION</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>
Dec 31		D4	1,200		1,200

**INCOME SUMMARY****5998**

<b>DATE</b>	<b>EXPLANATION</b>	<b>PR</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>

**COMPREHENSIVE PROBLEM – C1**

Page 21 of 21

ACCOUNT TITLES	TRIAL BALANCE		ADJUSTMENTS		INCOME STATEMENT		BALANCE SHEET	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Cash	135,248						135,248	
A/R	18,000						18,000	
Inventory	212,116		f)	2,116			210,000	
Store Supp	3,300		b)	700			2,600	
Office Supp	830		c)	330			500	
Prepaid Ins	3,000		a)	500			2,500	
Store Equip	39,000						39,000	
Acc Amort		18,000	d)	560				18,560
Office Equip	26,200						26,200	
Acc Amort		9,900	e)	330				10,230
A/P		53,680						53,680
Capital		307,050						307,050
Withdrawal	8,000						8,000	
Sale		157,000				157,000		
Sale Return	200				200			
Sale Disc.	336				336			
Cost of Sale	78,500		2,116	f)	80,616			
Amort-Store			560	d)	560			
Amort-Off.			330	e)	330			
Sale Salaries	10,000				10,000			
Off. Salaries	6,000				6,000			
Insurance			500	a)	500			
Rent Selling	2,960				2,960			
Rent Office	740				740			
Store Supp			700	b)	700			
Off. Supp.			330	c)	330			
Utilities	1,200				1,200			
	-----	-----	-----	-----	-----	-----	-----	-----
Totals	545,630	545,630	4,536	4,536	104,472	157,000	442,048	389,520
Net Income	=====	=====	=====	=====	52,528			52,528
Totals					157,000	157,000	442,048	442,048