

CHAPTER 10**Demonstration Problems****Completing the Accounting Cycle for a Sole Proprietorship****PROBLEM 10-1 Closing the Balance of the Revenue Account into Income Summary**

1. To close a revenue account, the balance must be reduced to _____.
2. If a revenue account has a balance of \$2,000, will the account be closed by a debit of \$2,000 or a credit of \$2,000? _____
3. When closing a revenue account, Income Summary is _____ for the total amount of revenue.
4. Use the following T accounts to show the transfer of the revenue account balance to Income Summary.

Fees		Income Summary	
Debit	Credit	Debit	Credit
	Bal. 2,000.00		

5. Record the closing entry for revenue in the general journal below. The fiscal period ends December 31.

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DATE	DESCRIPTION	POST. REF.	DEBIT	CREDIT
1				1
2				2
3				3
4				4