

## Option C—Introduction

In this chapter, you will record transactions for an existing company, Waren Sports Supply, for December 16–31, 2017. You will also complete other activities commonly done with accounting software and print several items to submit to your instructor.

An important difference in this assignment compared to previous ones is the lack of detailed instructions for using *QuickBooks* to record transactions and perform other activities. You are expected to use the Reference book for guidance if you need any.

If, at any time, you decide that you want to start the chapter over, you may do so by restoring the Waren Sports Supply dataset following the instructions in Chapter 1. You may want to do so if you have made errors that are too difficult to correct or if you believe that you do not understand the material in this chapter.

In recording the transactions and performing the other activities for Waren Sports Supply, you will need several things:

1. **Information in this chapter.** The material instructs you what to record or do.
2. **Reference Book Guide (see inside front cover of Reference book).** Use this to locate the appropriate pages in the Reference book for recording transactions or doing other activities.
3. **Reference book.** Open the Reference book to the appropriate pages for the transaction you are recording or other activity you are doing and follow the instructions. In some cases, you will not have practiced using a Reference book section. You should not be concerned about this lack of practice.
4. **Student Problems & Cases book.** After you have completed the transactions and other requirements for Waren Sports Supply, you will answer the questions on pages 133-137 of that book either online at the Armond Dalton Resources website or in hard copy for submission to your instructor along with the other requirements of this chapter. *Consult your instructor about which method to use.*
5. **QuickBooks software and company data sets.**
6. **A printer connected to your computer and/or the ability to print reports to PDF format.**

When you have completed this chapter, you will submit several reports to your instructor, along with the questions on pages 133-137 of the Student Problems & Cases book. Consult your instructor as to whether you should submit these items using the online grading page of the Armond Dalton Resources website or in hard copy.

Waren Sports Supply is a distributor of sporting goods to colleges and universities in the Midwest. Waren's accountant has recorded all transactions for the year ended 12/31/17 through December 15, 2017, using *QuickBooks*. For this assignment, you will do the following using *QuickBooks*:

- Perform maintenance for inventory sales prices.
- Record December 16–31 transactions and perform related maintenance.
- Perform December 2017 month-end procedures.
- Record 2017 year-end adjusting entries.
- Print financial statements and other reports.

## Perform Maintenance for Inventory Sales Prices

The price list on page 9-51 reflects the current selling prices for Waren's thirty products. Waren purchases all products for resale from one vendor, Velocity Sporting Goods. Waren sells each inventory item at the same price to all customers. A new price list is prepared each time there is a change in an item's cost or selling price.

In this section, you will compare the selling price of each product to the amount included in *QuickBooks* and update the software for any differences.

- ▶ *If you are not already working in QuickBooks, open the program and open Waren Sports Supply.*
- ▶ *Perform maintenance for inventory sales prices (Sales Information section in the Edit Item Window) for each inventory item, following the guidance on page 69 of the Reference book. Be sure to click the OK button after each inventory item is changed before proceeding to the next inventory item.*

### Alternative Method

- ▶ *Perform maintenance for inventory sales prices for multiple inventory items by first highlighting any of the Inventory Part items in the Item List. Then select the Add/Edit Multiple List Entries function from the Item drop-down list in the lower-left corner of the Item List. Edit the entries in the Sales Price column that need to be changed, using the directional buttons to move from item to item for editing. When you have finished editing your sales prices, make sure you select the Save Changes button in the lower-right corner of the Item List.*

**PRICE LIST**  
**As of December 15, 2017**

Item No.	Description	Selling Price
BA-054	Premium aluminum bat	\$209.00
BA-158	Baseballs-12 game balls	63.00
BA-199	Fielding glove	66.00
BA-281	60 lb. dry line marker	103.00
BA-445	Catcher's mask	69.00
BA-507	Baseball equipment bag	39.00
BA-667	Ball bucket with seat-set of 3	33.00
BA-694	Batting gloves-1 pair	34.00
BA-807	Pitching machine	245.00
BA-859	Set of bases	172.00
BB-008	Basketball	35.00
BB-019	Basketball pole pad	135.00
BB-113	Scoreboard and timer	400.00
BB-267	Goal and rim set	142.00
BB-358	Backboard	117.00
BB-399	Basketball net	16.00
BB-431	Whistle and lanyard-set of 6	38.00
BB-538	Basketball bag	40.00
BB-688	Portable inflation pump	107.00
BB-926	Trainer's first aid kit	42.00
FB-027	Shoulder pad set	127.00
FB-091	Hip, tail, arm pad set	58.00
FB-225	Football helmet	87.00
FB-344	Football	29.00
FB-513	Portable storage locker	210.00
FB-573	Kicking tees-set of 6	24.00
FB-650	Football post pad	147.00
FB-812	Collapsible cones-set of 8	39.00
FB-874	Sideline repair kit	124.00
FB-952	Portable hand warmer	37.00

