E3-12 )

( A)

10.july. Dr supplies 650
 Cr cash 650

14.july. Dr cash 2,200
 Cr service rev 2,200

15.July. Dr S & W exp 1,200
 Cr cash 1,200

20.july . Dr cash 1,000
 cr unearned service rev 1,000

(b)

31.july. Dr supplies exp 900
 Cr supplies 900

31.july. Dr s & w exp 1,200
 Cr s & w pay 1,200

31.july . Dr acc rec 500
 Cr service rev 500 Dr acc rec 500
 dr unearned rev 1,150
31.july . Dr unearned service rev 1,150 cr service rev 1,650
 cr service rev 1,150

P3-1 )
Monthly adj entries , monthly F.S
(A) adj entries may.31.

1. Dr supplies exp 900
 Cr supplies 900

2. Dr utility exp 250
 Cr utility payable 250

3. Dr insurance exp 150
 Cr prepaid insurance 150

insurance per month = 3,600 / 24 = 150
or
Insurance per year = 3,600 /2 = 1,800
insurance per month = 1,800/12 = 150

4. Dr unearned service rev 1,600
 cr service rev 1,600

|  |
| --- |
| Unearned rev |
| Dr | Cr |
| 31.may adj X  | End bal before adj 2,000 |
|  | End bal after adj 400 |

2,000 – X = 400
X = 1,600

5. Dr S & W exp 1,104
 Cr S & w PAY 1,104

May.26 Friday ( pay day)
may.27 Saturday
May.28 Sunday
May.29 Monday
may .30 Tuesday
may.31. Wednesday
June.1 Thursday
June.2 Friday ( pay day)

wage rate for an employee each work day = 920/5 = 184
wage rate for an employee each 3 working days = 184\*3 = 552
wage rate for 2 employees each 3 working days = 552 \*2 = 1,104

6. Dr Dep exp 190
 Cr acc – dep – equipment 190

7. Dr acc rec 1,700
 Cr service rev 1,700

(B)

|  |
| --- |
| Cash |
| Dr | Cr |
| End bal before adj 4,500 |  |
|  |  |
| End bal after adj 4,500 |  |

|  |
| --- |
| Acc rec  |
| Dr | Cr |
| End bal before adj 6,000 |  |
| May.31. adj 1,700 |  |
| End bal after adj 7,700  |  |

|  |
| --- |
| Supplies  |
| Dr | Cr |
| End bal before adj 1,900  | May.31. adj 900 |
|  |  |
| End bal after adj 1,000  |  |

|  |
| --- |
| Prepaid insurance  |
| Dr | Cr |
| End bal before adj 3,600  | May.31. adj 150 |
|  |  |
| End bal after adj 3,450 |  |

|  |
| --- |
| Equipment  |
| Dr | Cr |
| End bal before adj 11,400  |  |
|  |  |
| End bal after adj 11,400 |  |

|  |
| --- |
| Acc – dep - Equipment  |
| Dr | Cr |
|  | End bal before adj 0 |
|  | May.31 adj 190 |
|  | E nd bal after adj 190  |

|  |
| --- |
| Acc pay  |
| Dr | Cr |
|  | End bal before adj 4,500 |
|  |  |
|  | End bal after adj 4,500 |

|  |
| --- |
| Utility pay  |
| Dr | Cr |
|  | End bal before adj 0 |
|  | 31.may. adj 250 |
|  | End bal after adj 250 |

|  |
| --- |
| S & w pay  |
| Dr | Cr |
|  | End bal before adj 0 |
|  | 31.may. adj 1,104 |
|  | End bal after adj 1,104 |

|  |
| --- |
| Unearned service rev  |
| Dr | Cr |
| May.31. adj 1,600 | End bal before adj 2,000 |
|  |  |
|  | End bal after adj 400 |

|  |
| --- |
| S.C.O |
| Dr | Cr |
|  | End bal before adj 18,700 |
|  |  |
|  | End bal after adj 18,700  |

|  |
| --- |
| service rev  |
| Dr | Cr |
|  | End bal before adj 9,500 |
|  | May.31. adj 1,600 |
|  | May.31. adj 1, 700 |
|  | End bal after adj 12,800  |

|  |
| --- |
| S & W exp  |
| Dr | Cr |
| End bal before adj 6,400 |  |
| May.31. adj 1,104 |  |
|  |  |
| End bal after adj 7,504 |  |

|  |
| --- |
| Rent exp  |
| Dr | Cr |
| End bal before adj 900 |  |
|  |  |
|  |  |
| End bal after adj 900 |  |

|  |
| --- |
| Supplies exp  |
| Dr | Cr |
| End bal before adj 0  |  |
| May.31. adj 900 |  |
|  |  |
| End bal after adj 900 |  |

|  |
| --- |
| Dep exp  |
| Dr | Cr |
| End bal before adj 0  |  |
| May.31. adj 190 |  |
|  |  |
| End bal after adj 190 |  |

|  |
| --- |
| Utility exp  |
| Dr | Cr |
| End bal before adj 0  |  |
| May.31. adj 250 |  |
|  |  |
| End bal after adj 250 |  |

|  |
| --- |
| insurance exp  |
| Dr | Cr |
| End bal before adj 0  |  |
| May.31. adj 150 |  |
|  |  |
| End bal after adj 150 |  |

