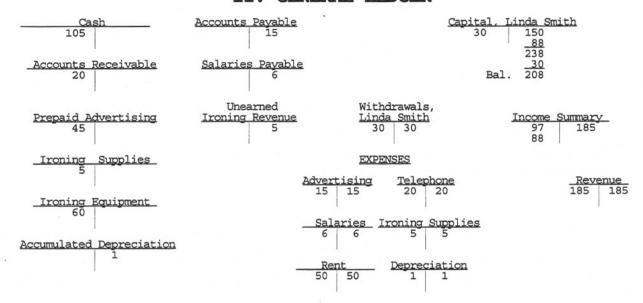
I. CLOSING JOURNAL ENTRIES

Instructions: Student should make the Closing Entries, post to the General Ledger and complete the Post-Closing Trial Balance. Be sure to name the unlabeled T account.

Sept. 30 Income Summary	DR. 97	CR.	Sept. 30 Laundry Revenue	DR. 185	CR.
Advertising Expense Salaries Expense Rent Expense Telephone Expense		15 6 50 20	Income Summary		185
Ironing Supplies Expense Depreciation Expense, Ironing Equipment		5	Sept. 30 Income Summary Capital	88	88
			Sept. 30 Capital, Linda Smith Withdrawals,	30	
			Linda Smith		30

II. GENERAL LEDGER



III. POST-CLOSING TRIAL BALANCE

Speedy Ironing Se Post-Closing Trial September 30, 1	Balance	
Cash	\$105	
Accounts Receivable	20	
Prepaid Advertising	45	
Ironing Supplies	5	
Ironing Equipment	60	
Accumulated Depreciation, Ironing Equipment		\$ 1
Accounts Payable		15
Salaries Payable		6
Unearned Ironing Revenue		5
Capital, Linda Smith	\$235	208 \$235

Instructions Part IV: Complete the Reversing Entry and pay Oct. 2nd payroll.

V: Make the Correcting Entry.

VI: Fill in the missing accounting steps.

IV. REVERSING ENTRIES

Payin	g Sa	laries - No Reversing	Entry	Œ	Paying	g Sa	laries - Reversing Entry	DR.	CR
Sept.	30	Salaries Expense Salaries Payable	DR. 6	CR.	Sept.	30	Salaries Expense Salaries Payable	6	6
					Oct.	1	Salaries Payable Salaries Expense	6	6
Oct.	2	Salaries Expense Salaries Payable Cash	6	12	Oct.	2	Salaries Expense Cash	12	12

V. CORRECTING ENTRIES

On Oct. 8 Linda discovered that a \$5 purchase of Ironing Supplies had been posted to the Ironing Equipment account.

Ironing Supplies
Ironing Equipment

THE THIRTEEN ACCOUNTING STEPS VI.

-	1.Journal Entries 2.Post to Ledger 3.Trial Balance	5.	Adjusting Entries Post to Ledger Adjusted Trial Balance	7. Income Statement 8. Balance Sheet	10.	Closing Entries Post to Ledger Post-Closing Trial Balance	Reversing Entries Closing Entries

OWNER'S EQUITY STOCKHOLDERS' EQUITY VS. VII.

Instructions: Given the entries Linda Smith made as a sole proprietor, make the required entries for a corporation. Assume shares of Common Stock sold at Par for \$1 per share.

Cash Capital, Linda Smith	DR. 150	STARTING CR. 150	Cash Common Stock	DR. 150	CR.
Income Summary Capital, Linda Smith	88	RECORDI 88	NG EARNINGS Income Summary Retained Earnings	88	88
Withdrawal, Linda Smith Cash	30	DISTRIBUT	ING EARNINGS Retained Earnings Dividend Payable	30	30
Capital, Linda Smith Withdrawals, Linda Smith	30	30	Dividend Payable Cash	30	30

EQUITY SECTION OF BALANCE SHEET

Owner's Equity			Stockholders' Equity	
Linda Smith Capital, September 1, 1992		\$150	Common Stock, \$1 par	
Net Income	\$ 88		150 shares	
Withdrawals	30	58	authorized and outstanding	\$150
Capital, September 30		\$208	Retained Earnings	58
,			Total Stockholders' Equity	\$208