Be sure that you also adjust the 'RET' (Inventory Return Items) sales prices to the correct amount as you just did for the regular inventory items. *QuickBooks* handles returns as separate inventory items for *Waren*, so if you have to change the sales price of an item, you will need to do it twice: once for the item and once for the 'RET' of that same item. After you complete inventory sales price maintenance, the *QuickBooks* files will contain the correct default sales price for each inventory item. These sales prices are used for all sales of inventory between December 16 and December 31, 2017. You should recheck the amounts to make sure they are all correct before you proceed.

## Record December 16–31 Transactions and Perform Related Maintenance

The transactions on pages 9-54 through 9-60 for December 16–31 should be dealt with in the order listed. Some transactions must be recorded whereas others require only maintenance.

The information you have already learned about *QuickBooks* in Chapters 2 through 8 is used throughout the rest of this chapter. You should use the *QuickBooks* Reference book and information from prior chapters to the extent you need it. Also, if you want to check whether information was recorded and correctly included, use the Home Page buttons (for Centers), the Icon Bar, or the Company, Customer, Vendor, or Employee lists menu to view transactions, as you did in earlier chapters.

All default general ledger distribution accounts are correct for Waren's December 16–31 transactions unless otherwise noted on pages 9-54 through 9-60.

The following is background information that you will need to record Waren's December 16–31 transactions.

### **Bank**

Waren uses only one bank, First American Bank & Trust, for all deposits and checks, including payroll.

### **Credit Terms for Waren Sports Supply**

Waren requires most of its customers to prepay for goods ordered. For these cash sales, the customer sends a check with its purchase order and Waren ships the merchandise. All trade discounts are already factored into the price list. Only a few favored customers with long-standing relationships with Waren and those who buy larger quantities are granted credit. These favored customers receive the following cash discount for early payment: 2/10, Net 30.

Waren receives a similar cash discount from its main inventory supplier, Velocity Sporting Goods (2/10, Net 30). No cash discount is offered by Chicago Office Supply, whose invoices are payable upon receipt. All discount terms have already been included as default information in *QuickBooks*.

### **Sales Tax for Waren Sports Supply**

Waren Sports Supply makes only wholesale sales, which are exempt from state sales tax. Because Waren purchases all of its inventory items for resale, there is also no sales tax on its inventory purchases. Sales tax of 6% applies to office supplies and fixed asset purchases.

### **Inventory Method**

Waren uses the perpetual inventory method. All purchases of inventory are debited directly to the inventory account. Cost of goods sold for each sale is calculated automatically by *QuickBooks*. Waren conducts a year-end physical inventory count and adjusts the perpetual inventory records as necessary. You will make those adjustments later.

## WAREN SPORTS SUPPLY TRANSACTIONS FOR DECEMBER 16–31, 2017

- ▶ Record each of the following transactions (No. 1 through 16) using QuickBooks.

- Hints are provided in boxed areas like this.

Use care in recording each transaction. **You should follow each step in the Quick Reference Table for each transaction.** It may take slightly more time, but it will almost certainly help you avoid serious errors. Find the appropriate Quick Reference Table for each transaction or other activity by using the Reference Book Guide located on the inside front cover of the Reference book.

Trans.  
No.    Dec.

- 1        18        **Prepare a purchase order:** Ordered the following inventory on account from Velocity Sporting Goods (Vendor 252) using Purchase Order No. 328. The goods will be received at the warehouse at a later date. The purchase order total is \$17,680.

Units	Item No.	Description
120	BB-019	Basketball pole pad
80	BB-538	Basketball bag
30	BB-688	Portable inflation pump
75	BB-926	Trainer's first aid kit

- 2        18        **Receive a miscellaneous cash receipt:** Borrowed and deposited \$60,000 from First American Bank & Trust (Received from 264) by issuing a two-year note payable. Check No. 545 for \$60,000 was received and deposited.

