

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	300	
	Accounts Receivable – Noric Co.	1060 / ✓		300
	Explain: Credit Memo 301			
Dec 3	Accounts Payable – Panda Co.	2010 / ✓	500	
	Inventory	1190		500
	Explain: Credit Memo P66			
Dec 12	Accounts Payable – Tacid Co.	2010 / ✓	900	
	Office Equipment	1650		900
	Explain: Credit Memo T24			

PERIOD END ADJUSTMENTS

ADJ#	ACCOUNT	PR	DEBIT	CREDIT
a)	Insurance Expense		800	
	Prepaid Insurance			800
	Explain: Record expired insurance			
b)	Store Supplies Expense		1,200	
	Store Supplies			1,200
	Explain: Record used supplies			
c)	Office Supplies Expense		810	
	Office Supplies			810
	Explain: Record used supplies			
d)	Amortization – Store Equipment		900	
	Acc. Amort. – Store Equipment			900
	Explain: Record amortization			
e)	Amortization – Office Equipment		600	
	Acc. Amort. – Office Equipment			600
	Explain: Record amortization			
f)	Cost of Sales		1,890	
	Inventory			1,890
	Explain: Adjust inventory to actual			

RECEIVABLE LEDGER

Ender Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 2	Invoice 451	S1	5,000		5,000
Dec 11	Receipt 111	R3		5,000	0
Dec 16	Invoice 452	S1	6,000		6,000

Noric Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 28	Balance Forward	BF			4,000
Dec 2	Credit Memo 301	G5		300	3,600
Dec 5	Receipt 110	R3		3,700	0

Oyster Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 22	Invoice 453	S1	6,000		6,000
Dec 30	Receipt 112	R3		6,000	0

Dale Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 26	Invoice 454	S1	13,000		13,000

PAYABLE LEDGER

Central Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 17	Invoice C214	P2		16,000	16,000
Dec 23	Cheque 805	D4	16,000		0

Gander Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 11	Invoice G212	P2		8,000	8,000
Dec 19	Cheque 804	D4	8,000		0

Panda Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 29	Balance Forward	BF			7,000
Dec 3	Credit Memo P66	G5	500		6,500
Dec 8	Cheque 802	D4	6,500		0
Dec 25	Invoice P89	P2		4,000	4,000

Tacid Co.

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 4	Invoice T12	P2		39,360	39,360
Dec 10	Invoice T16	P2		6,000	45,360
Dec 12	Credit Memo T24	G5	900		44,460
Dec 24	Invoice T32	P2		10,100	54,560

GENERAL LEDGER

CASH

1010

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				50,000
Dec 31		R3	128,506		178,506
Dec 31		D4		49,990	128,516

ACCOUNTS RECEIVABLE

1060

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				4,000
Dec 31		S1	30,000		34,000
Dec 31		R3		14,700	19,300
Dec 31		G5		300	19,000

INVENTORY

1190

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				220,000
Dec 31		S1		15,000	205,000
Dec 31		P2	76,000		281,000
Dec 31		R3		57,000	224,000
Dec 31		D4		610	223,390
Dec 31		G5		500	222,890

STORE SUPPLIES

1240

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				2,500
Dec 31		P2	300		2,800
Dec 31		P2	700		3,500
Dec 31		R3		100	3,400

OFFICE SUPPLIES

1250

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				450
Dec 31		P2	460		910

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	6,000		29,000
Dec 31		G5		900	28,100

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		83,460	90,460
Dec 31		D4	30,500		59,960
Dec 31		G5	500		59,460
Dec 31		G5	900		58,560

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	6,000		6,000

SALES**4130**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		S1		30,000	30,000
Dec 31		R3		114,000	144,000

SALES RETURNS & ALLOWANCES**4140**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G5	300		300

SALES DISCOUNTS**4150**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		R3	294		294

COST OF SALES**5020**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		S1	15,000		15,000
Dec 31		R3	57,000		72,000

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	3,500		3,500
Dec 31		D4	3,500		7,000

OFFICE SALARIES EXPENSE**5210**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	1,500		1,500
Dec 31		D4	1,500		3,000

INSURANCE EXPENSE**5370**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE

RENT EXPENSE – SELLING SPACE**5410**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	2,400		2,400

RENT EXPENSE – OFFICE SPACE**5420**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	600		600

