**Fundamentals of ASSIGNMENT 2**

**Accounting**

**(AF1001)**

**Course Instructor**

Mr. Jahangir Tanveer

QUESTION 1

|  |  |  |
| --- | --- | --- |
| **Dynamite Laundry** | | |
| **Trial Balance** | | |
| **31-Jul-23** | | |
| Cash | 2,900 |  |
| Laundry Supplies | 7,500 |  |
| Prepaid Insurance | 4,800 |  |
| Laundry Equipment | 109,050 |  |
| Accumulated Depreciation |  | 41,100 |
| Accounts Payable |  | 6,100 |
| David Duffy, Capital |  | 37,800 |
| David Duffy, Drawing | 2,000 |  |
| Laundry Revenue |  | 165,000 |
| Wages Expense | 71,400 |  |
| Rent Expense | 36,000 |  |
| Utilities Expense | 13,650 |  |
| Miscellaneous Expense | 2,700 |  |
|  | 250,000 | 250,000 |

a. Wages accrued but not paid at July 31 are $1,200.

b. Depreciation of equipment during the year is $6,800.

c. Laundry supplies on hand at July 31 are $1,750.

d. Insurance premiums expired during the year are $2,400.

**Instructions**

1. Record the adjusting entries in General Journal.
2. Prepare an adjusted trial balance as of July 31, 2023.

QUESTION 2

Expose Company specializes in the repair of music equipment and is owned and operated by Gavin Staub. On June 30, 2024, the end of the current year, the accountant for Expose Company prepared the following adjusted trial balances:

|  |  |  |
| --- | --- | --- |
| **Expose Company** | | |
| **Adjusted Trial Balance** | | |
| **June 30, 2024** | | |
|  |  |  |
| Cash | 8,315 |  |
| Accounts Receivable | 30,500 |  |
| Supplies | 1,080 |  |
| Prepaid Insurance | 2,200 |  |
| Equipment | 92,150 |  |
| Accumulated Depreciation—Equipment |  | 40,500 |
| Automobiles | 36,500 |  |
| Accumulated Depreciation—Automobiles |  | 21,900 |
| Accounts Payable |  | 8,730 |
| Salaries Payable |  | 1,560 |
| Unearned Service Fees |  | 4,000 |
| Gavin Staub, Capital |  | 69,360 |
| Gavin Staub, Drawing | 5,000 |  |
| Service Fees Earned |  | 246,600 |
| Salary Expense | 173,860 |  |
| Rent Expense | 18,000 |  |
| Supplies Expense | 2,670 |  |
| Depreciation Expense—Equipment | 7,020 |  |
| Depreciation Expense—Automobiles | 3,650 |  |
| Utilities Expense | 4,720 |  |
| Taxes Expense | 2,725 |  |
| Insurance Expense | 2,550 |  |
| Miscellaneous Expense | 1,710 |  |
|  | **392,650** | **392,650** |

**Instructions**

1. Prepare an income statement, a statement of owner’s equity (no additional investments were made during the year), and a balance sheet.
2. Journalize the closing entries