

Demonstration Problems cont.**PROBLEM 10-4 Closing the Withdrawals Account**

1. To close the owner's withdrawals account, its balance must be reduced to _____.
2. If the withdrawals account has a balance of \$900.00 will the account be closed by a debit or a credit? _____
3. When closing the withdrawals account, the capital account is _____ for the balance of withdrawals.
4. Use the following T accounts to show the closing of the withdrawals account.

Jeri Aulier, Capital		Jeri Aulier, Withdrawals	
Debit	Credit	Debit	Credit
	Bal. 15,000.00	Bal. 900.00	
Clos. 500.00			

5. Record the entry to close the withdrawals account in the general journal below.

GENERAL JOURNAL

PAGE 8

DATE		DESCRIPTION	POST. REF.	DEBIT	CREDIT
1 20--		<i>Closing Entries</i>			
2 Dec. 31		<i>Fees</i>		2000000	
3		<i>Income Summary</i>			2000000
4	31	<i>Income Summary</i>		1500000	
5		<i>Advertising Expense</i>			40000
6		<i>Miscellaneous Expense</i>			20000
7		<i>Rent Expense</i>			60000
8		<i>Utilities Expense</i>			30000
9	31	<i>Income Summary</i>		50000	
10		<i>Jeri Aulier, Capital</i>			50000
11					
12					
13					
14					