

15-1, 15-2, and 15-3 WORK TOGETHER, pp. 371, 377, 384

15-1 Beginning an 8-column work sheet, 15-2 Analyzing and recording adjustments on a work sheet, 15-3 Completing an 8-column work sheet

Paradise Company

Work Sheet

For Year Ended December 31, 20 --

| ACCOUNT TITLE | 1 TRIAL BALANCE | | 2 | | 3 ADJUSTMENTS | | 4 | | 5 INCOME STATEMENT | | 6 | | 7 BALANCE SHEET | | 8 | |
|----------------------------|-----------------|--------|-------|--------|---------------|--------|-------|--------|--------------------|--------|-------|--------|-----------------|--------|-------|--------|
| | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT |
| 1 Cash | | | | | | | | | | | | | | | | |
| 2 Petty Cash | | | | | | | | | | | | | | | | |
| 3 Accounts Receivable | | | | | | | | | | | | | | | | |
| 4 Merchandise Inventory | | | | | | | | | | | | | | | | |
| 5 Supplies—Office | | | | | | | | | | | | | | | | |
| 6 Supplies—Store | | | | | | | | | | | | | | | | |
| 7 Prepaid Insurance | | | | | | | | | | | | | | | | |
| 8 Accounts Payable | | | | | | | | | | | | | | | | |
| 9 Sales Tax Payable | | | | | | | | | | | | | | | | |
| 10 Jean Brower, Capital | | | | | | | | | | | | | | | | |
| 11 Jean Brower, Drawing | | | | | | | | | | | | | | | | |
| 12 Dale Edson, Capital | | | | | | | | | | | | | | | | |
| 13 Dale Edson, Drawing | | | | | | | | | | | | | | | | |
| 14 Income Summary | | | | | | | | | | | | | | | | |
| 15 Sales | | | | | | | | | | | | | | | | |
| 16 Purchases | | | | | | | | | | | | | | | | |
| 17 Advertising Expense | | | | | | | | | | | | | | | | |
| 18 Credit Card Fee Expense | | | | | | | | | | | | | | | | |
| 19 Insurance Expense | | | | | | | | | | | | | | | | |
| 20 Miscellaneous Expense | | | | | | | | | | | | | | | | |
| 21 Rent Expense | | | | | | | | | | | | | | | | |
| 22 Supplies Expense—Office | | | | | | | | | | | | | | | | |
| 23 Supplies Expense—Store | | | | | | | | | | | | | | | | |
| 24 Utilities Expense | | | | | | | | | | | | | | | | |
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15-1 Beginning an 8-column work sheet, 15-2 Analyzing and recording adjustments on a work sheet, 15-3 Completing an 8-column work sheet

Mueller Company
Work Sheet

For Year Ended December 31, 20 --

| ACCOUNT TITLE | 1 TRIAL BALANCE | | 3 ADJUSTMENTS | | 5 INCOME STATEMENT | | 7 BALANCE SHEET | |
|----------------------------|-----------------|--------|---------------|--------|--------------------|--------|-----------------|--------|
| | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT |
| 1 Cash | | | | | | | | |
| 2 Petty Cash | | | | | | | | |
| 3 Accounts Receivable | | | | | | | | |
| 4 Merchandise Inventory | | | | | | | | |
| 5 Supplies—Office | | | | | | | | |
| 6 Supplies—Store | | | | | | | | |
| 7 Prepaid Insurance | | | | | | | | |
| 8 Accounts Payable | | | | | | | | |
| 9 Sales Tax Payable | | | | | | | | |
| 10 Harry Glover, Capital | | | | | | | | |
| 11 Harry Glover, Drawing | | | | | | | | |
| 12 Laura Montez, Capital | | | | | | | | |
| 13 Laura Montez, Drawing | | | | | | | | |
| 14 Income Summary | | | | | | | | |
| 15 Sales | | | | | | | | |
| 16 Purchases | | | | | | | | |
| 17 Advertising Expense | | | | | | | | |
| 18 Credit Card Fee Expense | | | | | | | | |
| 19 Insurance Expense | | | | | | | | |
| 20 Miscellaneous Expense | | | | | | | | |
| 21 Rent Expense | | | | | | | | |
| 22 Supplies Expense—Office | | | | | | | | |
| 23 Supplies Expense—Store | | | | | | | | |
| 24 Utilities Expense | | | | | | | | |
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15-1 and 15-2 WORK TOGETHER (concluded)

ANALYSIS FOR ADJUSTMENTS

- 1. What is the balance of Merchandise Inventory? _____
- 2. What should the balance be for this account? _____
- 3. What must be done to correct the account balance? _____

- 4. What adjustment is made? _____

- 1. What is the balance of Supplies—Office? _____
- 2. What should the balance be for this account? _____
- 3. What must be done to correct the account balance? _____

- 4. What adjustment is made? _____

- 1. What is the balance of Supplies—Store? _____
- 2. What should the balance be for this account? _____
- 3. What must be done to correct the account balance? _____

- 4. What adjustment is made? _____

- 1. What is the balance of Prepaid Insurance? _____
- 2. What should the balance be for this account? _____
- 3. What must be done to correct the account balance? _____

- 4. What adjustment is made? _____

ANALYSIS FOR ADJUSTMENTS

- 1. What is the balance of Merchandise Inventory? _____
- 2. What should the balance be for this account? _____
- 3. What must be done to correct the account balance? _____