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	1,100		1,100

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	128,516						128,516	
A/R	19,000						19,000	
Inventory	222,890		f)	1,890			221,000	
Store Supp	3,400		b)	1,200			2,200	
Office Supp	910		c)	810			100	
Prepaid Ins	3,000		a)	800			2,200	
Store Equip	39,000						39,000	
Acc Amort		18,000	d)	900				18,900
Office Equip	28,100						28,100	
Acc Amort		9,900	e)	600				10,500
A/P		58,560						58,560
Capital		307,050						307,050
Withdrawal	6,000						6,000	
Sale		144,000				144,000		
Sale Return	300				300			
Sale Disc.	294				294			
Cost of Sale	72,000		1,890	f)	73,890			
Amort-Store			900	d)	900			
Amort-Off.			600	e)	600			
Sale Salaries	7,000				7,000			
Off. Salaries	3,000				3,000			
Insurance			800	a)	800			
Rent Selling	2,400				2,400			
Rent Office	600				600			
Store Supp			1,200	b)	1,200			
Off. Supp.			810	c)	810			
Utilities	1,100				1,100			
	-----	-----	-----	-----	-----	-----	-----	-----
Totals	537,510	537,510	6,200	6,200	92,894	144,000	446,116	395,010
Net Income	=====	=====	=====	=====	51,106			51,106
					-----	-----	-----	-----
Totals					144,000	144,000	446,116	446,116
					=====	=====	=====	=====

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	300	
	Accounts Receivable – Noric Co.	1060 / ✓		300
	Explain: Credit Memo 301			
Dec 3	Accounts Payable – Panda Co.	2010 / ✓	500	
	Inventory	1190		500
	Explain: Credit Memo P66			
Dec 12	Accounts Payable – Tacid Co.	2010 / ✓	900	
	Office Equipment	1650		900
	Explain: Credit Memo T24			

PERIOD END ADJUSTMENTS

ADJ#	ACCOUNT	PR	DEBIT	CREDIT
a)	Insurance Expense	5370	800	
	Prepaid Insurance	1280		800
	Explain: Record expired insurance			
b)	Store Supplies Expense	5500	1,200	
	Store Supplies	1240		1,200
	Explain: Record used supplies			
c)	Office Supplies Expense	5510	810	
	Office Supplies	1250		810
	Explain: Record used supplies			
d)	Amortization – Store Equipment	5120	900	
	Acc. Amort. – Store Equipment	1631		900
	Explain: Record amortization			
e)	Amortization – Office Equipment	5130	600	
	Acc. Amort. – Office Equipment	1651		600
	Explain: Record amortization			
f)	Cost of Sales	5020	1,890	
	Inventory	1190		1,890
	Explain: Adjust inventory to actual			

CLOSING ENTRIES**GENERAL JOURNAL (G6)**

DATE	ACCOUNT	PR	DEBIT	CREDIT
Dec 31	Sales	4130	144,000	
	Sales Returns	4140		300
	Sales Discounts	4150		294
	Income Summary	5998		143,406
	Explain: Close revenue accounts			
Dec 31	Income Summary	5998	92,300	
	Cost of Sales	5020		73,890
	Amortization – Store Equipment	5120		900
	Amortization – Office Equipment	5130		600
	Sales Salaries	5200		7,000
	Office Salaries	5210		3,000
	Insurance	5370		800
	Rent – Selling Space	5410		2,400
	Rent – Office Space	5420		600
	Store Supplies	5500		1,200
	Office Supplies	5510		810
	Utilities	5900		1,100
	Explain: Close expense accounts			
Dec 31	Income Summary	5998	51,106	
	Tom Smith, Capital	3020		51,106
	Explain: Close Income Summary			
Dec 31	Tom Smith, Capital	3020	6,000	
	Tom Smith, Withdrawals	3030		6,000
	Explain: Close Owner Withdrawals			

GENERAL LEDGER

CASH

1010

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				50,000
Dec 31		R3	128,506		178,506
Dec 31		D4		49,990	128,516

ACCOUNTS RECEIVABLE

1060

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				4,000
Dec 31		S1	30,000		34,000
Dec 31		R3		14,700	19,300
Dec 31		G5		300	19,000

INVENTORY

1190

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				220,000
Dec 31		S1		15,000	205,000
Dec 31		P2	76,000		281,000
Dec 31		R3		57,000	224,000
Dec 31		D4		610	223,390
Dec 31		G5		500	222,890
Dec 31		G5		1,890	221,000

STORE SUPPLIES

1240

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				2,500
Dec 31		P2	300		2,800
Dec 31		P2	700		3,500
Dec 31		R3		100	3,400
Dec 31		G5		1,200	2,200

OFFICE SUPPLIES

1250

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				450
Dec 31		P2	460		910
Dec 31		G5		810	100

PREPAID INSURANCE

1280

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				3,000
Dec 31		G5		800	2,200

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		900	18,900

OFFICE EQUIPMENT**1650**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				23,000
Dec 31		P2	6,000		29,000
Dec 31		G5		900	28,100

ACCUMULATED AMORTIZATION – OFFICE EQUIPMENT**1651**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				9,900
Dec 31		G5		600	10,500

ACCOUNTS PAYABLE**2010**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				7,000
Dec 31		P2		83,460	90,460
Dec 31		D4	30,500		59,960
Dec 31		G5	500		59,460
Dec 31		G5	900		58,560

TOM SMITH - CAPITAL**3020**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Nov 30	Balance forward				307,050
Dec 31		G6		51,106	358,156
Dec 31		G6	6,000		352,156

