

# EXERCISE E4-4

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## (a) Closing Entries

|        |                      |        |        |
|--------|----------------------|--------|--------|
| Apr 30 | Service Revenue      | 15,590 |        |
|        | Income Summary       |        | 15,590 |
| 30     | Income Summary       | 12,328 |        |
|        | Salaries Expense     |        | 10,840 |
|        | Rent Expense         |        | 760    |
|        | Depreciation Expense |        | 671    |
|        | Interest Expense     |        | 57     |
| 30     | Income Summary       | 3,262  |        |
|        | X. Pisa, Capital     |        | 3,262  |
| 30     | Pisa, Capital        | 3,650  |        |
|        | X. Pisa, Drawing     |        | 3,650  |

## (b)

| <u>Income Summary</u> |   |               | <u>X. Pisa, Capital</u> |   |            |
|-----------------------|---|---------------|-------------------------|---|------------|
| 12,328                | * | 15,590        | 3,650                   | * | 27,690     |
| 3,262                 | * |               |                         | * | 3,262      |
| <u>15,590</u>         | * | <u>15,590</u> |                         | * |            |
|                       | * |               |                         | * | B = 27,572 |

# EXERCISE E4-6

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## (b) Adjusting Entries

- (a) Accounts Receivable 9,000  
Service Revenue 9,000  
(beg bal of A/R must have been \$25,000)
- (b) Insurance Expense 6,000  
Prepaid Insurance 6,000  
(end bal of Insurance Expense must be \$6,000)
- (c) Supplies Expense 4,500  
Supplies 4,500  
(end bal of Supplies must be \$2,500)
- (d) Depreciation Expense 10,000  
Accumulated Depreciation 10,000  
(end bal of Acc Depr must be \$22,000)
- (e) Salaries Expense 5,600  
Salaries Payable 5,600  
(beg bal of Salaries Payable must have been zero)  
(beg bal of Salaries Exp must have been \$43,400)

# EXERCISE E4-8

## pages 189

**(a)** Closing Entries

|                |                             |               |               |
|----------------|-----------------------------|---------------|---------------|
| <b>July 31</b> | <b>Service Revenue</b>      | <b>64,000</b> |               |
|                | <b>Rent Revenue</b>         | <b>6,500</b>  |               |
|                | <b>Income Summary</b>       |               | <b>70,500</b> |
| <br>           |                             |               |               |
| <b>31</b>      | <b>Income Summary</b>       | <b>78,600</b> |               |
|                | <b>Depreciation Expense</b> |               | <b>8,000</b>  |
|                | <b>Salaries Expense</b>     |               | <b>55,700</b> |
|                | <b>Utilities Expense</b>    |               | <b>14,900</b> |
| <br>           |                             |               |               |
| <b>31</b>      | <b>X. Turner, Capital</b>   | <b>8,100</b>  |               |
|                | <b>Income Summary</b>       |               | <b>3,100</b>  |
| <br>           |                             |               |               |
| <b>31</b>      | <b>X. Turner, Capital</b>   | <b>16,000</b> |               |
|                | <b>Turner, Drawing</b>      |               | <b>16,000</b> |

**(b)**

|                       |   |                           |
|-----------------------|---|---------------------------|
| <u>Income Summary</u> |   | <u>X. Turner, Capital</u> |
| <b>78,600</b>         | * | <b>8,100</b>              |
|                       |   | <b>45,200</b>             |
|                       | * |                           |
|                       |   | <b>16,000</b>             |
|                       | * |                           |
| <u><b>74,600</b></u>  |   | <b>74,600</b>             |
|                       | * |                           |
|                       |   | <b>B=21,100</b>           |

