

Chapter 15 Reversing Entries Solution

1. Reversing Entry (January 1):

Debit: Salaries Payable \$5,000

Credit: Salaries Expense \$5,000

Payment of Salaries (January 7):

Debit: Salaries Expense \$7,000

Debit: Salaries Payable \$5,000

Credit: Cash \$12,000

2. Reversing Entry (January 1):

Debit: Interest Payable \$1,500

Credit: Interest Expense \$1,500

Payment of Interest (January 15):

Debit: Interest Expense \$1,500

Debit: Interest Payable \$1,500

Credit: Cash \$3,000

3. Reversing Entry (January 1):

Debit: Service Revenue \$3,000

Credit: Accounts Receivable \$3,000

Receipt of Cash (January 10):

Debit: Cash \$3,000

Credit: Service Revenue \$3,000

4. Reversing Entry (January 1):

Debit: Wages Payable \$8,000

Credit: Wages Expense \$8,000

Payment of Wages (January 5):

Debit: Wages Expense \$17,000

Debit: Wages Payable \$8,000

Credit: Cash \$25,000