TOM SMITH - WITHDRAWALS**3030**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	6,000		6,000
Dec 31		G6		6,000	0

SALES**4130**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		S1		30,000	30,000
Dec 31		R3		114,000	144,000
Dec 31		G6	144,000		0

SALES RETURNS & ALLOWANCES**4140**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G5	300		300
Dec 31		G6		300	0

SALES DISCOUNTS**4150**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		R3	294		294
Dec 31		G6		294	0

COST OF SALES**5020**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		S1	15,000		15,000
Dec 31		R3	57,000		72,000
Dec 31		G5	1,890		73,890
Dec 31		G6		73,890	0

AMORTIZATION EXPENSE – STORE EQUIPMENT**5120**

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

AMORTIZATION EXPENSE – OFFICE EQUIPMENT**5130**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G5	600		600
Dec 31		G6		600	0

SALES SALARIES EXPENSE**5200**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	3,500		3,500
Dec 31		D4	3,500		7,000
Dec 31		G6		7,000	0

OFFICE SALARIES EXPENSE**5210**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	1,500		1,500
Dec 31		D4	1,500		3,000
Dec 31		G6		3,000	0

INSURANCE EXPENSE**5370**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G5	800		800
Dec 31		G6		800	0

RENT EXPENSE – SELLING SPACE**5410**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	2,400		2,400
Dec 31		G6		2,400	0

RENT EXPENSE – OFFICE SPACE**5420**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	600		600
Dec 31		G6		600	0

STORE SUPPLIES EXPENSE**5500**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G5	1,200		1,200
Dec 31		G6		1,200	0

OFFICE SUPPLIES EXPENSE**5510**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G5	810		810
Dec 31		G6		810	0

UTILITIES EXPENSE**5900**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		D4	1,100		1,100
Dec 31		G6		1,100	0

INCOME SUMMARY**5998**

DATE	EXPLANATION	PR	DEBIT	CREDIT	BALANCE
Dec 31		G6		143,406	143,406
Dec 31		G6	92,300		51,106
Dec 31		G6	51,106		0

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

Gross Sales			144,000
Less: Sales Returns		300	
Sales Discounts		294	594
		-----	-----
Net Sales			143,406
Cost of Sales			73,890

Gross Profit			69,516
Operating Expenses:			
Selling Expenses:			
Amortization - Store Equipment	900		
Sales Salaries	7,000		
Rent – Selling Space	2,400		
Store Supplies	1,200		

Total Selling Expenses		11,500	
General & Administrative Expenses:			
Amortization – Office Equipment	600		
Office Salaries	3,000		
Insurance	800		
Rent – Office Space	600		
Office Supplies	810		
Utilities	1,100		

Total General & Administrative Expenses		6,910	

Total Operating Expenses			18,410

Income from Operations			51,106
			=====

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	51,106

	358,156
Less: Tom Smith Withdrawals	6,000

Tom Smith Capital – Dec 31, 2001	352,156
	=====

ABC Co.
Balance Sheet
December 31, 2001

ASSETS:			
Current Assets:			
Cash		128,516	
Accounts Receivable		19,000	
Inventory		221,000	
Store Supplies		2,200	
Office Supplies		100	
Prepaid Insurance		2,200	

Total Current Assets			373,016
Capital Assets:			
Store Equipment	39,000		
Less: Accumulated Amortization	18,900	20,100	

Office Equipment	28,100		
Less: Accumulated Amortization	10,500	17,600	
	-----	-----	
Total Capital Assets			37,700

TOTAL ASSETS			410,716
			=====
LIABILITIES:			
Accounts Payable			58,560
EQUITY:			
Tom Smith Capital – Dec 31, 2001			352,156

TOTAL LIABILITIES & OWNER'S EQUITY			410,716
			=====

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

ACCT#	ACCOUNT NAME	DEBIT	CREDIT
1010	Cash	128,516	
1060	Accounts Receivable	19,000	
1190	Inventory	221,000	
1240	Store Supplies	2,200	
1250	Office Supplies	100	
1280	Prepaid Insurance	2,200	
1630	Store Equipment	39,000	
1631	Accumulated Amortization – Store Equipment		18,900
1650	Office Equipment	28,100	
1651	Accumulated Amortization – Office Equipment		10,500
2010	Accounts Payable		58,560
3020	Tom Smith, Capital		352,156
		-----	-----
		440,116	440,116
		=====	=====

ACCOUNTS RECEIVABLE SCHEDULE

CUSTOMER NAME	AMOUNT OWING
Ender Co.	6,000
Dale Co.	13,000

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

Difference	0
	=====

ACCOUNTS PAYABLE SCHEDULE

SUPPLIER NAME	AMOUNT OWING
Panda Co.	4,000
Tacid Co.	54,560

	58,560
Less: Balance per Post Closing Trial Balance	58,560

Difference	0
	=====