- 4. What adjustment is made? _____

- 1. What is the balance of Supplies—Office? _____
- 2. What should the balance be for this account? _____
- 3. What must be done to correct the account balance? _____

- 4. What adjustment is made? _____

- 1. What is the balance of Supplies—Store? _____
- 2. What should the balance be for this account? _____
- 3. What must be done to correct the account balance? _____

- 4. What adjustment is made? _____

- 1. What is the balance of Prepaid Insurance? _____
- 2. What should the balance be for this account? _____
- 3. What must be done to correct the account balance? _____

- 4. What adjustment is made? _____

15-1 APPLICATION PROBLEM, p. 386

**Beginning an 8-column work sheet for a merchandising business
1., 2., 3.**

Drake Park Supply Company
Work Sheet

For Year Ended December 31, 20 --

| ACCOUNT TITLE | 1 TRIAL BALANCE | | 3 ADJUSTMENTS | | 5 INCOME STATEMENT | | 7 BALANCE SHEET | |
|---------------|-----------------|--------|---------------|--------|--------------------|--------|-----------------|--------|
| | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT |
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| ACCOUNT TITLE | 1 TRIAL BALANCE | | 3 ADJUSTMENTS | | 5 INCOME STATEMENT | | 6 BALANCE SHEET | |
|---------------|-----------------|--------|---------------|--------|--------------------|--------|-----------------|--------|
| | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT |
| 1 | | | | | | | | |
| 2 | | | | | | | | |
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15-2 APPLICATION PROBLEM, p. 386

Analyzing and recording adjustments on a work sheet

| 1 | 2 | 3 | 4 | 5 |
|----------|-------------------|-----------------------|-------------------|-------------|
| Business | Adjustment Number | Accounts Affected | Adjustment Column | |
| | | | Debit | Credit |
| A | 1. | Income Summary | \$16,800.00 | |
| | | Merchandise Inventory | | \$16,800.00 |
| | 2. | | | |
| | 3. | | | |
| | 4. | | | |
| B | 1. | | | |
| | 2. | | | |
| | 3. | | | |
| | 4. | | | |
| C | 1. | | | |
| | 2. | | | |
| | 3. | | | |
| | 4. | | | |

15-3 APPLICATION PROBLEM, p. 387

Completing an 8-column work sheet for a merchandising business

1., 2., 3., 4., 5., 6.

Lotus Gallery
Work Sheet

For Year Ended December 31, 20 --

| ACCOUNT TITLE | TRIAL BALANCE | | ADJUSTMENTS | | INCOME STATEMENT | | BALANCE SHEET | |
|----------------------------|---------------|-----------|--------------|--------------|------------------|----------|---------------|--------|
| | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT |
| 1 Cash | 26320.00 | | | | | | | |
| 2 Petty Cash | 300.00 | | | | | | | |
| 3 Accounts Receivable | 10690.00 | | | | | | | |
| 4 Merchandise Inventory | 254245.00 | | (a) 14890.00 | | | | | |
| 5 Supplies—Office | 6091.00 | | | (b) 4445.00 | | | | |
| 6 Supplies—Store | 6516.00 | | | (c) 3678.00 | | | | |
| 7 Prepaid Insurance | 5540.00 | | | (d) 3020.00 | | | | |
| 8 Accounts Payable | | 10740.00 | | | | | | |
| 9 Sales Tax Payable | | 1985.00 | | | | | | |
| 10 Debbie Craig, Capital | | 117880.00 | | | | | | |
| 11 Debbie Craig, Drawing | 20530.00 | | | | | | | |
| 12 Kara Lee, Capital | | 118520.00 | | | | | | |
| 13 Kara Lee, Drawing | 20980.00 | | | | | | | |
| 14 Income Summary | | | | (a) 14890.00 | | | | |
| 15 Sales | | 316440.00 | | | | | | |
| 16 Purchases | 178560.00 | | | | | | | |
| 17 Advertising Expense | 6204.00 | | | | | | | |
| 18 Credit Card Fee Expense | 3264.00 | | | | | | | |
| 19 Insurance Expense | | | | (d) 3020.00 | | | | |
| 20 Miscellaneous Expense | 2577.00 | | | | | | | |
| 21 Rent Expense | 20160.00 | | | | | | | |
| 22 Supplies Expense—Office | | | | (b) 4445.00 | | | | |
| 23 Supplies Expense—Store | | | | (c) 3678.00 | | | | |
| 24 Utilities Expense | 3588.00 | | | | | | | |
| 25 | 565565.00 | 565565.00 | 26033.00 | 26033.00 | 26033.00 | 26033.00 | | |
| 26 | | | | | | | | |
| 27 | | | | | | | | |

| ACCOUNT TITLE | 1 | | 2 | | 3 | | 4 | | 5 | | 6 | | 7 | | 8 | |
|---------------|---------------|--------|-------------|--------|------------------|--------|---------------|--------|-------|--------|--------|--------|-------|--------|--------|--------|
| | TRIAL BALANCE | | ADJUSTMENTS | | INCOME STATEMENT | | BALANCE SHEET | | DEBIT | | CREDIT | | DEBIT | | CREDIT | |
| | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT |
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| ACCOUNT TITLE | 1 TRIAL BALANCE | | 3 ADJUSTMENTS | | 5 INCOME STATEMENT | | 7 BALANCE SHEET | |
|---------------|-----------------|--------|---------------|--------|--------------------|--------|-----------------|--------|
| | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT | DEBIT | CREDIT |
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