

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--	Closing Entries					1
2	Dec. 31	Guide Service Revenue		16 300 00			2
3		Income Summary			16 300 00		3
4	31	Income Summary		10 000 00			4
5		Advertising Expense			3 000 00		5
6		Maintenance Expense			1 100 00		6
7		Rent Expense			4 000 00		7
8		Utilities Expense			1 900 00		8
9	31	Income Summary		6 300 00			9
10		Juanita Ortega, Capital			6 300 00		10
11	31	Juanita Ortega, Capital		4 000 00			11
12		Juanita Ortega, Withdrawals			4 000 00		12
13							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		305 Greg Failla, Withdrawals	4,000
Branch School District	1,500	310 Income Summary	—
130 Office Equipment	5,000	401 Video Rental Revenue	9,600
135 Office Furniture	8,000	405 VCR Rental Revenue	3,500
140 Computer Equipment	10,000	501 Advertising Expense	1,600
145 Video Tapes	20,000	505 Equipment Repair	
150 Video Equipment	9,000	Expense	1,200
201 Accts. Pay.—Broad Street		510 Maintenance Expense	400
Office Supply	400	520 Rent Expense	1,000
205 Accts. Pay.—		530 Utilities Expense	375
Computer Horizons	15,500		

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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

CHAPTER 10

Problems

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.

CHALLENGE PROBLEM

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	
105 Accts. Rec.—		Furniture Sales	2,000
CompuRite Systems	1,000	301 Richard Tang, Capital	23,600
110 Accts. Rec.—		302 Richard Tang,	
Marquez Manufact.	500	Withdrawals	3,000
113 Accts. Rec.—Roaring		303 Income Summary	—
Rivers Water Park	600	401 Placement Fees Revenue	6,900
115 Accts. Rec.—M. Spencer	200	405 Technology Classes	
130 Office Equipment	7,000	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		510 Miscellaneous Expense	800
Solutions Inc.	2,800	520 Rent Expense	2,000
205 Accts. Pay.—Vega		530 Utilities Expense	900
Internet Services	1,600		

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.