- The credit portion of the transaction should be posted to A/C #21000 (Notes Payable).
- Miscellaneous cash receipts are processed through the Banking Center Make Deposits window (see pages 42 and 43 of the Reference book).

Trans.  
No.      Dec.

3            19

**Make a credit sale:** Received customer Purchase Order No. 37225 in the mail from University of Southern Iowa (Customer 409), approved their credit, prepared Invoice No. 731 totaling \$18,647, and shipped the goods from the warehouse. All goods ordered were shipped as follows:

Units	Item No.	Description
30	BB-267	Goal and rim set
25	BB-358	Backboard
56	FB-027	Shoulder pad set
50	FB-225	Football helmet

4            20

**Change an employee record (employee maintenance):** Increased employee salary and wage rates, effective December 16. For hourly employees, overtime is paid at 1.5 times the regular hourly rate. There were no changes in filing status or withholding allowances.

Employee	New Salary / Wage Rate
Ray Kramer	\$3,700, semi-monthly (enter \$88,800 Annual Rate)
Jim Adams	\$22.50 per hour regular \$33.75 per hour overtime
Nancy Ford	\$18.20 per hour regular \$27.30 per hour overtime

5            22

**Receive goods on a purchase order:** Received merchandise from Velocity Sporting Goods (Vendor 252) as listed on Purchase Order No. 328, along with Invoice No. 34719. The payment terms on the invoice are 2/10, Net 30. All merchandise listed on the purchase order was delivered in good condition and in the quantities ordered, except that only 76 basketball pole pads (Item No. BB-019) were received. The total of the invoice is \$13,544. The goods were placed immediately in the inventory warehouse.

Trans.  
No.      Dec.

6          22

**Collect an account receivable and make a deposit:**

Received Check No. 28564 for \$1,622.88 from Branch College (Received from 408) for payment in full of sales Invoice No. 730, and deposited the check. The early payment discount taken by Branch College was \$33.12.

- After recording the customer payment, record the deposit into the bank on the same day using the Make Deposits window (see pages 30 through 32 of the Reference book).

7          22

**Write off an uncollectible account receivable:** Received legal notification from Benson, Rosenbrook, and Martinson, P.C., attorneys at law, that Stevenson College (Received from 411) is unable to pay any of its outstanding debts to its suppliers. The \$2,900 balance remaining on Invoice No. 719 should therefore be written off as uncollectible.

- Recall that Waren uses the allowance method for recording bad debt expense at year-end, but uses the direct write-off method during the year.
- Follow the instructions on pages 38 through 40 of the Reference book carefully so that you use the direct write-off method correctly (debit to bad debt expense, credit to accounts receivable). The allowance for uncollectible accounts and bad debt expense will be adjusted during the year-end procedures later in the chapter.

8          26

**Process a sales return or allowance (credit memo):**

Eastern Wisconsin University (Customer 410) returned 5 basketball pole pads (RET BB-019) and 7 scoreboard and timer sets (RET BB-113) that were originally purchased on Invoice No. 729. Waren previously authorized EWU by phone to return the goods for credit against their account balance. EWU's Return Request No. R8034 was received with the goods. Sales return document CM 42 was issued for \$3,475 and applied to Invoice No. 729.

- When you select Save in the Create Credit Memos/Refunds window, the Available Credit window will appear. Make sure you select Apply to Invoice, and select the correct invoice for the credit memo.

Trans.  
No.     Dec.

9            26            **Collect an account receivable and make a deposit:**  
Received and deposited Check No. 49326 for \$10,000 from Eastern Wisconsin University (Received from 410) in partial payment of the remaining amount (after sales return) on Invoice No. 729.

- Be sure that the entry in the A/R Account box says "10200 Accounts Receivable."
- After recording the customer payment, record the deposit into the bank on the same day using the Make Deposits window (see pages 30 through 32 of the Reference book).

10           26           **Purchase non-inventory items or services without a purchase order – payment made at time of purchase:**  
Received Freight Bill No. 26425 for \$346.75 from Interstate Motor Freight (Pay to the Order of 255) and immediately issued Check No. 1152 for payment in full. The freight bill is for the merchandise received from Purchase Order No. 328. The payment terms on the freight bill are Net 30.

