

Problems

CHAPTER 10

Problem 10-7 Posting Closing Entries and Preparing a Post-Closing Trial Balance

Period ending December 31 closing entries for Outback Guide Service are:

GENERAL JOURNAL				PAGE	1
	DATE	DESCRIPTION	POST. REF.	DEBIT	CREDIT
1	20--	<i>Closing Entries</i>			
2	Dec. 31	Guide Service Revenue		16,300.00	
3		Income Summary			16,300.00
4	31	Income Summary		10,000.00	
5		Advertising Expense			3,000.00
6		Maintenance Expense			1,100.00
7		Rent Expense			4,000.00
8		Utilities Expense			1,900.00
9	31	Income Summary		6,300.00	
10		Juanita Ortega, Capital			6,300.00
11	31	Juanita Ortega, Capital		4,000.00	
12		Juanita Ortega, Withdrawals			4,000.00
13					

Instructions Using your working papers, post the closing entries to the appropriate general ledger accounts and prepare a post-closing trial balance.

Analyze Calculate the balance of the capital account after closing.

Problem 10-8 Completing Period-End Activities

The general ledger for Showbiz Video shows the following at December 31:

General Ledger

101	Cash in Bank	12,000	207	Accts. Pay.—	
105	Accts. Rec.—G. Cohen	3,000		New Media Suppliers	3,000
110	Accts. Rec.—J. Coletti	900	209	Accts. Pay.—Palace Films	14,000
113	Accts. Rec.—S. Flannery	1,800	301	Greg Failla, Capital	33,775
115	Accts. Rec.—Spring Branch School District	1,500	305	Greg Failla, Withdrawals	4,000
130	Office Equipment	5,000	310	Income Summary	—
135	Office Furniture	8,000	401	Video Rental Revenue	9,600
140	Computer Equipment	10,000	405	VCR Rental Revenue	3,500
145	Video Tapes	20,000	501	Advertising Expense	1,600
150	Video Equipment	9,000	505	Equipment Repair Expense	1,200
201	Accts. Pay.—Broad Street Office Supply	400	510	Maintenance Expense	400
205	Accts. Pay.—Computer Horizons	15,500	520	Rent Expense	1,000
			530	Utilities Expense	375

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SMART GUIDE

Step-by-Step Instructions:
Problem 10-7

1. Select the problem set for Outback Guide Service (Prob. 10-7).
2. Rename the company and set the system date.
3. Close the fiscal year.
4. Print a post-closing Trial Balance.
5. Complete the Analyze activity.
6. End the session.

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SMART GUIDE

Step-by-Step Instructions:
Problem 10-8

1. Select the problem set for Showbiz Video (Prob. 10-8).
2. Rename the company and set the system date.
3. Print a General Ledger Trial Balance.
4. Print an Income Statement, Balance Sheet, and Statement of Changes in Owner's Equity.
5. Close the fiscal year.
6. Print a post-closing Trial Balance.
7. Complete the Analyze activity.
8. End the session.

QuickBooks

PROBLEM GUIDE

Step-by-Step Instructions:
Problem 10-8

1. Restore the Problem 10-8.QBB file.
2. Print a Trial Balance, a Profit & Loss report, and a Balance Sheet.
3. Close the fiscal year and print a Trial Balance.
4. Complete the Analyze activity.
5. Back up your work.

CONTINUE

Instructions Using the preceding account names and balances:

1. Prepare the six-column work sheet. The period covered is one month.
2. Prepare the financial statements. Greg Failla invested \$10,000 during the month.
3. Record the closing entries on page 12 of the general journal.
4. Post the closing entries.
5. Prepare a post-closing trial balance.

Analyze

Calculate the total amount of all the accounts receivable accounts on December 31.

**SPREADSHEET
SMART GUIDE**

**Step-by-Step Instructions:
Problem 10-9**

1. Select the spreadsheet template for Problem 10-9.
2. Enter your name and the date.
3. Complete the spreadsheet using the instructions in your working papers.
4. Print the spreadsheet and proof your work.
5. Complete the Analyze activity.
6. Save your work and exit the spreadsheet program.



Problem 10-9 Completing End-of-Period Activities

At the end of December, the general ledger for Job Connect showed the following account balances:

General Ledger

101 Cash in Bank	6,000	207 Accts. Pay.—Wildwood Furniture Sales	2,000
105 Accts. Rec.— CompuRite Systems	1,000	301 Richard Tang, Capital	23,600
110 Accts. Rec.— Marquez Manufact.	500	302 Richard Tang, Withdrawals	3,000
113 Accts. Rec.—Roaring Rivers Water Park	600	303 Income Summary	—
115 Accts. Rec.—M. Spencer	200	401 Placement Fees Revenue	6,900
130 Office Equipment	7,000	405 Technology Classes Revenue	2,400
135 Office Furniture	5,000	501 Advertising Expense	3,000
140 Computer Equipment	8,500	505 Maintenance Expense	800
201 Accts. Pay.—Micro Solutions Inc.	2,800	510 Miscellaneous Expense	800
205 Accts. Pay.—Vega Internet Services	1,600	520 Rent Expense	2,000
		530 Utilities Expense	900

Instructions Using the preceding account names and balances:

1. Prepare the six-column work sheet. The period covered is one month.
2. Prepare the financial statements.
3. Record the closing entries on page 28 of the general journal.
4. Post the closing entries.
5. Prepare a post-closing trial balance.

Analyze

Identify the largest expenditure for the period.