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Cash	Other Unearned Revenue	Commissions Earned
25,200	-0-	25,200

Additional information: An amount of \$2,000 commission revenue has not been earned at December 31.

Required: Prepare all necessary adjusting entries and descriptions at December 31, 2018. General ledger account numbers are not necessary.

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Following is the unadjusted trial balance of Pape Pens Corporation at the end of its first year of operations, December 31, 2018:

Acct. No.	Account	<u>Balance</u>	
		Debit	Credit
101	Cash	3,300	
110	Accounts receivable	4,000	
161	Prepaid insurance	1,200	
173	Unused supplies	500	
184	Truck	8,000	
194	Acc. dep. – truck		-0-
210	Accounts payable		5,000
226	Salaries payable		-0-
248	Unearned rent revenue		2,400
260	Income taxes payable		-0-
320	Share capital		7,000
350	Dividends	1,000	
410	Commissions earned		16,100
440	Rent earned		-0-
610	Advertizing expense	200	
615	Commissions expense	1,000	
624	Dep. expense – truck	-0-	
631	Insurance expense	-0-	
632	Interest expense	400	
654	Rent expense	3,600	
656	Salaries expense	7,000	
668	Supplies expense	-0-	
669	Telephone expense	300	
830	Income taxes expense	-0-	
		<u>30,500</u>	<u>30,500</u>

The following additional information is available:

- a. Prepaid insurance at December 31 amounts to \$600.
- b. A physical count indicates that \$300 of supplies is still on hand at December 31.
- c. The truck was purchased on July 1; it has an estimated useful life of 4 years.
- d. One day of salaries for December 31 is unpaid; the unpaid amount of \$200 will be included in the first Friday payment in January.
- e. The balance in the Unearned Rent Revenue account represents six months rental of warehouse space, effective October 1.
- f. A \$100 bill for December telephone charges has not yet been recorded.
- g. Income taxes expense for the year is \$300. This amount will be paid in the next fiscal year.

Required:

- 1. Prepare all necessary adjusting entries at December 31, 2018, including general ledger account numbers. Descriptions are not needed.
 - 2. Prepare an adjusted trial balance at December 31, 2018.
 - 3. Prepare an income statement, statement of changes in equity, and statement of financial position.
 - 4. Prepare closing entries including general ledger account numbers and descriptions.
 - 5. Prepare a post-closing trial balance.
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P 3–6

Roth Contractors Corporation was incorporated on December 1, 2018 and had the following transactions during December:

Part A

- a. Issued share capital for \$5,000 cash
- b. Paid \$1,200 cash for three months' rent: December 2018; January and February 2019
- c. Purchased a used truck for \$10,000 on credit (recorded as an account payable)
- d. Purchased \$1,000 of supplies on credit. These are expected to be used during the month (recorded as expense)
- e. Paid \$1,800 for a one-year truck insurance policy, effective December 1