11           26           **Make a cash sale and make a deposit:** Received and deposited Check No. 65891 for \$7,855 from Andrews College (CASHCUSTOMER) for a cash sale (Invoice No. C-30). The goods were shipped from the warehouse and the cash sale was processed and recorded. All goods ordered were shipped as follows:

Units	Item No.	Description
125	BB-008	Basketball
20	FB-091	Hip, tail, arm pad set
80	FB-344	Football

- After recording the cash receipt, record the deposit into the bank on the same day using the Make Deposits window (see pages 30 through 32 of the Reference book).

**Trans.**  
**No.**      **Dec.**

12      26      **Receive goods on a purchase order:** Received office supplies from Chicago Office Supply (Vendor 253) as listed on Purchase Order No. 327, which is shown as an open purchase order in *QuickBooks*. Chicago Office Supply's vendor Invoice No. 2378 was received with the goods, totaling \$602.61 including sales tax of \$34.11. All supplies ordered on Purchase Order No. 327 were received in good condition and taken to the warehouse.

- Because Waren purchases similar items from Chicago Office Supply on a regular basis, each office supply item is kept track of in the inventory module as a non-inventory part. Office supplies expense is debited instead of inventory for these non-inventory parts.
- Remember to enter the sales tax portion of the invoice in the Expenses tab as a debit to the appropriate expense account (see step O in the Quick Reference Table).

13      28      **Pay a vendor's outstanding invoice:** Issued Check No. 1153 for \$13,273.12 to Velocity Sporting Goods (Pay to the Order of 252) for payment in full of Invoice No. 34719 for goods received December 23. The early payment discount taken by Waren was \$270.88.

- Be sure to select account #30700–Purchases Discounts – in the Discount Account box of the Discount and Credits window.
- If account #10100–Cash – is not already selected in the Account box, select it before clicking the Pay Selected Bills button.

Trans.  
No.      Dec.

14      29

**Pay employees:** Finished the payroll for the semi-monthly pay period December 16–31, 2017, and issued Check Nos. 1154 through 1156. Regular and overtime hours for hourly employees were as follows:

Employee	Regular Hours	Overtime Hours
Jim Adams	80	8.73
Nancy Ford	80	4.7
Ray Kramer	N/A	N/A

- You do not need to enter anything for Ray Kramer's hours because he is a salaried employee.
- If you receive a message about payroll liabilities, click OK.

15      29

**Receive goods on a purchase order:** Received but did not pay for ten 11-inch tablets from Chicago Office Supply (Vendor 253) ordered on Waren's Purchase Order No. 325, which is shown as an open purchase order in *QuickBooks*. Also received vendor's Invoice No. 2423 from Chicago Office Supply, totaling \$3,699.40 including sales tax of \$209.40. The tablets were received in new and undamaged condition in the warehouse. After they were unpacked and tested, they were taken directly to the office.

- You must enter A/C #10800 (Fixed Assets) in the Account column when entering sales tax in the Expenses tab because the default will be office supplies expense and the purchase should be debited to fixed assets.

<u>Trans.</u>	
<u>No.</u>	<u>Dec.</u>
16	29

**Purchase non-inventory items or services without a purchase order – payment made at time of purchase:**  
Received vendor Invoice No. 72654 for \$1,470 from the University Athletic News (Pay to the Order of 254) for advertisements Waren ran during the Christmas season and immediately issued Check No. 1157 for payment in full.

You should, but are not required to, perform backup procedures for Waren Sports Supply before proceeding, to reduce the potential for having to reenter the transactions.

## Perform December 2017 Month-end Procedures

Because many of Waren's month-end procedures are done automatically by *QuickBooks*, the only month-end procedures you will need to perform are:

- Prepare the December bank reconciliation.
- Print a customer monthly statement.

### Check Figure for Your Cash Balance

Before starting the December bank reconciliation, be sure that your cash balance is correct by completing the following steps:

- ▶ *Click the Chart of Accounts icon and then double-click on the cash account (account #10100).*

Examine the ending balance in the cash account at 12/31/17. The balance should be \$93,329.79. If the cash balance in your window is not the same as this amount, return to the December 16–31 transactions to locate and correct any errors before starting the bank reconciliation. When your cash balance is correct, continue with the requirements that follow.

