Prepare general ledgers and journals for the following questions:

1. The following is an extract of the Trial Balance of Trish’s Taylor’s which sells suits.

**Trial Balance (Extract) at 30 June 2018**

|  |  |  |
| --- | --- | --- |
|  | **DEBIT** | **CREDIT** |
| Bad debts | 2,500 |  |
| Prepaid insurance | 4,500 |  |
| Interest Income |  | 1,280 |
| Allowance for doubtful debts |  | 2,000 |
| Unearned Sales Income |  | 14,000 |
| Wages | 50,000 |  |
| Accounts receivable | 12,200 |  |

**Additional information at 30 June 2018:**

* Unearned sales income at 30 June 2018 is $3,700.
* The allowance for doubtful debts was to be set at $3,000.
* $2,300 wages were owing to employees.
* Interest income earned amounts to $180 per month; three months are owing on balance date.
* The annual insurance premium was paid on the 1 February 2018

**Required:**

* Prepare the ledger and journal accounts for the above balance day adjustment items at 30 June 2018 and balance as required.

1. The following is an extract of the Trial Balance of Wally’s Books which sells books.

**Trial Balance (Extract) at 30 June 2018**

|  |  |  |
| --- | --- | --- |
|  | **DEBIT** | **CREDIT** |
| Bad debts | 1,500 |  |
| Prepaid insurance | 5,100 |  |
| Unearned Sales Income |  | 16,900 |
| Allowance for doubtful debts |  | 3,000 |
| Telephone | 2000 |  |
| Wages | 50,000 |  |
| Accounts receivable | 24,400 |  |

**Additional information at 30 June 2018:**

* Additional bad debts of $500 needs to be written off
* The allowance for doubtful debts was to be set at 5% of Accounts Receivable
* The annual insurance premium was paid on the 1 November 2017
* Accrued telephone expenses at balance day are $150
* Unearned sales income at 30 June 2018 is $9,100

**Required:**

* Prepare the ledger and journal accounts for the above balance day adjustment items at 30 June 2018 and balance as required.