

Principles of Financial Accounting I

Asset and Expense Methods

The supplies inventory at the beginning of the year is \$1,200, purchases of supplies during the year total \$3,600, and the inventory at the end of the year is \$1,400.

- (a) Record the following directly in the T accounts for Supplies and Supplies Expense, employing the system of initially recording supplies as an ASSET. Identify each entry by number: (1) beginning balance; (2) purchases for the period; (3) adjusting entry at the end of the period; (4) closing entry; (5) reversing entry, if necessary.

Supplies		Supplies Expense

- (b) Record the following directly in the T accounts for Supplies and Supplies Expense, employing the system of initially recording supplies as an EXPENSE. Identify each entry by number: (1) beginning balance; (2) purchases for the period; (3) adjusting entry at the end of the period; (4) closing entry; (5) reversing entry, if necessary.

Supplies		Supplies Expense

Liability and Revenue Methods

The unearned advertising at the beginning of the year is \$20,000, revenues received in advance during the year total \$130,000, and the unearned advertising at the end of the year is \$18,000.

- (a) Record the following directly in the T accounts for Unearned Advertising and Advertising Revenue, employing the system of initially recording advertising fees as a LIABILITY. Identify each entry by number: (1) beginning balance; (2) revenues received during the period; (3) adjusting entry at the end of the period; (4) closing entry; (5) reversing entry, if necessary.

Unearned Advertising		Advertising Revenue

- (b) Record the following directly in the T accounts for Unearned Advertising and Advertising Revenue, employing the system of initially recording advertising fees as REVENUE. Identify each entry by number: (1) beginning balance; (2) revenues received during the period; (3) adjusting entry at the end of the period; (4) closing entry; (5) reversing entry, if necessary.

Unearned Advertising		Advertising Revenue