

## SUMMARY INFORMATION

When applicable, round amounts to the nearest dollar.

1. **BACKGROUND:** Linda's Linen was incorporated on January 1, 2010 with 40,000 shares of \$1 par value common stock authorized. All 40,000 shares have been issued.
2. The company's accounting period ends on December 31 of each year.
3. **ACCOUNTING POLICIES:** The company uses the following generally accepted accounting principles in presenting financial information:
  - a. **INVENTORY VALUATION** - First-in, first-out method on a perpetual basis. Physical counts are conducted at the end of the year to determine the quantity and value of merchandise inventory on hand.
  - b. **DEPRECIATION** - Straight-line.
4. As of the close of business on **December 31, 2017**, the company had the following trial balance:

Linda's Linen  
Post-Closing Trial Balance  
As of December 31, 2017

Acct #	Account Title	Debit	Credit
1110	Cash	\$ 100,350	
1120	Accounts Receivable	\$ 89,400	
1130	Merchandise Inventory	\$ 124,000	
1230	Equipment	\$ 250,000	
1231	Accumulated Depreciation - Equipment		\$ 90,000
2110	Accounts Payable		\$ 50,000
2210	Income Tax Payable		
3010	Common Stock (\$1 Par)		\$ 40,000
3020	Paid-In Capital in Excess of Par		\$ 260,000
3030	Income Summary		
3040	Retained Earnings		\$ 123,750
4010	Sales Revenue		
5020	Cost of Goods Sold		
6010	Salaries & Wages Expense		
6060	Telephone & Utility Expense		
6070	Rent Expense		
6120	Depreciation Expense - Equipment		
6410	Income Tax Expense		
	Total	\$ 563,750	\$ 563,750