

The company is called ABC Co. All of the company's accounting work has been journalized through the end of Dec and the worksheet has been completed.

Required:

1. Using the Worksheet, prepare the Financial Statements. (Assume that there were no new Owner Investments during the year.)
2. Using the Worksheet, journalize the Closing Entries
3. Post the Period End Adjustments and the Closing Entries to the General Ledger cards.
4. From the General Ledger cards, prepare a Post Closing Trial Balance
5. Create an Accounts Receivable Schedule that lists each customer and then the total. Compare the total to the Trial Balance. When complete, create an Accounts Payable Schedule that lists each supplier and then the total. Compare the total to the Trial Balance.

GENERAL JOURNAL (G5)

DATE	ACCOUNT	PR	DEBIT	CREDIT
Dec 2	Sales Returns	4140	400	
	Accounts Receivable – Noric Co.	1060 / ✓		400
	Explain: Credit Memo 401			
Dec 3	Accounts Payable – Panda Co.	2010 / ✓	700	
	Inventory	1190		700
	Explain: Credit Memo P89			
Dec 12	Accounts Payable – Tacid Co.	2010 / ✓	600	
	Office Equipment	1650		600
	Explain: Credit Memo T67			

PERIOD END ADJUSTMENTS

ADJ#	ACCOUNT	PR	DEBIT	CREDIT
a)	Insurance Expense		700	
	Prepaid Insurance			700
	Explain: Record expired insurance			
b)	Store Supplies Expense		900	
	Store Supplies			900
	Explain: Record used supplies			
c)	Office Supplies Expense		490	
	Office Supplies			490
	Explain: Record used supplies			
d)	Amortization – Store Equipment		850	
	Acc. Amort. – Store Equipment			850
	Explain: Record amortization			
e)	Amortization – Office Equipment		500	
	Acc. Amort. – Office Equipment			500
	Explain: Record amortization			
f)	Cost of Sales		1,224	
	Inventory			1,224
	Explain: Adjust inventory to actual			

RECEIVABLE LEDGER

Ender Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 2	Invoice 901	S1	8,000		8,000
Dec 11	Receipt 331	R3		8,000	0
Dec 16	Invoice 902	S1	5,000		5,000

Noric Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 28	Balance Forward	BF			4,000
Dec 2	Credit Memo 401	G5		400	3,600
Dec 5	Receipt 330	R3		3,600	0

Oyster Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 22	Invoice 903	S1	7,000		7,000
Dec 30	Receipt 332	R3		7,000	0

Dale Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 26	Invoice 904	S1	14,000		14,000

PAYABLE LEDGER

Central Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 17	Invoice C476	P2		13,000	13,000
Dec 23	Cheque 205	D4	13,000		0

Gander Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 11	Invoice G141	P2		9,500	9,500
Dec 19	Cheque 204	D4	9,500		0

Panda Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 29	Balance Forward	BF			7,000
Dec 3	Credit Memo P89	G5	700		6,300
Dec 8	Cheque 202	D4	6,300		0
Dec 25	Invoice P110	P2		3,000	3,000

Tacid Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 4	Invoice T28	P2		40,440	40,440
Dec 10	Invoice T45	P2		3,000	43,440
Dec 12	Credit Memo T67	G5	600		42,840
Dec 24	Invoice T98	P2		8,900	51,740

GENERAL LEDGER

CASH

1010

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				50,000
Dec 31		R3	142,428		192,428
Dec 31		D4		54,224	138,204

ACCOUNTS RECEIVABLE

1060

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				4,000
Dec 31		S1	34,000		38,000
Dec 31		R3		18,600	19,400
Dec 31		G5		400	19,000

INVENTORY

1190

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				220,000
Dec 31		S1		17,000	203,000
Dec 31		P2	73,500		276,500
Dec 31		R3		62,000	214,500
Dec 31		D4		576	213,924
Dec 31		G5		700	213,224

STORE SUPPLIES

1240

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				2,500
Dec 31		P2	400		2,900
Dec 31		P2	600		3,500
Dec 31		R3		200	3,300

OFFICE SUPPLIES

1250

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				450
Dec 31		P2	340		790

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	3,000		26,000
Dec 31		G5		600	25,400

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		77,840	84,840
Dec 31		D4	28,800		56,040
Dec 31		G5	700		55,340
Dec 31		G5	600		54,740

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	7,000		7,000

SALES

4130

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		S1		34,000	34,000
Dec 31		R3		124,000	158,000