### Bank Reconciliation Information, Process, and Printing

The following information is taken from the December bank statement and the November bank reconciliation, neither of which is included in these materials:

- The December 31, 2017, bank statement balance is \$103,372.26.
- The following checks have not cleared the bank as of December 31: Check Nos. 1118, 1143, 1152, 1153, 1154, 1155, 1156, and 1157.
- The December 26 deposits from Eastern Wisconsin University and Andrews College have not cleared the bank as of December 31.
- A service charge of \$25.50 is included on the December bank statement.  
**Note:** The bank service charge should be posted to A/C #41000 (Other Operating Expense).
- ▶ *Prepare the December bank reconciliation. The cutoff date for the bank reconciliation is December 31, 2017.*
- ▶ *When the reconciliation is correct, click the Print button to print the bank reconciliation either in hard copy or in PDF format if you are submitting your work online. The Select Type of Reconciliation Report window will appear with the option to select Summary, Detail, or print Both reports; select Both.*

- ▶ *Review your printed reconciliation for accuracy and acceptability. You will submit these reports to your instructor along with year-end reports.*

### **Print a Customer Monthly Statement**

At the end of each month, Waren sends monthly statements to all customers with an outstanding balance. For this section, you are to print the December monthly statement for Eastern Wisconsin University.

- ▶ *Follow the instructions on pages 44 through 46 of the Reference book to print a December 2017 customer statement for Eastern Wisconsin University either in hard copy or in PDF format if you are submitting your work online.*
- ▶ *In the Statement Date field select December 31, 2017, and check the Statement Period From and To field and enter the month of December date range.*
- ▶ *Click the Preview button to preview the statement. Click Print to print a copy to submit to your instructor with other chapter requirements.*

### **Print a General Ledger Trial Balance for Check Figures Prior to Year-end Adjusting Entries**

The trial balance on page 9-67 shows the correct balances in all general ledger accounts after the December month-end procedures are completed. You will use the Memorized tab of the Report Center to access some reports that have been specifically set up for this project.

- ▶ *Click Report Center → Memorized tab (if not already opened) → Trial Balance to print a 12/31/17 trial balance to the screen.*

Compare the amounts on your printed trial balance with those on page 9-67. If any amounts are different, return to the December 16–31 transactions and the month-end procedures you processed in *QuickBooks* and make the necessary corrections using the procedures you learned in earlier chapters. When all errors are corrected, print a corrected trial balance either in hard copy or in PDF format if you are submitting your work online.

When your balances agree with those on page 9-67, go to the following section where you will record year-end adjusting entries.

## Record 2017 Year-end Adjusting Entries

The next step at the end of an accounting year before printing output is to record year-end adjusting entries. The following are the types of year-end adjustments required for Waren:

- Inventory adjustment to the physical count
- Depreciation expense
- Accrued interest payable
- Bad debt expense and allowance
- Cost of goods sold for freight and sales discounts taken
- Federal income taxes

Each of the year-end adjustments is explained in a section that follows. Perform the procedures in the order listed.

### Adjust Perpetual Inventory Records

The physical count was taken on December 31. A comparison of the physical count and the perpetual records showed a difference for certain items. Management is concerned about these inventory differences, but knows that the physical count is accurate. Thus, the perpetual records must be adjusted as follows to agree with the physical count:

Item No.	Description	Quantity on Perpetual Records	Quantity per Physical Count
BB-019	Basketball pole pad	92 (77 regular, 15 returns)	95 (80 regular, 15 returns)
FB-027	Shoulder pad set	78 (28 regular, 50 returns)	66 (16 regular, 50 returns)
BA-158	Baseballs-12 balls	156 (all regular)	162 (all regular)

- ▶ Record the inventory adjustments in QuickBooks following the guidance in the Reference book. Use Cost of Goods Sold as the Adjustment Account.

After the inventory adjustments have been processed, record the remaining five year-end adjusting entries through the General Journal Entry window.

- ▶ Use the information in the following five sections to record each of the remaining year-end adjusting entries by preparing a general journal entry in QuickBooks following the guidance in the Reference book pages 52 and 53.

## Depreciation Expense

Depreciation expense is calculated once at the end of each year. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets (five or ten years for Waren's existing fixed assets). Waren's depreciation expense for Waren for 2017 totaled \$35,023.64.

## Accrued Interest Payable

Recall from Transaction No. 2 on page 9-54 that Waren has a \$60,000 two-year note payable to First American Bank & Trust, dated December 18, 2017. The stated annual interest rate on the note is 5%. The terms of the note payable call for the following payments:

- \$3,000 interest payments on 12/18/18 and 12/18/19
- \$60,000 principal payment on 12/18/19

Interest accruals are calculated using a 365-day year with the day after the note was made counting as the first day. General ledger account numbers for the journal entry are: A/C #40800 (Interest Expense) and A/C #20900 (Interest Payable). Either enter the correct amount on the online grading page of the Armond Dalton Resources website or show your calculation on pages 133-137 of the Student Problems & Cases book (consult your instructor).