# EXERCISE E4-7

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**(a)** Closing Entries

|                |                              |              |              |
|----------------|------------------------------|--------------|--------------|
| <b>June 30</b> | <b>Service Revenue</b>       | <b>4,300</b> |              |
|                | <b>Income Summary</b>        |              | <b>4,300</b> |
| <br>           |                              |              |              |
| <b>30</b>      | <b>Income Summary</b>        | <b>3,500</b> |              |
|                | <b>Sal and Wages Expense</b> |              | <b>1,344</b> |
|                | <b>Supplies Expense</b>      |              | <b>1,900</b> |
|                | <b>Miscellaneous Expense</b> |              | <b>256</b>   |
| <br>           |                              |              |              |
| <b>30</b>      | <b>Income Summary</b>        | <b>800</b>   |              |
|                | <b>W. Turenne, Capital</b>   |              | <b>800</b>   |
| <br>           |                              |              |              |
| <b>30</b>      | <b>W. Turenne, Capital</b>   | <b>628</b>   |              |
|                | <b>W. Turenne, Drawing</b>   |              | <b>628</b>   |

**(b)**

| <b>Income Summary</b> |   |              |
|-----------------------|---|--------------|
| <b>3,500</b>          | * | <b>4,300</b> |
| <b>800</b>            | * |              |
| <b>4,300</b>          | * | <b>4,300</b> |
|                       | * |              |

# BRIEF EXERCISE BE4-4

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### Closing Entries

|               |                              |               |               |
|---------------|------------------------------|---------------|---------------|
| <b>Dec 31</b> | <b>Service Revenue</b>       | <b>50,000</b> |               |
|               | <b>Income Summary</b>        |               | <b>50,000</b> |
| <br>          |                              |               |               |
| <b>31</b>     | <b>Income Summary</b>        | <b>34,000</b> |               |
|               | <b>Sal and Wages Expense</b> |               | <b>27,000</b> |
|               | <b>Supplies Expense</b>      |               | <b>7,000</b>  |
| <br>          |                              |               |               |
| <b>31</b>     | <b>Income Summary</b>        | <b>16,000</b> |               |
|               | <b>X. Quentin, Capital</b>   |               | <b>16,000</b> |
| <br>          |                              |               |               |
| <b>31</b>     | <b>X. Quentin, Capital</b>   | <b>2,000</b>  |               |
|               | <b>X. Quentin, Drawing</b>   |               | <b>2,000</b>  |

# BRIEF EXERCISE BE4-5

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| <b>Income Summary</b> |   | <b>X. Quentin, Capital</b> |
|-----------------------|---|----------------------------|
| <b>34,000</b>         | * | <b>50,000</b>              |
| <b>16,000</b>         | * | <b>2,000</b>               |
| <b>50,000</b>         | * | <b>30,000</b>              |
| <b>50,000</b>         | * | <b>16,000</b>              |
|                       | * | <b>B=44,000</b>            |

# BRIEF EXERCISE BE4-6

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## Closing Entries

|                |                                  |               |               |
|----------------|----------------------------------|---------------|---------------|
| <b>July 31</b> | <b>Service Revenue</b>           | <b>16,400</b> |               |
|                | <b>Income Summary</b>            |               | <b>16,400</b> |
| <b>31</b>      | <b>Income Summary</b>            | <b>10,700</b> |               |
|                | <b>Sal and Wages Expense</b>     |               | <b>8,200</b>  |
|                | <b>Main. and Repairs Exp</b>     |               | <b>2,500</b>  |
| <b>31</b>      | <b>Income Summary</b>            | <b>5,700</b>  |               |
|                | <b><i>A. Palmer, Capital</i></b> |               | <b>5,700</b>  |

### Income Summary

|                      |   |                      |
|----------------------|---|----------------------|
| <b>10,700</b>        | * | <b>16,400</b>        |
| <b>5,700</b>         | * |                      |
| <b><u>16,400</u></b> | * | <b><u>16,400</u></b> |
|                      | * |                      |

# BRIEF EXERCISE \*BE4-12

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## Adjusting Entry

|                       |       |       |
|-----------------------|-------|-------|
| Sal and Wages Expense | 2,100 |       |
| Sal and Wages Payable |       | 2,100 |