SALES RETURNS & ALLOWANCES 4140

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G5	400		400

SALES DISCOUNTS 4150

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		R3	372		372

COST OF SALES 5020

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		S1	17,000		17,000
Dec 31		R3	62,000		79,000

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	4,500		4,500
Dec 31		D4	4,500		9,000

OFFICE SALARIES EXPENSE 5210

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	2,500		2,500
Dec 31		D4	2,500		5,000

INSURANCE EXPENSE 5370

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

RENT EXPENSE – SELLING SPACE

5410

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	3,200		3,200

RENT EXPENSE – OFFICE SPACE

5420

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	800		800

STORE SUPPLIES EXPENSE

5500

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

OFFICE SUPPLIES EXPENSE

5510

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

UTILITIES EXPENSE

5900

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	1,000		1,000

INCOME SUMMARY

5998

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

ACCOUNT TITLES	TRIAL BALANCE		ADJUSTMENTS		INCOME STATEMENT		BALANCE SHEET	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Cash	138,204						138,204	
A/R	19,000						19,000	
Inventory	213,224		f)	1,224			212,000	
Store Supp	3,300		b)	900			2,400	
Office Supp	790		c)	490			300	
Prepaid Ins	3,000		a)	700			2,300	
Store Equip	39,000						39,000	
Acc Amort		18,000	d)	850				18,850
Office Equip	25,400						25,400	
Acc Amort		9,900	e)	500				10,400
A/P		54,740						54,740
Capital		307,050						307,050
Withdrawal	7,000						7,000	
Sale		158,000				158,000		
Sale Return	400				400			
Sale Disc.	372				372			
Cost of Sale	79,000		1,224	f)	80,224			
Amort-Store			850	d)	850			
Amort-Off.			500	e)	500			
Sale Salaries	9,000				9,000			
Off. Salaries	5,000				5,000			
Insurance			700	a)	700			
Rent Selling	3,200				3,200			
Rent Office	800				800			
Store Supp			900	b)	900			
Off. Supp.			490	c)	490			
Utilities	1,000				1,000			
	-----	-----	-----	-----	-----	-----	-----	-----
Totals	547,690	547,690	4,664	4,664	103,436	158,000	445,604	391,040
Net Income	=====	=====	=====	=====	54,564			54,564
					-----	-----	-----	-----
Totals					158,000	158,000	445,604	445,604
					=====	=====	=====	=====

**ABC Co.
Income Statement
For Year Ended December 31, 2001**

Gross Sales			
Less: Sales Returns			
Sales Discounts			
		-----	-----
Net Sales			
Cost of Sales			

Gross Profit			
Operating Expenses:			
Selling Expenses:			
Amortization - Store Equipment			
Sales Salaries			
Rent – Selling Space			
Store Supplies			

Total Selling Expenses			
General & Administrative Expenses:			
Amortization – Office Equipment			
Office Salaries			
Insurance			
Rent – Office Space			
Office Supplies			
Utilities			

Total General & Administrative Expenses			

Total Operating Expenses			

Income from Operations			
			=====

ABC Co.
Statement of Change in Owner's Equity
For Year Ended December 31, 2001

Tom Smith Capital – Dec 1, 2001	
Plus: Net Income	

Less: Tom Smith Withdrawals	

Tom Smith Capital – Dec 31, 2001	=====

ABC Co.
Balance Sheet
December 31, 2001

ASSETS:			
Current Assets:			
Cash			
Accounts Receivable			
Inventory			
Store Supplies			
Office Supplies			
Prepaid Insurance			

Total Current Assets			
Capital Assets:			
Store Equipment			
Less: Accumulated Amortization			

Office Equipment			
Less: Accumulated Amortization			
	-----	-----	
Total Capital Assets			

TOTAL ASSETS			=====
LIABILITIES:			
Accounts Payable			
EQUITY:			
Tom Smith Capital – Dec 31, 2001			

TOTAL LIABILITIES & OWNER'S EQUITY			=====

ANSWERS:

GENERAL JOURNAL (G5)

DATE	ACCOUNT	PR	DEBIT	CREDIT
Dec 2	Sales Returns	4140	400	
	Accounts Receivable – Noric Co.	1060 / ✓		400
	Explain: Credit Memo 401			
Dec 3	Accounts Payable – Panda Co.	2010 / ✓	700	
	Inventory	1190		700
	Explain: Credit Memo P89			
Dec 12	Accounts Payable – Tacid Co.	2010 / ✓	600	
	Office Equipment	1650		600
	Explain: Credit Memo T67			

