ACCT203-IP3-Adjusting Entries- Student Template

1. **Create journal entries for the following adjustment entries:**

M. Received $1,500 cash from a customer for 3 months of service

N. Employees are paid $2,250 every Friday for a 5-day work week. April 30, 2021 is a Wednesday.

O. Record use of 1 month’s prepaid auto insurance ($900 for 3 months).

P. On April 30, 2021, the supplies on hand is $45 (On April 1, 2021 it was $350).

Q, Depreciation for the current month includes equipment ($750) and trucks ($450). Make a compound entry.

|  |
| --- |
| Journal Entry |
|  | **ACCOUNT** | **DEBIT** | **CREDIT** |
| **M.** |  |   |   |
|  |   |   |   |
|  |   |   |   |
| **N.** |  |  |   |
|  |    |   |   |
|  |   |   |   |
| **O.** |   |  |   |
|  |    |   |  |
|  |   |   |   |
| **P.** |   |  |   |
|  |    |   |  |
|  |   |   |   |
| **Q.**  |    |   |   |
|  |  |  |   |
|  |    |   |   |
|  |    |   |   |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

1. **Post the transaction to the ledger. Your general ledger cash balance uses a full ledger sheet; use the T Chart for all other accounts. (Transactions a–l are from IP2. However, amounts have been changed.)**

|  |
| --- |
| **Colorado Service Center** |
| **General Ledger** |
| **Account: Cash** | Account Number: 101 |
|   |   |   |  | **Balance** |
|  | **Trans.** | **Description** | **DEBIT** | **CREDIT** | **DEBIT** | **CREDIT** |
| **1** |  |  Open Balance | 35,000  |   | 35,000  |   |
| **2** | **a.** |  Notes Payable | 49,000  |   | 84,000  |   |
| **3** | **b.** |  Land |   | 26,500  | 57,500  |   |
| **4** | **d.** |  Service Revenue  | 4.300  |   |  61.800 |   |
| **5** | **f.** |  Payment on account |   | 3,275  | 58,525 |   |
| **6** | **g.** | Expenses  |   | 6,000 | 52,525  |   |
| **7** | **h.** |  Received payment | 3,100  |  | 55,625 |   |
| **8** | **i.** |  Prepaid Auto Insurance |  | 900  | 54,725 |   |
| **9** | **k.** |  Harper, drawing |   | 3,500  | 51,225 |   |
| **10** | **l.** |  Maintenance Expense |   | 230  | 50,995  |   |
| **11** |  |   |   |   |   |   |
| **12** |  |  |  |  |  |  |
| **13** |  |  |  |  |  |  |

|  |  |  |
| --- | --- | --- |
| **Equipment** |  | **Truck** |
| Bal | 17,500  |   |   |  |  Bal | 29,000  |   |   |
| **Bal.** |  |  |  |  | **Bal.** |   |   |   |
|  |  |  |  |  |  |  |  |  |
| **Accum. deprec. equipment** |  | **Accum. deprec. truck**  |
|   |   |  . |   |  |   |   |   |   |
| **Bal.** |  |  |  |  | **Bal.** |   |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| **Accounts receivable**  |  | **Supplies** |
| Bal.  | 4,200  | h. |  3,100 |  | e.  | 350  |  |  |
| c.  | 5,560  |   |   |  |   |   |   |   |
|  |  |  |  |  |   |   |   |   |
| **Bal.** |  |  |  |  | **Bal.** |  |  |  |
|  |  |  |
|  |  |  |
| **Land** |  | **Prepaid auto insurance** |
| b.  | 26,500 |  |  |  | i. | 900 |  |  |
|  |  |  |  |  |  |  |  |  |
| **Bal.** |  |  |  |  | **Bal.** |  |   |   |
|  |  |  |
| **Accounts payable** |  | **Notes payable** |
| f. | 3,275 | Bal. | 5,700 |  |  |  | a. | 49,000 |
|   |  |  e. |  350 |  |   |  |  |  |
|   |  |  |  |  |   |   |   |   |
| **Bal.** |  |  |  |  | **Bal.** |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Salary payable** |  | **Utilities payable**  |
|  |  |  |  |  |  |  | j. | 255 |
|  |  |  |  |  |  |  |  |  |
| **Bal.** |  |  |  |  | **Bal.** |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Unearned service revenue** |  | **Service revenue**  |
|  |  |   |  |  |  |  | c. | 5,560 |
|  |  |  |  |  |  |  | d. | 4,300 |
|  |  |  |  |  |  |  |  |  |
| **Bal.** |  |  |  |  | **Bal.** |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Harper, capital**  |  | **Harper, drawing** |
|  |   | Bal. | 80,000 |  | k. | 3,500  |   |   |
|   |  |  |  |  |   |   |   |   |
| **Bal.** |  |  |  |  | **Bal.** |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Deprec. expense - equipment** |  | **Deprec. expense - truck** |
|  |  |   |   |  |  |   |   |   |
| **Bal.** |  |  |  |  | **Bal.** |  |   |   |
|  |  |  |
| **Insurance expense** |  | **Rent expense** |
|  |  |  |  |  | g. | 2,000 |  |  |
| **Bal.** |  |  |  |  | **Bal.** |  |  |  |
|  |  |  |
| **Salary expense** |  | **Supplies expense** |
| g. | 4,000 |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Bal.** |  |  |  |  | **Bal.** |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Maintenance expense** |  | **Utilities expense** |
| l.  | 230 |  |  |  | j. | 255 |  |  |
| **Bal.** |  |  |  |  | **Bal.** |  |  |  |

