## Quick Question On Closing Journal Entries

Use the following information to make all the September 30 Closing Entries required by ABC Company to prepare for the next accounting cycle.

Salaries Expense	\$ 2,000
Insurance Expense	1,000
Materials Expense	6,000
Construction Fees Earned	15,000
Withdrawals	2,000
Office Supplies Expense	150
Depreciation Expense: Truck	400

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DATE		ACCOUNT TITLE AND DESCRIPTION	PR	DEBIT	CREDIT
Sept.	30	Income Summary		9,550	
		Salaries Expense			2,000
		Insurance Expense			1,000
		Materials Expense			6,000
		Office Supplies Expense			150
		Depreciation Expense, Truck			400
Sept.	30	Construction Fees Earned		15,000	
		Income Summary			15,000
Sept.	30	Income Summary		5,450	
		Capital, ABC			5,450
Sept.	30	Capital, ABC		2,000	
		Withdrawals, ABC			2,000

## Quick Questions On Reversing Entries, Correcting Entries, And The 13 Accounting Steps

 The XYZ Company pays each of its 4 employees \$300 for a five-day week. Make the June 30 payroll adjusting entry required for an accounting cycle which ends on a Wednesday. Make the Thursday reversing entry and the Friday payroll entry.

DATE		ACCOUNT TITLE AND DESCRIPTION	PR	DEBIT		CREDIT	CREDIT	
June	30	Salaries Expense (4)(\$300/5)(3)		720				
		Salaries Payable				720		
July 1		Salaries Payable		720				
		Salaries Expense				720		
July	2	Salaries Expense		1,200				
		Cash				1,200		

2. Make the June 30 correcting entry necessary to correct for a \$200 purchase of Equipment which had been incorrectly recorded as a purchase of supplies.

DATE		ACCOUNT TITLE AND DESCRIPTION	PR	DEBIT	CREDIT
June	30	Equipment		200	
		Supplies			200

3. List the 13 Accounting Steps.

1. Journal Entries	4. Adjusting Journal Entries		9. Closing Journal Entries	12. Reversing Journal Entries
2. Post to Ledger	5. Post to Ledger	7. Income Statement	10. Post to Ledger	13. Correcting Journal Entries
3. Trial Balance	6. Adjusted Trial Balance	8. Balance Sheet	11. Post-Closing Trial Balance	