P2-30A Journalizing transactions, posting journal entries to T-accounts, and preparing a trial balance

Doris Stewart started her practice as a design consultant on September 1, 2015. During the first month of operations, the business completed the following transactions:

- **Sep. 1**: Received $42,000 cash and gave capital to Stewart.
- **4**: Purchased office supplies; $700, and furniture; $1,900 on account.
- **6**: Performed services for a law firm and received $1,400 cash.
- **7**: Paid $24,000 cash to acquire land to be used in operations.
- **10**: Performed services for a hotel and received its promise to pay $1,000 within one week.
- **14**: Paid for the furniture purchased on September 4 on account.
- **15**: Paid assistant's semimonthly salary, $1,490.
- **17**: Received cash on account, $400.
- **20**: Prepared a design for a school on account, $700.
- **25**: Received $1,600 cash for design services to be performed in October.
- **28**: Received $2,100 cash for consulting with Plummer & Gordon.
- **29**: Paid $1,200 cash for a 12-month insurance policy starting on October 1.
- **30**: Paid assistant's semimonthly salary, $1,490.
- **30**: Paid monthly rent expense, $650.
- **30**: Received a bill for utilities, $350. The bill will be paid next month.
- **30**: Stewart withdrew cash of $3,000.

**Requirements**

1. Record each transaction in the journal using the following account titles: Cash; Accounts Receivable; Office Supplies; Prepaid Insurance; Furniture; Land; Accounts Payable; Utilities Payable; Unearned Revenue; Stewart, Capital; Stewart, Withdrawals; Service Revenue; Salaries Expense; Rent Expense; Utilities Expense. Explanations are not required.

2. Open a T-account for each of the accounts.

3. Post the journal entries to the T-accounts, using transaction dates as posting references in the ledger accounts. Label the balance of each account Bal.

4. Prepare the trial balance of Doris Stewart, Designer, as of September 30, 2015.
## Requirement 1

<table>
<thead>
<tr>
<th>Date</th>
<th>Accounts and Explanation</th>
<th>Posting Ref.</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep. 1</td>
<td>Cash ↑</td>
<td></td>
<td>42 000</td>
<td>42 000</td>
</tr>
<tr>
<td></td>
<td>Stewart capital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Supplies</td>
<td>700</td>
<td>700</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Furniture</td>
<td>1 900</td>
<td></td>
<td>1 900</td>
</tr>
<tr>
<td></td>
<td>A/P</td>
<td></td>
<td></td>
<td>2 600</td>
</tr>
<tr>
<td>6</td>
<td>Cash</td>
<td>1 400</td>
<td></td>
<td>1 400</td>
</tr>
<tr>
<td></td>
<td>Services rev</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Land</td>
<td>2 400</td>
<td></td>
<td>2 400</td>
</tr>
<tr>
<td></td>
<td>Cash</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>A/I services rev</td>
<td></td>
<td>1 000</td>
<td>1 000</td>
</tr>
<tr>
<td>14</td>
<td>A/I</td>
<td></td>
<td></td>
<td>1 900</td>
</tr>
<tr>
<td></td>
<td>Cash</td>
<td></td>
<td></td>
<td>1 900</td>
</tr>
<tr>
<td>15</td>
<td>Salary</td>
<td>1 490</td>
<td></td>
<td>1 490</td>
</tr>
<tr>
<td></td>
<td>Cash</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Cash</td>
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<td></td>
<td>400</td>
</tr>
<tr>
<td></td>
<td>A/I</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Cash</td>
<td>700</td>
<td></td>
<td>700</td>
</tr>
<tr>
<td></td>
<td>A/I</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Cash</td>
<td>1 800</td>
<td></td>
<td>1 800</td>
</tr>
<tr>
<td></td>
<td>Service rev</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>Cash</td>
<td>2 400</td>
<td></td>
<td>2 400</td>
</tr>
<tr>
<td></td>
<td>Service rev</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>Prepaid insurance</td>
<td></td>
<td>1 200</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash</td>
<td></td>
<td></td>
<td>1 200</td>
</tr>
<tr>
<td>30</td>
<td>Salary</td>
<td>1 490</td>
<td></td>
<td>1 490</td>
</tr>
<tr>
<td></td>
<td>Cash</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>Rent exp</td>
<td></td>
<td>650</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash</td>
<td></td>
<td></td>
<td>650</td>
</tr>
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### Requirements 2 and 3

