

**INFORMATION FOR CURRENT PERIOD TRANSACTIONS**

When applicable, round amounts to the nearest dollar.

The following transactions occurred during 2018:

JE. #.	DESCRIPTION	AMOUNT
1.	Merchandise Inventory purchased from vendors on account, terms net 45.	\$ 900,900
2.	Sales to credit customers on account, terms net 30. The cost of the merchandise inventory sold was \$924,000.	\$ 1,502,800
3.	Cash collections from credit customers	\$ 875,000
4.	Payments of Accounts Payable	\$ 470,300
5.	Payments in cash for Telephone and Utility Expense	\$ 20,200
6.	Payroll checks written and distributed for salaries and wages	\$ 350,000
7.	Payment in cash for Rent Expense	\$ 47,000

**Information for Adjusting Journal Entries**

After creating the journal entries to record the current year transactions, posting those entries to the ledger accounts, balancing each account, and preparing the unadjusted trial balance, an inspection of the balances indicates that the following adjusting entries are required:

AJE #

1. As the result of a physical count, year-end Merchandise Inventory was determined to be \$100,500. Adjust the Merchandise Inventory account to reflect the amount of inventory overage or shortage.
2. Record the depreciation expense on Equipment for the year. All depreciable assets were purchased on the date of incorporation and have an estimated useful life of 20 years, with a residual (salvage) value equal of 10% of original costs.
3. Income Tax Expense for the year is estimated to be \$48,000.