# Png2pdf - Online quiz 2

**1**

Part 1 of 3

8.75/10
points awarded

Scored

**Required information**

*[The following information applies to the questions displayed below.]*

At the beginning of Year 1, a company has a balance of $24,900 in accounts receivable. Because the company is a privately owned company, the company has used only the direct write-off method to account for uncollectible accounts. However, at the end of Year 1, the company wishes to obtain a loan at the local bank, which requires the preparation of proper financial statements. This means that the company now will need to use the allowance method. The following transactions occur during Year 1 and Year 2.

1. During Year 1, install air conditioning systems on account, $179,000.
2. During Year 1, collect $174,000 from customers on account.
3. At the end of Year 1, estimate that uncollectible accounts total 10% of ending accounts receivable.
4. In Year 2, customers' accounts totaling $6,900 are written off as uncollectible.

**Required:**
**1.** Record each transaction using the allowance method. **(If no entry is required for a particular transaction/event, select "No Journal Entry Required" in the first account field.)**

| No | Transaction | General Journal | | Debit | Credit |
|----|-------------|-----------------|---|-------|--------|
| 1 | 1 | Utilities Expense | ✗ | 179,000 ✓ | |
| | | Utilities Payable | ✗ | | 179,000 ✓ |
| | | | | | |
| 2 | 2 | Cash | ✓ | 174,000 ✓ | |
| | | Accounts Receivable | ✓ | | 174,000 ✓ |
| | | | | | |
| 3 | 3 | Bad Debt Expense | ✓ | 2,990 ✓ | |
| | | Allowance for Uncollectible Accounts | ✓ | | 2,990 ✓ |
| | | | | | |

Entry Required" in the first account field.)

| No | Transaction | General Journal | Debit | Credit |
|----|-------------|-----------------|-------|--------|
| 1 | 1 | Accounts Receivable | 179,000 | |
| | | Service Revenue | | 179,000 |
| | | | | |
| 2 | 2 | Cash | 174,000 | |
| | | Accounts Receivable | | 174,000 |
| | | | | |
| 3 | 3 | Bad Debt Expense | 2,990 | |
| | | Allowance for Uncollectible Accounts | | 2,990 |
| | | | | |
| 4 | 4 | Allowance for Uncollectible Accounts | 6,900 | |
| | | Accounts Receivable | | 6,900 |

## Explanation

1.
Bad Debt Expense: $29,900 × 10\% = \$2,990$ ded by ?? ? (20040422abc@gmail.com)