## Reversing Entry

|                       |       |       |
|-----------------------|-------|-------|
| Sal and Wages Payable | 2,100 |       |
| Sal and Wages Expense |       | 2,100 |

## Sal and Wages Expense

\*R 2,100

\*

\*

## Salaries Payable

R 2,100 \* A 2,100

\*

\*

## *Payment of \$2,800 on first payday in following year*

|                       |       |       |
|-----------------------|-------|-------|
| Sal and Wages Expense | 2,800 |       |
| Cash                  |       | 2,800 |

## Sal and Wages Expense

2,800 \* R 2,100

\*

\*

## Salaries Payable

R 2,100 \* A 2,100

\*

\*

# EXERCISE E4-13

## page 190

**(1)**

**Was Recorded As:**

| Accts Pay    | Cash         |
|--------------|--------------|
| *            | *            |
| <b>480</b> * | * <b>480</b> |
| *            | *            |

**Should Have Been Recorded As:**

| Accts Pay    | Cash         |
|--------------|--------------|
| *            | *            |
| <b>840</b> * | * <b>840</b> |
| *            | *            |

## **CORRECTING ENTRY**

**Accts Payable**  
**Cash**

**360**

**360**



# EXERCISE E4-13

## page 190

**(2)**

**Was Recorded As:**

| Equipment   | Accts Pay   |
|-------------|-------------|
| *           | *           |
| <b>56</b> * | * <b>56</b> |
| *           | *           |

**Should Have Been Recorded As:**

| Supplies     | Accts Pay    |
|--------------|--------------|
| *            | *            |
| <b>560</b> * | * <b>560</b> |
| *            | *            |

## **CORRECTING ENTRY**

|                         |            |            |
|-------------------------|------------|------------|
| <b>Supplies</b>         | <b>560</b> |            |
| <b>Equipment</b>        |            | <b>56</b>  |
| <b>Accounts Payable</b> |            | <b>504</b> |

# EXERCISE E4-13

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**(3)**

**Was Recorded As:**

| <b>Sal &amp; Wg Exp</b> | <b>Cash</b> |
|-------------------------|-------------|
| *                       | *           |
| <b>500</b>              | <b>500</b>  |
| *                       | *           |

**Should Have Been Recorded As:**

| <b>C.W., Drawing</b> | <b>Cash</b> |
|----------------------|-------------|
| *                    | *           |
| <b>500</b>           | <b>500</b>  |
| *                    | *           |

### **CORRECTING ENTRY**

|                              |            |            |
|------------------------------|------------|------------|
| <b>C. Williams, Drawing</b>  | <b>500</b> |            |
| <b>Sal and Wages Expense</b> |            | <b>500</b> |

## Chapter 4 -- Question \*20

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| Date | Account Titles                  | Ref. | Debit           | Credit          |
|------|---------------------------------|------|-----------------|-----------------|
|      | <b><u>Adjusting Entries</u></b> |      |                 |                 |
|      | <b>Interest Expense</b>         |      | <b>incurred</b> |                 |
|      | <b>Interest Payable</b>         |      |                 | <b>incurred</b> |
|      |                                 |      |                 |                 |
|      | <b><u>Reversing Entries</u></b> |      |                 |                 |
|      | <b>Interest Payable</b>         |      | <b>incurred</b> |                 |
|      | <b>Interest Expense</b>         |      |                 | <b>incurred</b> |

## Chapter 4 -- Question \*21

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| Date       | Account Titles           | Ref. | Debit        | Credit       |
|------------|--------------------------|------|--------------|--------------|
| <b>(a)</b> | <b>Sal and Wages Exp</b> |      | <b>8,000</b> |              |
|            | <b>Cash</b>              |      |              | <b>8,000</b> |
|            |                          |      |              |              |
| <b>(b)</b> | <b>Salaries Payable</b>  |      | <b>3,500</b> |              |
|            | <b>Salaries Expense</b>  |      | <b>4,500</b> |              |
|            | <b>Cash</b>              |      |              | <b>8,000</b> |