PERIOD END ADJUSTMENTS

ADJ#	ACCOUNT	PR	DEBIT	CREDIT
a)	Insurance Expense	5370	700	
	Prepaid Insurance	1280		700
	Explain: Record expired insurance			
b)	Store Supplies Expense	5500	900	
	Store Supplies	1240		900
	Explain: Record used supplies			
c)	Office Supplies Expense	5510	490	
	Office Supplies	1250		490
	Explain: Record used supplies			
d)	Amortization – Store Equipment	5120	850	
	Acc. Amort. – Store Equipment	1631		850
	Explain: Record amortization			
e)	Amortization – Office Equipment	5130	500	
	Acc. Amort. – Office Equipment	1651		500
	Explain: Record amortization			
f)	Cost of Sales	5020	1,224	
	Inventory	1190		1,224
	Explain: Adjust inventory to actual			

CLOSING ENTRIES

GENERAL JOURNAL (G6)

DATE	ACCOUNT	PR	DEBIT	CREDIT
Dec 31	Sales	4130	158,000	
	Sales Returns	4140		400
	Sales Discounts	4150		372
	Income Summary	5998		157,228
	Explain: Close revenue accounts			
Dec 31	Income Summary	5998	102,664	
	Cost of Sales	5020		80,224
	Amortization – Store Equipment	5120		850
	Amortization – Office Equipment	5130		500
	Sales Salaries	5200		9,000
	Office Salaries	5210		5,000
	Insurance	5370		700
	Rent – Selling Space	5410		3,200
	Rent – Office Space	5420		800
	Store Supplies	5500		900
	Office Supplies	5510		490
	Utilities	5900		1,000
	Explain: Close expense accounts			
Dec 31	Income Summary	5998	54,564	
	Tom Smith, Capital	3020		54,564
	Explain: Close Income Summary			
Dec 31	Tom Smith, Capital	3020	7,000	
	Tom Smith, Withdrawals	3030		7,000
	Explain: Close Owner Withdrawals			

GENERAL LEDGER

CASH

1010

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				50,000
Dec 31		R3	142,428		192,428
Dec 31		D4		54,224	138,204

ACCOUNTS RECEIVABLE

1060

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				4,000
Dec 31		S1	34,000		38,000
Dec 31		R3		18,600	19,400
Dec 31		G5		400	19,000

INVENTORY

1190

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				220,000
Dec 31		S1		17,000	203,000
Dec 31		P2	73,500		276,500
Dec 31		R3		62,000	214,500
Dec 31		D4		576	213,924
Dec 31		G5		700	213,224
Dec 31		G5		1,224	212,000

STORE SUPPLIES

1240

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				2,500
Dec 31		P2	400		2,900
Dec 31		P2	600		3,500
Dec 31		R3		200	3,300
Dec 31		G5		900	2,400

OFFICE SUPPLIES

1250

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				450
Dec 31		P2	340		790
Dec 31		G5		490	300

PREPAID INSURANCE

1280

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				3,000
Dec 31		G5		700	2,300

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
Dec 31		G5		850	18,850

OFFICE EQUIPMENT 1650

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				23,000
Dec 31		P2	3,000		26,000
Dec 31		G5		600	25,400

ACCUMULATED AMORTIZATION – OFFICE EQUIPMENT 1651

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				9,900
Dec 31		G5		500	10,400

ACCOUNTS PAYABLE 2010

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				7,000
Dec 31		P2		77,840	84,840
Dec 31		D4	28,800		56,040
Dec 31		G5	700		55,340
Dec 31		G5	600		54,740

TOM SMITH - CAPITAL 3020

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				307,050
Dec 31		G6		54,564	361,614
Dec 31		G6	7,000		354,614

TOM SMITH - WITHDRAWALS 3030

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	7,000		7,000
Dec 31		G6		7,000	0

SALES 4130

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		S1		34,000	34,000
Dec 31		R3		124,000	158,000
Dec 31		G6	158,000		0

SALES RETURNS & ALLOWANCES

4140

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G5	400		400
Dec 31		G6		400	0

SALES DISCOUNTS

4150

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		R3	372		372
Dec 31		G6		372	0

COST OF SALES

5020

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		S1	17,000		17,000
Dec 31		R3	62,000		79,000
Dec 31		G5	1,224		80,224
Dec 31		G6		80,224	0