## Bad Debt Expense and Allowance

Bad debt expense is estimated once annually at the end of each year as 1/5 of one percent (0.002) of net sales and is recorded in the general journal as of December 31. As explained in Chapter 7, Waren uses the direct write-off method during the year and then the allowance method at year-end. General ledger account numbers for the journal entry are: A/C #40900 (Bad Debt Expense) and A/C #10300 (Allowance for Doubtful Account). In order to balance out the Allowance for Doubtful Account and Bad Debt Expense account due to the direct write-off to Bad Debt Expense, you must readjust the Bad Debt Expense account to equal the 1/5 of one percent (0.002) calculation of net sales. Either enter the correct amount on the online grading page of the Armond Dalton Resources website or show your calculation on pages 133-137 of the Student Problems & Cases book (consult your instructor).

- Determine the amount of net sales by examining the 2017 income statement on the screen. For your convenience, the 2017 income statement has been included in the Memorized tab of the Report Center.
- *QuickBooks* requires you to add a customer to the Name box. Type "write off" in the Name box and press Enter. If "write off" doesn't exist as a customer, select Quick Add and select the Customer category.

## Cost of Goods Sold

QuickBooks automatically debits cost of goods sold and credits inventory for the product cost for each sale. The inventory account is also automatically updated for inventory purchases and purchases returns. Waren treats purchase discounts taken and freight-in as a part of cost of goods sold, but records them in separate accounts during the accounting period. Therefore, these two accounts must be closed to A/C #30400 (Cost of Goods Sold): A/C #30700 (Purchases Discounts Taken) and A/C #30800 (Freight-In).

- Before preparing the general journal entry, determine the balance in each account being closed to cost of goods sold. Determine the balance in the accounts to be closed by examining the income statement.

## Federal Income Taxes

Assume that corporate income tax rate brackets for 2017 are: 15% of the first \$50,000 of pre-tax income, plus 25% of the next \$25,000, plus 34% of the next \$25,000, plus 39% of the next \$235,000. The remaining tax brackets are not listed here because they aren't applicable to Waren's level of pre-tax income. General ledger account numbers for the journal entry are: A/C #40700 (Federal Income Tax Expense) and A/C #20700 (Federal Income Taxes Payable). Either enter the correct amount on the online grading page of the Armond Dalton Resources website or show your calculation on pages 133-137 of the Student Problems & Cases book (consult your instructor).

- After all other adjusting entries are recorded, determine 2017 pre-tax income by examining the 2017 income statement from the Memorized tab in the Report Center.

## Print a General Ledger Trial Balance for Check Figures After Year-end Adjusting Entries

The trial balance on page 9-68 shows the correct balances in all general ledger accounts after the year-end adjusting entries are recorded.

- ▶ *Open and use the general ledger trial balance for Waren to compare the amounts in your window to the correct balances. If there are differences, return to the year-end adjusting entries and make the necessary corrections. After you determine that your trial balance is correct, print the 12/31/17 trial balance. You will submit this report to your instructor along with year-end reports.*

When your balances agree with those on page 9-68, go to the following section where you will print financial statements and other reports. All entries have now been recorded.

## Print Financial Statements and Other Reports

*(all of these are to be submitted to your instructor either in hard copy or uploaded to the online grading page of Armond Dalton Resources)*

- ▶ *Print the following reports.* Each of these reports has already been set up in the Memorized tab of the Report Center.
  1. 12/31/17 balance sheet
  2. 2017 income statement
  3. General journal for December 2017
  4. Accounts receivable aged trial balance as of 12/31/17
  5. Accounts payable aged trial balance as of 12/31/17
  6. Inventory valuation summary as of 12/31/17
  7. Employee earnings register for December 2017
  8. Sales journal for December 2017
  9. Cash receipts journal for December 2017
  10. Purchases journal for December 2017
  11. Cash disbursements journal for December 2017
  12. Payroll journal for December 2017

## Submit Reports and Answers to Assigned Questions

Submit the following to your course instructor either in hard copy or on the online grading page of the Armond Dalton Resources site *(consult your instructor)*:

- All twelve reports just listed
- December 2017 bank reconciliation that you already printed
- Customer monthly statement for Eastern Wisconsin University that you already printed
- Trial balance after year-end adjustments that you already printed
- All questions and print requirements as listed on pages 133-137 of the Student Problems & Cases book.