<table>
<thead>
<tr>
<th>Description</th>
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<tr>
<td>30 Utilities exp.</td>
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</tr>
<tr>
<td>Utilities payable</td>
<td>350</td>
</tr>
<tr>
<td>30 Withdrawal</td>
<td>2000</td>
</tr>
<tr>
<td>Cash</td>
<td>3000</td>
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</table>

#### Accounts Payable

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unearned Revenue</td>
<td>1400</td>
</tr>
</tbody>
</table>

#### Utilities Payable

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>3000</td>
</tr>
</tbody>
</table>

#### Accounts Receivable

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>400</td>
</tr>
</tbody>
</table>

#### Office Supplies

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>700</td>
</tr>
</tbody>
</table>

#### Prepaid Insurance

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>1200</td>
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</tbody>
</table>

#### Stewart, Capital

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>2600</td>
</tr>
</tbody>
</table>

#### Stewart, Withdrawals

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>3000</td>
</tr>
</tbody>
</table>

#### Service Revenue

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>1400</td>
</tr>
</tbody>
</table>

#### Furniture

<table>
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<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>1900</td>
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</tbody>
</table>

#### Land

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>24000</td>
</tr>
</tbody>
</table>
Salaries Expense 1,490 1,490
Rent Expense 650 650
Utilities Expense 350 350

Requirement 4

DORIS STEWART, DESIGNER
Trial Balance
September 30, 2015

<table>
<thead>
<tr>
<th>Account Title</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>2,850</td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>1,800</td>
<td></td>
</tr>
<tr>
<td>Office Supplies</td>
<td>700</td>
<td></td>
</tr>
<tr>
<td>Prepaid Insurance</td>
<td>1,200</td>
<td></td>
</tr>
<tr>
<td>Furniture</td>
<td></td>
<td>1,100</td>
</tr>
<tr>
<td>Land</td>
<td>2,400</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td></td>
<td>2,600</td>
</tr>
<tr>
<td>Utilities Payable</td>
<td>350</td>
<td></td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>1,806</td>
<td></td>
</tr>
<tr>
<td>Stewart, Capital</td>
<td>42,050</td>
<td></td>
</tr>
<tr>
<td>Stewart, Withdrawals</td>
<td>3,000</td>
<td>4,600</td>
</tr>
<tr>
<td>Service Revenue</td>
<td></td>
<td>1,780</td>
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<tr>
<td>Salaries Expense</td>
<td>2,980</td>
<td></td>
</tr>
<tr>
<td>Rent Expense</td>
<td>650</td>
<td></td>
</tr>
<tr>
<td>Utilities Expense</td>
<td>950</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>44,570</td>
<td>55,220</td>
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</table>

Total 44,570 55,220
Learning Objective 3

1. b. DR Insurance Expense, $4,500

P3-33A Journalizing adjusting entries and subsequent journal entries.

Laughter Landscaping has collected the following data for the December 31 adjusting entries:

a. Each Friday, Laughter pays employees for the current week's work. The amount of the weekly payroll is $7,000 for a five-day workweek. This year December 31 falls on a Wednesday. Laughter will pay its employees on January 2.

b. On January 1 of the current year, Laughter purchases an insurance policy that covers two years, $9,000.

c. The beginning balance of Office Supplies was $6,000. During the year, Laughter purchased office supplies for $5,200, and at December 31 the office supplies on hand total $2,400.

d. During December, Laughter designed a landscape plan and the client prepaid $7,000. Laughter recorded this amount as Unearned Revenue. The job will take several months to complete, and Laughter estimates that the company has earned 40% of the total revenue during the current year.

e. At December 31, Laughter had earned $3,500 for landscape services completed for Turnerkey Appliances. Turnerkey has stated that they will pay Laughter on January 10.

f. Depreciation for the current year includes Equipment, $3,700; and Trucks, $1,300.

g. Laughter has incurred $300 of interest expense on a $450 interest payment due on January 15.

