P4-1 )

1. Prepare adjusting entries
2. Prepare adjusted trial balance
3. Prepare financial statements
4. Prepare closing entries and posting trial balance.
5. Adjusting entries:

1.

31.March.2020.Dr supplies exp 1,520   
 Cr supplies 1,520   
  
supplies used = supplies unadjusted balance – supplies on hand = 2,000 – 480 = 1,520

2.   
31.Mar.2020. Dr dep exp 250   
 Cr acc dep 250   
  
3.   
31.mar.2020 . Dr unearned service rev 290   
 Cr service rev (550 – 260) 290

4.   
31.march.2020. Dr S & W exp 700  
 Cr S & w pay 700

1. Adjusted trial balance

|  |  |  |
| --- | --- | --- |
| Wang roofing  adjusted trial balance  31.march.2020 | | |
|  | Dr | Cr |
| Cash | $4,500 |  |
| Acc rec | 3,200 |  |
| Supplies | 2,000 – 1,520 = 480 |  |
| Equipment | 11,000 |  |
| Acc dep |  | $1,250 +250 = 1,500 |
| Acc pay |  | 2,500 |
| S & W pay |  | 700 |
| Unearned service rev |  | 550 -290 = 260 |
| S.C.O |  | 12,900 |
| Div | 1,100 |  |
| Service rev |  | 6,300+290 = 6,590 |
| S & W exp | 1,300 +700 = 2,000 |  |
| Misc exp | 400 |  |
| Supplies exp | 1,520 |  |
| Dep exp | 250 |  |
|  | $24,450 | $24,450 |

(C)financial statements

|  |  |
| --- | --- |
| Wang roofing  income statement  for the month ended 31.march.2020 | |
|  |  |
| Service rev | $6,590 |
| Expense |  |
| S & W exp | (2,000) |
| Misc exp | (400) |
| Supplies exp | (1,520) |
| Dep exp | (250) ( 4,170) |
| Net income | $2,420 |

|  |  |
| --- | --- |
| Wang roofing  RE statement  for the month ended 31.march.2020 | |
| Beg RE ( 1/3/2020) | $0 |
| Add: Net income | 2,420 |
| Less: Div | (1,100) |
| END RE ( 31/3/2020) | $1,320 |

|  |  |
| --- | --- |
| Wang roofing  Financial position statement  at 31.march.2020 | |
| Assets |  |
| Cash | $4,500 |
| Acc rec | 3,200 |
| Supplies | 480 |
| Equipment | 11,000 |
| Less: Acc dep | (1,500) 9,500 |
| Total assets | $17,680 |
| Liability & equity |  |
| Liability |  |
| Acc pay | $2500 |
| S & W pay | 700 |
| Unearned service rev | 260 3,460 |
| Equity |  |
| S.C.O | 12,900 |
| RE (end) | 1,320 14,220 |
| Liability & equity | $17,680 |

(D)prepare closing entries and post closing trial balance   
  
closing entries :

1. closing entry for rev   
  
Dr service rev 6,590   
 Cr income summary 6,590

2. closing entry for expense   
  
Dr income summary 4,170   
 Cr supplies exp 1,520  
 Cr s & w exp 2,000  
 Cr dep exp 250  
 Cr misc exp 400

3.Closing entry for income summary

Net income = rev – exp = 6,590 – 4,170 = 2,420 net income

Dr income summary 2,420   
 Cr RE 2,420

4.closing entry for div

Dr RE 1,100   
 Cr div 1,100

Post closing trial balance

|  |  |  |
| --- | --- | --- |
| Wang roofing  Post closing trial balance  31.march.2020 | | |
|  | Dr | Cr |
| Cash | $4,500 |  |
| Acc rec | 3,200 |  |
| Supplies | 480 |  |
| Equipment | 11,000 |  |
| Acc dep |  | $1,500 |
| Acc pay |  | 2,500 |
| S & W pay |  | 700 |
| Unearned service rev |  | 260 |
| S.C.O |  | 12,900 |
| RE ( end) |  | 1,320 |
|  | $19,180 | $19,180 |