

PROBLEMS BANK RECONCILIATION STATEMENT I (1-7)

Problem # 16.1: At year end, unrecorded interest expense due to creditors was Rs. 1,100 (payable in the next year). Prepare the adjusting entry at year end (12/31)

Adjusting Entry

Date		Account Title and Explanations	Ref	Amount	
				Debit	Credit
Dec	31	interest exp. interest payable		4000	4000

Problem # 16.2: Prepaid Insurance account began the year with a balance of Rs. 230. During the year, insurance in the amount of Rs. 570 was purchased. At the end of the year March 31st, 2009 the amount of insurance still unexpired was Rs. 350. Prepare the year end adjusting entry

Adjusting Entry

Date		Account Title and Explanations	Ref	Amount	
				Debit	Credit
2009		insurance exp.			
March	31	prepaid ins.		450	450

Problem # 16.3: Wages are paid every Saturday for a five day work week (Mon – Fri; two days are unpaid and free). Wages are Rs. 2,000 per week. Prepare the adjusting entry on June 30, assuming July 1 falls on a Wednesday

Adjusting Entry

Date		Account Title and Explanations	Ref	Amount (Rs)	
				Debit	Credit
		wages exp. wages payable		800	800
		2000/5= 400 400*2= 800 since this is for two days			

Problem # 16.4: At year end, unrecorded interest receivable from the Government bonds is Rs. 1,700. Prepare the adjusting entry

Adjusting Entry

Date		Account Title and Explanations	Ref	Amount	
				Debit	Credit
		interest rec interest		1700	1700

General Journal

Date		Account Title and Explanations	Ref	Amount	
				Debit	Credit
July	3	cash		5000	
		unearned rev			5000
	31	unearned rev		1200	
		earned rev			1200

Adjusting Entry

Date		Account Title and Explanations	Ref	Amount	
				Debit	Credit
	31	A/R services		11000	11000

Adjusting Entry

Date		Account Title and Explanations	Ref	Amount	
				Debit	Credit
		<div> <div>supp. exp.</div> <div>490+190=680</div> <div>680-220=460</div> <div>supp. assets</div> </div>		460	460