HOMEWORK

On December 1, 2020, the account balances of Blue Land, Inc. were as follows.

No.		Debit	No.		Credit
101	Cash	\$ 9,500	158	Accumulated Depreciation— Equipment	\$10,300
112	Accounts Receivable	22,300	201	Accounts Payable	12,800
126	Supplies	6,000	209	Uncarned Service Revenue	6,000
157	Equipment	70,000	212	Salaries and Wages Payable	8,200
			311	Share Capital-Ordinary	40,000
			320	Retained Earnings	30,500
		\$107,800			\$107,800

During December, the following summary transactions were completed.

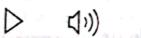
- Dec 04 Purchased supplies on account \$12,500
- Dec 09 Received \$33,500 cash for services performed in December.
- Dec 11 Paid \$10,000 for salaries due employees, of which \$4,800 is for September salaries.
- Dec 15 Purchased equipment on account \$7,200
- Dec 19 Received \$12,750 cash from customers on account.
- Dec 22 Paid creditors on account \$5,000.
- Dec 23 Paid December rent \$5,550.
- Dec 25 Received \$1,700 from customers for future service
- Dec 28 Paid salaries \$2,250.
- Dec 29 Performed services on account and billed customers for services provided \$5,750.

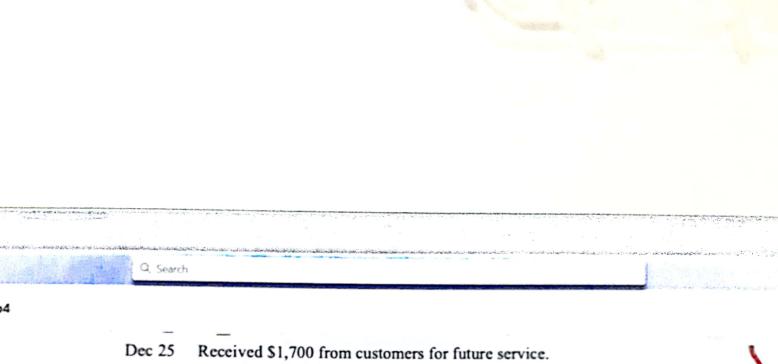
Adjustment data consist of:

- Depreciation for the month is \$3,000.
- Accrued salaries payable \$5,700.
- Supplies on hand \$1,700.
- Unearned service revenue of \$3,400 is recognized for services performed.

Instructions

a) Institution the December transactions





- Dec 28 Paid salaries \$2,250.
- Dec 29 Performed services on account and billed customers for services provided \$5,756

Adjustment data consist of:

- Depreciation for the month is \$3,000.
- Accrued salaries payable \$5,700.
- Supplies on hand \$1,700.
- Unearned service revenue of \$3,400 is recognized for services performed.

Instructions

- a) Journalize the December transactions.
- b) Journalize the adjusting entries at December 31, 2020.
- c) Post to ledger accounts using the three-column form of account. (Use J1 for posting reference. Use the following additional accounts: No. 400 Service Revenue, No. 631 Supplies Expense, No. 711 Depreciation Expense, No. 726 Salaries and Wages Expense and No. 729 Rent Expense.)
- d) Prepare an adjusted trial balance.
- e) Prepare an Income Statement and a retained earnings statement for December and a Statement of Financial Position at December 31 2020