1. **Prepare the adjusted trial balance of Colorado Service Center at April 30, 2021.**

|  |
| --- |
| **Colorado Service Center** |
| **Adjusted Trial Balance** |
| **April 30, 2021** |
| **ACCOUNT** | **DEBIT** | **CREDIT** |
| **Cash** |  |  |
| **Equipment** |  |  |
| **Truck** |  |  |
| **Accum. deprec. equipment** |  |  |
| **Accum. deprec. truck** |  |  |
| **Accounts receivable** |  |  |
| **Supplies** |  |  |
| **Land** |  |  |
| **Prepaid auto insurance** |  |  |
| **Accounts payable** |  |  |
| **Notes payable** |  |  |
| **Salary payable** |  |  |
| **Utilities payable** |  |  |
| **Unearned Service Revenue** |  |  |
| **Harper, capital** |  |  |
| **Harper, drawing** |  |  |
| **Service revenue** |  |  |
| **Depreciation expense - Equip** |  |  |
| **Depreciation expense – Truck**  |  |  |
| **Insurance expense** |  |  |
| **Rent expense** |  |  |
| **Salary expense** |  |  |
| **Supplies expense** |  |  |
| **Maintenance Expense** |  |  |
| **Utilities expense** |  |  |
| **Total** |  |  |

1. **Complete the end of the accounting cycle for Colorado Service Center by creating the income statement, statement of owner’s equity, and balance sheet for the month ending April 30, 2021.**

|  |
| --- |
|  |
| **Income Statement** |
|  |
|  | **Revenue:** |  |  |
|  |   |   |  |
|  | **Expenses:**  |   |   |
|  |  |   |   |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |   |   |
|  |  |  |  |
|  |  |   |   |
|  |   **Total Expenses** |   |  |
|  | **Net Income** |   |  |
|  |   |   |   |

|  |
| --- |
|  |
| **Statement of Owner's Equity** |
|   |
|  |  **Harper, capital – April 1, 2021** |  |
|  |   |  |
|  |   |  |
|  |  Less: Harper, drawing |   |
|  |   |  |

|  |
| --- |
|  |
| **Balance Sheet** |
|  |
| **Assets** |   | **Liabilities** |
|  |  |  |   |  |  |
|  |  |   |  |  |
|  |  |  |   |  |  |
|  |  |   |  |  |
|  |  |  |   |  |  |
| **Equipment** |  |   |   |  |   |
| **Less: Accum. Dep.** |  |  |   | **Total Liabilities** |  |
| **Truck** |  |   |   |  |  |
| **Less: Accum. Dep.** |  |  |   | **Owner's Equity** |  |
|  |   |   |   |  |  |
| **Total Assets** |  |   | **Total Liabilities & OE** | 131,600 |