Requirements

1. Journalize the adjusting entry needed on December 31, for each of the previous items affecting Laughter Landscaping. Assume Laughter records adjusting entries only at the end of the year.
<table>
<thead>
<tr>
<th>Date</th>
<th>Accounts and Explanation</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Dec. 31</td>
<td>Salaries exp. ↓ e</td>
<td>5600</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Salaries payable ↑ L</td>
<td></td>
<td>5600</td>
</tr>
<tr>
<td>b. Dec. 31</td>
<td>Insurance exp. ↓ e</td>
<td>9000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Prepaid Insurance ↑ A</td>
<td></td>
<td>9000</td>
</tr>
<tr>
<td>c. Dec. 31</td>
<td>Supplies exp. E ↓</td>
<td>6800</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Supplies ↑ A</td>
<td></td>
<td>6800</td>
</tr>
<tr>
<td>d. Dec. 31</td>
<td>Unearned revenue ↓ L</td>
<td>2800</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Service revenue ↑ E</td>
<td></td>
<td>2800</td>
</tr>
<tr>
<td>e. Dec. 31</td>
<td>A/R</td>
<td>2500</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Service revenue ↑ E</td>
<td></td>
<td>2500</td>
</tr>
<tr>
<td>f. Dec. 31</td>
<td>Depreciation exp. ↑ A</td>
<td>5000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Accumulated Dep ↑</td>
<td></td>
<td>5000</td>
</tr>
<tr>
<td>g. Dec. 31</td>
<td>Interest exp. ↓ E</td>
<td>200</td>
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</tr>
<tr>
<td></td>
<td>Interest payable ↑ L</td>
<td></td>
<td>200</td>
</tr>
</tbody>
</table>
**MEL'S BOWLING ALLEY**

**Adjusted Trial Balance**

<table>
<thead>
<tr>
<th>Account Title</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash</strong></td>
<td>15,000</td>
<td></td>
</tr>
<tr>
<td><strong>Accounts Receivable</strong></td>
<td>2,100</td>
<td></td>
</tr>
<tr>
<td><strong>Office Supplies</strong></td>
<td>450</td>
<td></td>
</tr>
<tr>
<td><strong>Prepaid Insurance</strong></td>
<td>2,100</td>
<td></td>
</tr>
<tr>
<td><strong>Equipment</strong></td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td><strong>Accumulated Depreciation—Equipment</strong></td>
<td>72,000</td>
<td></td>
</tr>
<tr>
<td><strong>Building</strong></td>
<td>78,000</td>
<td></td>
</tr>
<tr>
<td><strong>Accumulated Depreciation—Building</strong></td>
<td>9,500</td>
<td></td>
</tr>
<tr>
<td><strong>Land</strong></td>
<td>15,000</td>
<td></td>
</tr>
<tr>
<td><strong>Accounts Payable</strong></td>
<td>3,400</td>
<td></td>
</tr>
<tr>
<td><strong>Notes Payable</strong></td>
<td>610</td>
<td></td>
</tr>
<tr>
<td><strong>Salaries Payable</strong></td>
<td>2,640</td>
<td></td>
</tr>
<tr>
<td><strong>Unearned Revenue</strong></td>
<td>1,900</td>
<td></td>
</tr>
<tr>
<td><strong>Total Capital</strong></td>
<td>180,125</td>
<td></td>
</tr>
<tr>
<td><strong>Taxes, Utilities</strong></td>
<td>28,133</td>
<td></td>
</tr>
<tr>
<td><strong>Service Revenue</strong></td>
<td>31,000</td>
<td></td>
</tr>
<tr>
<td><strong>Insurance Expense</strong></td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td><strong>Sales Expense</strong></td>
<td>16,404</td>
<td></td>
</tr>
<tr>
<td><strong>Supplies Expense</strong></td>
<td>1,111</td>
<td></td>
</tr>
<tr>
<td><strong>Utilities Expense</strong></td>
<td>12,029</td>
<td></td>
</tr>
<tr>
<td><strong>Depreciation Expense—Equipment</strong></td>
<td>1,613</td>
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<td><strong>Depreciation Expense—Building</strong></td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$ 248,085</strong></td>
<td><strong>$ 240,185</strong></td>
</tr>
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</table>