E3-12 )

(A)

10.July. Dr supplies 650
 Cr cash 650

14.Jul. Dr cash 2,200
 Cr service rev 2,200

15.July . Dr S & W exp 1,200
 Cr cash 1,200

20.July . Dr cash 1,000
 Cr unearned service rev 1,000

(B)

31.Jul. Dr supplies exp 900
 Cr supplies 900

31.Jul. Dr S & W exp 1,200
 Cr S & W payable 1,200

31.Jul. Dr acc rec 500
 Cr service rev 500 Dr acc rec 500
 Dr unearned service rev 1,150
31.Jul. Dr unearned service rev 1,150 Cr service rev 1,650
 Cr service rev 1,150

P3-1 )
Monthly F.S – monthly adj entries ( MAY)

(A) Adj entries
31.May. Dr supplies exp 900
 Cr supplies 900

31.May. Dr Utility exp 250
 Cr utility payable 250

31.May. Dr insurance exp 150
 Cr prepaid insurance exp 150

insurance for one month = insurance for 2 year /24 = 3,600 /24 = 150
or
insurance in one year = 3,600/2 = 1,800
insurance for one month = 1,800 /12 = 150

31.May. Dr unearned service rev 1,600
 Cr service rev 1,600

|  |
| --- |
| Unearned rev |
| Dr | Cr |
| 31.may adj X | End bal before adj 2,000 |
|  |  |
|  | End bal after adj 400 |

2,000-X = 400
-X = 400 – 2,000
-x = -1,600
X = 1,600

31.may . Dr S & W exp 1,104
 Cr S & W pay 1,104

26.5. Friday ( pay day )
27.5. Sat
28.5. Sunday
29.5 Monday
30.5 Tuesday
31.5 Wednesday
1.6 Thursday
2.6 Friday ( pay day)

wage rate per employee (each 3 working days) = 920\*3/5 = 552
wage rate for 2 employees ( each 3 working days ) = 552\*2 = 1,104

31.May. Dr dep exp 190
 Cr acc dep – equipment 190

31.May. Dr acc rec 1,700
 Cr service rev 1,700

(B)

|  |
| --- |
| Cash  |
| Dr  | Cr  |
| End bal before adj 4,500  |  |

|  |
| --- |
| Acc rec  |
| Dr  | Cr  |
| End bal before adj 6,000 |  |
| 31.may adj 1,700 |  |
| End bal after adj 7,700  |  |

|  |
| --- |
| Supplies  |
| Dr  | Cr  |
| End bal before adj 1,900 | 31.may adj 900 |
|  |  |
| End bal after adj 1,000 |  |

|  |
| --- |
| Prepaid insurance  |
| Dr  | Cr  |
| End bal before adj 3,600 | 31.may adj 150 |
|  |  |
| End bal after adj 3,450 |  |

|  |
| --- |
| Equipment |
| Dr  | Cr  |
| End bal before adj 11,400 |  |
| Acc dep  |
| Dr  | Cr  |
|  | End bal before adj 0  |
|  | 31.may adj 190  |
|  | End bal after adj 190  |

|  |
| --- |
| Acc pay  |
| Dr  | Cr  |
|  | End bal before adj 4,500 |
|  |  |
|  | End bal after adj 4,500 |

|  |
| --- |
| S & W pay  |
| Dr  | Cr  |
|  | End bal before adj 0 |
|  | 31.May. adj 1,104 |
|  | End bal after adj 1,104 |

|  |
| --- |
| Utility pay  |
| Dr  | Cr  |
|  | End bal before adj 0 |
|  | 31.May. adj 250 |
|  | End bal after adj 250 |

|  |
| --- |
| Uearned service rev  |
| Dr  | Cr  |
| 31.May. adj 1,600 | End bal before adj 2,000 |
|  |  |
|  | End bal after adj 400  |

|  |
| --- |
| S.C.O  |
| Dr  | Cr  |
|  | End bal before adj 18,700 |
|  |  |
|  | End bal after adj 18,700 |

|  |
| --- |
|  service rev  |
| Dr  | Cr  |
|  | End bal before adj 9,500 |
|  | 31.May. adj 1,600 |
|  | 31.May. adj 1,700 |
|  | End bal after adj 12,800  |

|  |
| --- |
| Supplies exp  |
| Dr  | Cr  |
| End bal before adj 0 |  |
| 31.may adj 900 |  |
| End bal after adj 900 |  |

|  |
| --- |
| Utility exp  |
| Dr  | Cr  |
| End bal before adj 0 |  |
| 31.may adj 250 |  |
| End bal after adj 250 |  |

|  |
| --- |
| S & w exp  |
| Dr  | Cr  |
| End bal before adj 6,400 |  |
| 31.may adj 1,104 |  |
| End bal after adj 7,504 |  |

|  |
| --- |
| rent exp  |
| Dr  | Cr  |
| End bal before adj 900 |  |
|  |  |
| End bal after adj 900 |  |

|  |
| --- |
| Insurance exp  |
| Dr  | Cr  |
| End bal before adj 0 |  |
| 31.may adj 150 |  |
| End bal after adj 150  |  |

|  |
| --- |
| Dep exp  |
| Dr  | Cr  |
| End bal before adj 0 |  |
| 31.may adj 190 |  |
| End bal after adj 190  |  |