

Question # 1

The ledgers of a company include following accounts before adjusting entries are prepared.

| | <u>Debit</u> | <u>Credit</u> |
|------------------------------------|--------------|---------------|
| Prepaid Insurance | \$ 3,600 | |
| Supplies | 2,800 | |
| Equipment | 25,000 | |
| Accumulated Depreciation—Equipment | | \$5,000 |
| Unearned Service Revenue | | 9,200 |

An analysis of the accounts shows the following.

1. Insurance expires at the rate of \$100 per month.
2. Supplies on hand total \$800.
3. The equipment depreciates \$200 a month.
4. One-half of the unearned service revenue was earned in March.

Prepare the adjusting entries for the month of March.

Question # 2

1. At August 31, the company owed its employees \$800 in salaries that will be paid on September 1.
2. On August 1, the company borrowed \$30,000 from a local bank on a 15-year mortgage. The annual interest rate is 10%.
3. Revenue earned but unrecorded for August totaled \$1,100.

Prepare the adjusting entries needed at August 31, 2012.

ASSIGNMENT SHOULD BE HANDWRITTEN.

DUE DATE IS 23RD 2024 BEFORE THE END OF CLASS.