**Requirements**

1. Prepare the closing entries for Mel's Bowling Alley.
2. Prepare a post-closing trial balance.
Learning Objectives 1, 2, 3

PA-27A Preparing financial statements including a classified balance sheet in report form, preparing and posting closing entries, and preparing a post-closing trial balance

The adjusted trial balance of Elias Real Estate Appraisal at June 30, 2014, follows:

<table>
<thead>
<tr>
<th>Account Title</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>4,900</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td></td>
<td>5,900</td>
</tr>
<tr>
<td>Office Supplies</td>
<td></td>
<td>7,400</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td></td>
<td>1,050</td>
</tr>
<tr>
<td>Salary</td>
<td>72,200</td>
<td></td>
</tr>
<tr>
<td>Accumulated Depreciation—Building</td>
<td>26,700</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>187,200</td>
<td>187,200</td>
</tr>
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</table>

Requirements
1. Prepare the company's income statement for the year ended June 30, 2014.
2. Prepare the company's statement of owner's equity for the year ended June 30, 2014. Assume that there were no contributions made by the owner during the year.
4. Journalize the closing entries.
5. Open the T-accounts using the balances from the adjusted trial balance and post the closing entries to the T-accounts.
> Summary Problem

The adjusted trial balance of Martinez Advertising Services, at December 31, 2016, follows:

![Adjusted Trial Balance]

**Requirements**

1. Prepare the income statement for the year ended December 31, 2016.
2. Prepare the statement of owner's equity for the year ended December 31, 2016. Assume the owner had no additional contributions during the year.
4. Calculate the current ratio at December 31, 2016.
5. Journalize and post the closing entries. Indicate the balance of the Martinez, Capital account after the closing entries are posted.
### Requirement 1

**Income Statement**

<table>
<thead>
<tr>
<th>Revenues:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Revenue</td>
<td>64000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salery exp</td>
<td>1000</td>
</tr>
<tr>
<td>Supplies exp</td>
<td>100</td>
</tr>
<tr>
<td>Depreciation</td>
<td>9000</td>
</tr>
<tr>
<td>Rent exp</td>
<td>1000</td>
</tr>
<tr>
<td>Advertising exp</td>
<td>9000</td>
</tr>
</tbody>
</table>

**Total Expenses** 23300

**Net Income or Net Loss** 41000

### Requirement 2

**Statement of Owner's Equity**

<table>
<thead>
<tr>
<th>Equity Capital</th>
<th>12000</th>
</tr>
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<tbody>
<tr>
<td>Other Contribution</td>
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</tr>
<tr>
<td>Ret. Mern.</td>
<td>41000</td>
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Withdrawal

<table>
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<tr>
<th>Equity Capital</th>
<th>25000</th>
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<tbody>
<tr>
<td>Equity Distribution</td>
<td>28000</td>
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### Requirement 3

#### Balance Sheet

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets:</strong></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$6,000</td>
</tr>
<tr>
<td>Office supplies</td>
<td>$3,000</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>$8,000</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>$27,000</td>
</tr>
<tr>
<td><strong>Plant Assets:</strong></td>
<td></td>
</tr>
<tr>
<td>Furniture</td>
<td>$6,000</td>
</tr>
<tr>
<td>Building</td>
<td>$8,000</td>
</tr>
<tr>
<td>Land</td>
<td>$10,000</td>
</tr>
<tr>
<td><strong>Total Plant Assets (Acc. Dep. Building)</strong></td>
<td>$24,000</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$48,500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities:</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$9,000</td>
</tr>
<tr>
<td>Salaries payable</td>
<td>$500</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>$800</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>$15,400</td>
</tr>
<tr>
<td><strong>Long-term Liabilities:</strong></td>
<td></td>
</tr>
<tr>
<td>Notes payable</td>
<td>$7,000</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$22,400</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Owner's Equity</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock</td>
<td>$9,000</td>
</tr>
<tr>
<td><strong>Total Liabilities and Owner's Equity</strong></td>
<td>$48,500</td>
</tr>
</tbody>
</table>
### Requirement 5

