Name:_____   Date:_____

Chapter 15 Reversing Entries

1. **Scenario:**

   At the end of December, XYZ Company accrued salaries of **$5,000** for the last week of the month. The adjusting entry recorded was:

   Adjusting Entry (December 31):

   Debit: Salaries Expense $5,000

   Credit: Salaries Payable $5,000

   Requirement:

   Prepare the **reversing entry** on **January 1** and show the journal entry when salaries of $12,000 are paid on January 7.

	DATE		DESCRIPTION	POST. REF.	DEBIT	CREDIT	
1							1
2							2
3							3
4							4
5							5
6							6
7							7

2. **Scenario:**

   ABC Corp accrued interest of **$1,500** on a loan at the end of the year. The adjusting entry recorded on December 31 was:

   Adjusting Entry (December 31):

   Debit: Interest Expense $1,500

   Credit: Interest Payable $1,500

   Requirement:

   Prepare the **reversing entry** on **January 1** and record the payment of interest on January 15 for **$3,000**.

	DATE		DESCRIPTION	POST. REF.	DEBIT	CREDIT	
1							1
2							2
3							3
4							4
5							5
6							6
7							7

3. **Scenario:**

On December 31, DEF Company recorded **$3,000** of revenue that had been earned but not yet billed. The adjusting entry was:

Adjusting Entry (December 31):

Debit: Accounts Receivable $3,000

Credit: Service Revenue $3,000

Requirement:
Prepare the **reversing entry** on **January 1** and record the receipt of cash on January 10 for the full amount.

	DATE	DESCRIPTION	POST. REF.	DEBIT	CREDIT	
1						1
2						2
3						3
4						4
5						5
6						6
7						7

4. **Scenario:**
At the end of the year, LMN Company accrued wages of **$8,000** for the last week of December. The adjusting entry recorded was:

Adjusting Entry (December 31):

Debit: Wages Expense $8,000

Credit: Wages Payable $8,000

Requirement:
Prepare the **reversing entry** on **January 1** and record the payment of total wages of **$25,000** on January 5.

	DATE	DESCRIPTION	POST. REF.	DEBIT	CREDIT	
1						1
2						2
3						3
4						4
5						5
6						6
7						7