

Following is the Unadjusted Trial Balance of ABC Company as at December 31, 2002:

Cash	3,000	
Office Supplies	3,800	
Prepaid Insurance	2,650	
Equipment	48,000	
Accumulated Amortization – Equipment		
Accounts Payable		12,000
Wages Payable		
John Doe, Capital		30,000
John Doe, Withdrawals	15,000	
Fees Earned		77,750
Amortization Expense – Equipment		
Wages Expense	36,000	
Insurance Expense		
Rent Expense	9,600	
Office Supplies Expense		
Utilities Expense	1,700	
	-----	-----
Totals	119,750	119,750
	=====	=====

1. Put the Unadjusted Trial Balance on the worksheet
2. Journalize the following adjustments
  - a. There was really only \$700 of Office Supplies on hand.
  - b. Expired insurance was \$660
  - c. Estimated amortization on the Office Equipment was \$4,000
  - d. Wages owing to one employee was \$500
3. Post the Adjusting entries on the worksheet
4. Complete the Worksheet
5. Journalize the year end Closing Entries.

**GENERAL JOURNAL**

Adjusting Entries:

<b>ADJ #</b>	<b>ACCOUNT</b>	<b>TYPE</b>	<b>DEBIT</b>	<b>CREDIT</b>
a)				
	Explain:			
b)				
	Explain:			
c)				
	Explain:			
d)				
	Explain:			

Closing Entries:

<b>#</b>	<b>ACCOUNT</b>	<b>TYPE</b>	<b>DEBIT</b>	<b>CREDIT</b>
1.				
	Explain:			
2.				
	Explain:			
3.				
	Explain:			
4.				
	Explain:			



ABC COMPANY

WORKSHEET

DECEMBER 31, 2002

	Unadjusted T/Bal		Adjustments		Adjusted T/Bal		Income Statement		Balance Sheet	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Cash	3,000				3,000				3,000	
Office Supplies	3,800		a)	3,100	700				700	
Prepaid Insurance	2,650		b)	660	1,990				1,990	
Equipment	48,000				48,000				48,000	
Acc. Amort – Equip			c)	4,000		4,000				4,000
Accounts Payable		12,000				12,000				12,000
Wages Payable			d)	500		500				500
John Doe, Capital		30,000				30,000				30,000
John Doe, Withdrawals	15,000				15,000				15,000	
Fees Earned		77,750				77,750	77,750			
Amortization Expense			4,000	c)	4,000		4,000			
Wages Expense	36,000		500	d)	36,500		36,500			
Insurance Expense			660	b)	660		660			
Rent Expense	9,600				9,600		9,600			
Office Supplies Expense			3,100	a)	3,100		3,100			
Utilities Expense	1,700				1,700		1,700			
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	119,750	119,750	8,260	8,260	124,250	124,250	55,560	77,750	68,690	46,500
	=====	=====	=====	=====	=====	=====	22,190			22,190
							-----	-----	-----	-----
							77,750	77,750	68,690	68,690
							=====	=====	=====	=====

## GENERAL JOURNAL

## Adjusting Entries:

ADJ #	ACCOUNT	TYPE	DEBIT	CREDIT
a)	Office Supplies Expense	EX	3,100	
	Office Supplies	A		3,100
	Explain: Adjust supplies to actual			
b)	Insurance Expense	EX	660	
	Prepaid Insurance	A		660
	Explain: Record expired insurance			
c)	Amortization Expense, Equipment	EX	4,000	
	Accumulated Amortization – Equipment	A		4,000
	Explain: Record estimated amortization			
d)	Wages Expense	EX	500	
	Wages Payable	L		500
	Explain: Record wages owed employee			

## Closing Entries:

#	ACCOUNT	TYPE	DEBIT	CREDIT
1.	Fees Earned	R	77,750	
	Income Summary	T		77,750
	Explain: Close Revenue account			
2.	Income Summary	T	55,560	
	Amortization Expense – Equipment	EX		4,000
	Wages Expense	EX		36,500
	Insurance Expense	EX		660
	Rent Expense	EX		9,600
	Office Supplies Expense	EX		3,100
	Utilities Expense	EX		1,700
	Explain: Close Expense accounts			
3.	Income Summary	T	22,190	
	John Doe, Capital	EQ		22,190
	Explain: Close Income Summary to Capital			
4.	John Doe, Capital	EQ	15,000	
	John Doe, Withdrawals	EQ		15,000
	Explain: Close Withdrawals to Capital			