<table>
<thead>
<tr>
<th>Date</th>
<th>Accounts and Explanation</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Revenue</strong></td>
<td>$64,500</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Income Statement</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Expense</strong></td>
<td></td>
<td>$23,800</td>
</tr>
<tr>
<td></td>
<td>Income Statement</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Capital</strong></td>
<td>$25,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Withdrawal</td>
<td></td>
<td></td>
</tr>
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### Requirement 6

<table>
<thead>
<tr>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A/R</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated Dep – Furniture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated Dep – Building</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A/P</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries Payable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N/P Long term</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
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</tbody>
</table>
### E4-23

**Requirement 1**

<table>
<thead>
<tr>
<th>Date</th>
<th>Accounts and Explanation</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec. 31</td>
<td><strong>Service Revenue</strong></td>
<td>94,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Income Summary</strong></td>
<td></td>
<td>94,000</td>
</tr>
<tr>
<td></td>
<td><em>To close revenue.</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31</td>
<td><strong>Income Summary</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Insurance Expense</td>
<td></td>
<td>20,000</td>
</tr>
<tr>
<td></td>
<td>Salaries Expense</td>
<td></td>
<td>36,000</td>
</tr>
<tr>
<td></td>
<td>Supplies Expense</td>
<td></td>
<td>800</td>
</tr>
<tr>
<td></td>
<td>Utilities Expense</td>
<td></td>
<td>12,000</td>
</tr>
<tr>
<td></td>
<td>Depreciation Expense—Equipment</td>
<td></td>
<td>1,500</td>
</tr>
<tr>
<td></td>
<td>Depreciated Expense—Building</td>
<td></td>
<td>225</td>
</tr>
<tr>
<td></td>
<td><em>To close expenses.</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31</td>
<td><strong>Income Summary</strong></td>
<td></td>
<td>23,475</td>
</tr>
<tr>
<td></td>
<td>Turner, Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><em>To close Income Summary.</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>Turner, Capital</td>
<td></td>
<td>28,000</td>
</tr>
<tr>
<td></td>
<td>Turner, Withdrawals</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><em>To close withdrawals.</em></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


E4-23, cont.
Requirement 2

**MEL'S BOWLING ALLEY**  
*Post-Closing Trial Balance*  
*December 31, 2014*

<table>
<thead>
<tr>
<th>Account Title</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
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<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>2,310</td>
<td></td>
</tr>
<tr>
<td>Office Supplies</td>
<td>450</td>
<td></td>
</tr>
<tr>
<td>Prepaid Insurance</td>
<td>2,300</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>40,000</td>
<td></td>
</tr>
<tr>
<td>Accumulated Depreciation—Equipment</td>
<td></td>
<td>$12,000</td>
</tr>
<tr>
<td>Building</td>
<td>75,000</td>
<td></td>
</tr>
<tr>
<td>Accumulated Depreciation—Building</td>
<td></td>
<td>4,500</td>
</tr>
<tr>
<td>Land</td>
<td>15,000</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td></td>
<td>3,400</td>
</tr>
<tr>
<td>Utilities Payable</td>
<td></td>
<td>620</td>
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<tr>
<td>Salaries Payable</td>
<td></td>
<td>2,840</td>
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<tr>
<td>Unearned Revenue</td>
<td></td>
<td>1,300</td>
</tr>
<tr>
<td>Turner, Capital</td>
<td></td>
<td>125,800</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$150,460</strong></td>
<td><strong>$150,460</strong></td>
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</tbody>
</table>