

**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.

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DATE	DESCRIPTION	POST. REF.	DEBIT	CREDIT
1 20--	<i>Closing Entries</i>			
2 Dec. 31	Fees		200000	
3	Income Summary			200000
4 31	Income Summary		150000	
5	Advertising Expense			40000
6	Miscellaneous Expense			20000
7	Rent Expense			60000
8	Utilities Expense			30000
9 31	Income Summary		50000	
10	Jeri Aulier, Capital			50000
11				
12				
13				
14				