

Demonstration Problems Answers

Problem 10-1

1. zero
2. debit
3. credited
- 4.

Fees		Income Summary	
Debit	Credit	Debit	Credit
Clos. 2,000.00	Bal. 2,000.00		Clos. 2,000.00
	Bal. 0.00		

5. Closing Entries

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DATE	DESCRIPTION	POST. REF.	DEBIT	CREDIT
20--	<i>Closing Entries</i>			
Dec. 31	Fees		2000.00	
	Income Summary			2000.00

Problem 10-2

1. zero
2. credit
3. debited
- 4.

Advertising Expense		Miscellaneous Expense		Rent Expense	
Debit	Credit	Debit	Credit	Debit	Credit
Bal. 400.00	Clos. 400.00	Bal. 200.00	Clos. 200.00	Bal. 600.00	Clos. 600.00

Utilities Expense		Income Summary	
Debit	Credit	Debit	Credit
Bal. 300.00	Clos. 300.00	Clos. 1,500.00	Clos. 2,000.00

5.

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DATE	DESCRIPTION	POST. REF.	DEBIT	CREDIT
20--	<i>Closing Entries</i>			
Dec. 31	Income Summary		1500.00	
	Advertising Expense			400.00
	Miscellaneous Expense			200.00
	Rent Expense			600.00
	Utilities Expense			300.00

Demonstration Problems Answers cont.

Problem 10-3

1. zero
2. debit
3. credited
- 4.

Income Summary	
Debit	Credit
Clos. 1,500.00	Clos. 2,000.00
Clos. 500.00	

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

5.

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DATE	DESCRIPTION	POST REF.	DEBIT	CREDIT	
20--					1
Dec. 31	Income Summary		500.00		2
	Jeri Aulier, Capital			500.00	3
					4

Problem 10-4

1. zero
2. credit
3. debited
- 4.

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

Jeri Aulier, Withdrawals	
Debit	Credit
Bal. 900.00	Clos. 900.00

5.

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DATE	DESCRIPTION	POST REF.	DEBIT	CREDIT	
					1
Dec. 31	Jeri Aulier, Capital		900.00		11
	Jeri Aulier, Withdrawals			900.00	12
					13

Demonstration Problems Answers cont.

Problem 10-5

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	DATE	DESCRIPTION	POST. REF.	DEBIT	CREDIT	
1	20--	<i>Closing Entries</i>				1
2	June 30	Accounting Fees		12 000 00		2
3		Income Summary			12 000 00	3
4	30	Income Summary		3 000 00		4
5		Advertising Expense			6 000 00	5
6		Rent Expense			1 200 00	6
7		Repair Expense			3 000 00	7
8		Utilities Expense			9 000 00	8
9	30	Income Summary		9 000 00		9
10		James Bereal, Capital			9 000 00	10
11	30	James Bereal, Capital		1 700 00		11
12		James Bereal, Withdrawals			1 700 00	12
13						13

Problem 10-6

1. permanent
2. temporary

Allison's Repair Shop Post-Closing Trial Balance December 31, 20--

Cash in Bank	13 255 00	
Accounts Receivable—C. Smythe	12 300	
Accounts Receivable—Bell & Sons	90 000	
Computer Equipment	3 100 00	
Repair Equipment	5 500 00	
Accounts Payable—Midtown Computers		800 00
Accounts Payable—Nagle Supplies		395 00
A. Degaro, Capital		21 683 00
Total	22 878 00	22 878 00