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

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

				Amount		
Date		Account Title and Explanations	Ref	Debit	Credit	
March	31	insurence exp. 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

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

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

Adjusting Entry

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

Problem # 16.5: On July 3, a deposit in the amount of Rs. 5,000 was received for services to be performed. By the end of the month, services in the amount of Rs. 1,200 were performed. Prepare journal entries for the original receipt of the deposit and the adjusting entry on 31st July.

General Journal

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

Problem # 16.6: On October 4, Smith Company rendered services valued at Rs. 11,000. The client will pay for the services November 1 and closing are done at the end of each month pass this transaction at the end of period

Adjusting Entry

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

Problem # 16.7: The Supplies asset account began the year with a balance of Rs. 190. During the year, supplies in the amount of Rs. 490 were purchased. At the end of the year the inventory of supplies on hand was Rs. 220. Prepare the year end adjusting entry

Adjusting Entry

				Amount	
Date	Account Title	e and Explanations	Ref	Debit	Credit
	supp. exp.	490+190=680 680-220=460		460	
	supp. assets	000 220-100			460