ADJUSTMENTS, WORKSHEET, AND STATEMENTS PRACTICE SET

DEBITS AND CREDITS I.

TRIAL BALANCE II.

ASSETS = LIABILI		<u>OWNER!</u> DR.	S EQUITY CR.	Speedy Ironing Serv Trial Balance September 30, 19		
Instructions: Studen appropriate Trial Ball the information proviadjustments on the leize on the right. Jo descriptions are not	ance figures an ded to analyze ft and journal- urnal entry	EXPENSES DR. CR. + -	REVENUE DR. CR.	Cash Accounts Receivable Prepaid Advertising Ironing Supplies Ironing Equipment Accounts Payable Unearned Ironing Revenue Capital, Linda Smith Withdrawals, Linda Smith Ironing Revenue Rent Expense Telephone Expense	\$105 10 60 10 60 30 50 20 \$345	\$ 15 10 150 170

III. ADJUSTING JOURNAL ENTRIES

Practice Set Adjustments - Wednesday, September 30, 1991

ANALYZING TRANSACTIONS

JOURNALIZING TRANSACTIONS

CR.

DR.

= Liabilities + Owner's Equity Assets a. One month of scheduled advertising appeared in the school newspaper. See Transaction 2, page 10. b. A count of Ironing Supplies revealed approximately \$5 worth on hand. b. c. Depreciation was taken on equipment with a useful life of 5 years. c.

d. On Thursday, 10/1, Linda would pay her first employee, who worked Tuesday and Thursdays, \$12 for the week. d. e. Ironing Services for one of the two students who had paid in advance had been performed as of 9/30/91. e. f. On Tuesday, September 29, services had been finished for 2 students who promised to pay \$5 each on 10/5. f.

Instructions: The adjustments from Part III should be transposed into the adjustments columns of the worksheet. Check the correctness of the adjustments by verifying the Adjusted Trial Balance. Finally, the adjusted balances should be extended to make an Income Statement and Balance Sheet. Be sure to place the letter of the adjustment to the left of the amount as demonstrated with adjustment a.

IV. WORKSHEET

	Trial	Balance	Adjustments	Adjusted Trial Baland	Income ce Statement	Balance Sheet
Cash	105			105		
Accounts Receivable	10			20		
Prepaid Advertising	60		(a) 15	45		
Ironing Supplies	10			5		
Ironing Equipment	60			60		
Accounts Payable		15		15	5	
Unearned Ironing Revenue		10			5	
Capital, Linda Smith		150		150	0	
Withdrawals, Linda Smith	30			30		
Ironing Revenue		170		189	5	
Rent Expense	50			50		
Telephone Expense	20			20		
Advertising Expense	345	<u>345</u>	(a) 15	15		
Ironing Supplies Expense				5		
Depreciation Expense, Ironing Equipment				1		
Accumulated Depreciation, Ironing Equipment				:	L	
Salaries Expense				6		
Salaries Payable			42 42	362 362		
					185 185	265 265

V. ACCOUNTING STATEMENTS

Instructions: Use the Adjusted Trial Balance above to complete an Income Statement and Balance Sheet.

Speedy Ironing Service Income Statement For the Month Ended Sept. 30, 19	Speedy Ironing Service Balance Sheet September 30, 1991
Total Operating Expenses Net Income	Total Liabilities + Section 28 Total Assets: Section 234 Owner's Equity Section 234