All procedures are now complete for this chapter. Now that you have completed Chapter 9, you should back up your data files for Waren Sports Supply following the instructions in Chapter 1.

# Check Figures

## Waren Sports Supply Trial Balance As of December 31, 2017

	Dec 31, 17	
	Debit	Credit
10100 · Cash	93,304.29	
10200 · Accounts Receivable	48,149.00	3,250.81
10300 · Allowance for Doubtful Accts.		
10400 · Inventory	192,501.00	
10600 · Marketable Securities	24,000.00	
12000 · Undeposited Funds	0.00	
10800 · Fixed Assets	331,731.40	81,559.50
10900 · Accumulated Depreciation		7,952.01
20100 · Accounts Payable	0.00	
*Sales Tax Payable	0.00	
Payroll Liabilities		1,450.00
20300 · Federal Income Tax Withheld		110.43
20400 · State Unemployment Taxes Pay.		18.66
20500 · Fed. Unemployment Taxes Pay.		2,229.32
20600 · FICA Taxes Payable	0.00	
20700 · Federal Income Taxes Payable		60,000.00
21000 · Notes Payable	0.00	
Opening Bal Equity		225,000.00
26000 · Common Stock		90,264.99
29000 · Retained Earnings		1,590,883.00
30100 · Sales	61,106.00	
30200 · Sales Returns and Allowances	15,405.82	
30300 · Sales Discounts Taken		825.00
31200 · Miscellaneous Revenue		
30400 · Cost of Goods Sold	1,017,894.00	16,554.48
30700 · Purchases Discounts Taken		
30800 · Freight-in	24,506.44	
40100 · Rent Expense	57,600.00	
40200 · Advertising Expense	22,275.00	
40300 · Office Supplies Expense	5,664.91	
40500 · Wages and Salaries Expense	140,663.35	
40600 · Payroll Tax Expense	11,611.24	
40900 · Bad Debt Expense	4,400.00	
41000 · Other Operating Expense	29,285.75	
<b>TOTAL</b>	<b>2,080,098.20</b>	<b>2,080,098.20</b>

**Waren Sports Supply**  
**Trial Balance**  
**As of December 31, 2017**

	Dec 31, 17	
	Debit	Credit
10100 · Cash	93,304.29	
10200 · Accounts Receivable	48,149.00	
10300 · Allowance for Doubtful Accts.		1,879.55
10400 · Inventory	191,967.00	
10600 · Marketable Securities	24,000.00	
12000 · Undeposited Funds	0.00	
10800 · Fixed Assets	331,731.40	
10900 · Accumulated Depreciation		116,583.14
20100 · Accounts Payable		7,952.01
*Sales Tax Payable	0.00	
Payroll Liabilities	0.00	
20300 · Federal Income Tax Withheld		1,450.00
20400 · State Unemployment Taxes Pay.		110.43
20500 · Fed. Unemployment Taxes Pay.		18.66
20600 · FICA Taxes Payable		2,229.32
20700 · Federal Income Taxes Payable		54,837.13
20900 · Interest Payable		106.85
21000 · Notes Payable		60,000.00
Opening Bal Equity	0.00	
26000 · Common Stock		225,000.00
29000 · Retained Earnings		90,264.99
30100 · Sales		1,590,883.00
30200 · Sales Returns and Allowances	61,106.00	
30300 · Sales Discounts Taken	15,405.82	
31200 · Miscellaneous Revenue		825.00
30400 · Cost of Goods Sold	1,026,379.96	
30700 · Purchases Discounts Taken	0.00	
30800 · Freight-in	0.00	
40100 · Rent Expense	57,600.00	
40200 · Advertising Expense	22,275.00	
40300 · Office Supplies Expense	5,664.91	
40400 · Depreciation Expense	35,023.64	
40500 · Wages and Salaries Expense	140,663.35	
40600 · Payroll Tax Expense	11,611.24	
40700 · Federal Income Tax Expense	54,837.13	
40800 · Interest Expense	106.85	
40900 · Bad Debt Expense	3,028.74	
41000 · Other Operating Expense	29,285.75	
<b>TOTAL</b>	<b>2,152,140.08</b>	<b>2,152,140.08</b>