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 |

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| --- |
| 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 |