

Theme:



# ① To close nominal accounts

## ① Revenues

Revenues Dr.  
Income Summary Cr.

## ② Expenses

Income Summary Dr.  
Expense Cr.

Eg.

### Income Summary

|          | Debit (\$) | Credit (\$) | Balance (\$) |
|----------|------------|-------------|--------------|
| Revenues |            | 50,000      | 50,000 (cr)  |
| Expense  |            | 45,000      | 5,000 (cr)   |

\* Credit Balance of Income Summary represent Profit

# ③ To transfer profit/loss to capital

## (a) Profit :

Income Summary Dr. \$ 5000  
Capital Cr. ~~\$ 5,000~~ \$5000

## (b) Loss :

Capital Dr. x x x  
Income Summary Cr. x x x

④

④ To close withdraw

Capital Dr. x x x

Drawings Cr. x x x

Q

Solving last day's worksheet:

①

① Revenues

Service Revenue Dr. 14,150

Income Summary Cr. 14,150

② Expenses

Income Summary

Dr. 14,150

Salaries Expense Cr. 2200

Travel Expense Cr. 1300

Rent Expense Cr. 1200

Miscellaneous Expense Cr. 200

Supplies Expense Cr. 670

Depreciation Expense Cr. 1000

Interest Expense Cr. 300

Insurance Expense Cr. 600 \$ 7470

Income Summary

|          | Debit (\$) | Credit (\$) | Balance (\$) |
|----------|------------|-------------|--------------|
| Revenues |            | 14,150      | 14,150 (cr)  |
| Expense  | 7470       |             | 6,680 (cr)   |

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III (a) Profit:

|                |     |       |      |
|----------------|-----|-------|------|
| Income Summary | Dr. | 66,80 |      |
| Capital        | Cr. |       | 6680 |

IV

Loss:

→ Drawings

|          |     |     |     |
|----------|-----|-----|-----|
| Capital  | Dr. | 600 |     |
| Drawings | Cr. |     | 600 |

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Capital 20000  
- Drawing 600  
+ Profit 6680  
-----  
26,080

# Post Closing Trial Balance As on March 31, 20xx

| Sl. | Particular               | Ref. | Debit (\$) | Credit (\$) |
|-----|--------------------------|------|------------|-------------|
|     | Cash                     |      | 11400      |             |
|     | Accounts Receivable      |      | 6150       |             |
|     | Supplies                 |      | 380        |             |
|     | Prepaid Insurance        |      | 1800       |             |
|     | Equipment                |      | 30,000     |             |
|     | Notes Payable            |      |            | 10,000      |
|     | IM. Drawing              |      | 600        |             |
|     | Service Revenue          |      |            |             |
|     | Salaries Expense         |      |            |             |
|     | Travel Expense           |      |            |             |
|     | Rent Expense             |      |            |             |
|     | Misc. Expense            |      |            |             |
|     | Accounts Payable         |      |            | 12,350      |
|     | Supplies E               |      |            |             |
|     | T. Morgan Capital        |      |            | 26,080      |
|     | Accumulated Depreciation |      |            | 1000        |
|     | Interest Payable         |      |            | 300         |
|     |                          |      | 49,730     | 49,730      |