AMORTIZATION EXPENSE – STORE EQUIPMENT

5120

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G5	850		850
Dec 31		G6		850	0

AMORTIZATION EXPENSE – OFFICE EQUIPMENT

5130

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G5	500		500
Dec 31		G6		500	0

SALES SALARIES EXPENSE

5200

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	4,500		4,500
Dec 31		D4	4,500		9,000
Dec 31		G6		9,000	0

OFFICE SALARIES EXPENSE

5210

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	2,500		2,500
Dec 31		D4	2,500		5,000
Dec 31		G6		5,000	0

INSURANCE EXPENSE

5370

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G5	700		700
Dec 31		G6		700	0

RENT EXPENSE – SELLING SPACE

5410

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	3,200		3,200
Dec 31		G6		3,200	0

RENT EXPENSE – OFFICE SPACE

5420

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	800		800
Dec 31		G6		800	0

STORE SUPPLIES EXPENSE

5500

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G5	900		900
Dec 31		G6		900	0

OFFICE SUPPLIES EXPENSE

5510

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G5	490		490
Dec 31		G6		490	0

UTILITIES EXPENSE

5900

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	1,000		1,000
Dec 31		G6		1,000	0

INCOME SUMMARY

5998

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G6		157,228	157,228
Dec 31		G6	102,664		54,564
Dec 31		G6	54,564		0

**ABC Co.
Income Statement
For Year Ended December 31, 2001**

Gross Sales			158,000
Less: Sales Returns		400	
Sales Discounts		372	772
		-----	-----
Net Sales			157,228
Cost of Sales			80,224

Gross Profit			77,004
Operating Expenses:			
Selling Expenses:			
Amortization - Store Equipment	850		
Sales Salaries	9,000		
Rent – Selling Space	3,200		
Store Supplies	900		

Total Selling Expenses		13,950	
General & Administrative Expenses:			
Amortization – Office Equipment	500		
Office Salaries	5,000		
Insurance	700		
Rent – Office Space	800		
Office Supplies	490		
Utilities	1,000		

Total General & Administrative Expenses		8,490	

Total Operating Expenses			22,440

Income from Operations			54,564
			=====

ABC Co.
Statement of Change in Owner's Equity
For Year Ended December 31, 2001

Tom Smith Capital – Dec 1, 2001	307,050
Plus: Net Income	54,564

	361,614
Less: Tom Smith Withdrawals	7,000

Tom Smith Capital – Dec 31, 2001	354,614
	=====

ABC Co.
Balance Sheet
December 31, 2001

ASSETS:			
Current Assets:			
Cash		138,204	
Accounts Receivable		19,000	
Inventory		212,000	
Store Supplies		2,400	
Office Supplies		300	
Prepaid Insurance		2,300	

Total Current Assets			374,204
Capital Assets:			
Store Equipment	39,000		
Less: Accumulated Amortization	18,850	20,150	

Office Equipment	25,400		
Less: Accumulated Amortization	10,400	15,000	
	-----	-----	
Total Capital Assets			35,150

TOTAL ASSETS			409,354
			=====
LIABILITIES:			
Accounts Payable			54,740
EQUITY:			
Tom Smith Capital – Dec 31, 2001			354,614

TOTAL LIABILITIES & OWNER'S EQUITY			409,354
			=====

**ABC Co.
Post-Closing Trial Balance
Dec 31, 2001**

ACCT#	ACCOUNT NAME	DEBIT	CREDIT
1010	Cash	138,204	
1060	Accounts Receivable	19,000	
1190	Inventory	212,000	
1240	Store Supplies	2,400	
1250	Office Supplies	300	
1280	Prepaid Insurance	2,300	
1630	Store Equipment	39,000	
1631	Accumulated Amortization – Store Equipment		18,850
1650	Office Equipment	25,400	
1651	Accumulated Amortization – Office Equipment		10,400
2010	Accounts Payable		54,740
3020	Tom Smith, Capital		354,614
		-----	-----
		438,604	438,604
		=====	=====

ACCOUNTS RECEIVABLE SCHEDULE

CUSTOMER NAME	AMOUNT OWING
Ender Co.	5,000
Dale Co.	14,000

	19,000
Less: Balance per Post Closing Trial Balance	19,000

Difference	0
	=====

ACCOUNTS PAYABLE SCHEDULE

SUPPLIER NAME	AMOUNT OWING
Panda Co.	3,000
Tacid Co.	51,740

	54,740
Less: Balance per Post Closing Trial Balance	54,740

Difference	0
	=====