Exercise 10-1

Jenny Kanne and Cindy Travis borrowed $17,000 on a 7-month, 6% note from Golden State Bank to open their business, KT's Coffee House. The money was borrowed on June 1, 2014, and the note matures January 1, 2015.

Prepare the entry to record the receipt of the funds from the loan. ***(Credit account titles are automatically indented when amount is entered. Do not indent manually.)***

Date	Account Titles and Explanation	Debit	Credit
June 1			

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Prepare the entry to accrue the interest on June 30. ***(Credit account titles are automatically indented when amount is entered. Do not indent manually.)***

Date	Account Titles and Explanation	Debit	Credit
June 30			

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Assuming adjusting entries are made at the end of each month, determine the balance in the interest payable account at December 31, 2014.

Balance in interest payable account $

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Prepare the entry required on January 1, 2015, when the loan is paid back. ***(Credit account titles are automatically indented when amount is entered. Do not indent manually.)***

Date	Account Titles and Explanation	Debit	Credit
Jan. 1			

Exercise 10-4

In providing accounting services to small businesses, you encounter the following situations pertaining to cash sales.

1. Furcal Company enters sales and sales taxes separately on its cash register. On April 10, the register totals are sales $33,600 and sales taxes $1,680.
2. Crystal Company does not segregate sales and sales taxes. Its register total for April 15 is $16,050, which includes a 7% sales tax.

Prepare the entries to record the sales transactions and related taxes for Furcal Company. ***(Credit account titles are automatically indented when amount is entered. Do not indent manually.)***

Date	Account Titles and Explanation	Debit	Credit
Apr. 10			

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Prepare the entries to record the sales transactions and related taxes for Crystal Company. ***(Credit account titles are automatically indented when amount is entered. Do not indent manually.)***

Date	Account Titles and Explanation	Debit	Credit
Apr. 15			

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Question Attempts: 0 of 3 used SAVE FOR LATER SUBMIT ANSWER

Exercise 10-5

During the month of March, Olinger Company's employees earned wages of $80,600. Withholdings related to these wages were $6,166 for Social Security (FICA), $9,445 for federal income tax, $3,904 for state income tax, and $504 for union dues. The company incurred no cost related to these earnings for federal unemployment tax but incurred $882 for state unemployment tax.

Prepare the necessary March 31 journal entry to record salaries and wages expense and salaries and wages payable. Assume that wages earned during March will be paid during April. ***(Credit account titles are automatically indented when amount is entered. Do not indent manually.)***

Date	Account Titles and Explanation	Debit	Credit
Mar. 31			

SHOW LIST OF ACCOUNTS

Prepare the entry to record the company's payroll tax expense. ***(Credit account titles are automatically indented when amount is entered. Do not indent manually.)***

Date	Account Titles and Explanation	Debit	Credit
Mar. 31			

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Problem 10-10A (Part Level Submission)

On January 1, 2014, Lock Corporation issued $1,740,000 face value, 8%, 10- year bonds at $1,628,333. This price resulted in an effective-interest rate of 9% on the bonds. Lock uses the effective-interest method to amortize bond premium or discount. The bonds pay annual interest January 1.

(a)

Prepare the journal entry to record the issuance of the bonds on January 1, 2014. ***(Round answers to 0 decimal places, e.g. 125. Credit account titles are automatically indented when amount is entered. Do not indent manually.)***

Date	Account Titles and Explanation	Debit	Credit
Jan. 1			

SHOW LIST OF ACCOUNTS

By accessing this Question Assistance, you will learn while you earn points based on the Point Potential Policy set by your instructor.

Attempts: 0 of 3 used SAVE FOR LATER SUBMIT ANSWER

(b)

The parts of this question must be completed in order. This part will be available when you complete the part above.

(c)

The parts of this question must be completed in order. This part will be available when you complete the part above.

(d)

The parts of this question must be completed in order. This part will be available when you complete the part above.

(e)

Problem 10-11A (Part Level Submission)

On January 1, 2014, Jade Company issued $1,815,000 face value, 8%, 13-year bonds at $2,136,353. This price resulted in a 6% effective-interest rate on the bonds. Jade uses the effective-interest method to amortize bond premium or discount. The bonds pay annual interest on each January 1.

(a)

Prepare the journal entries to record the following transactions. ***(Round answers to 0 decimal places, e.g. 125. Credit account titles are automatically indented when amount is entered. Do not indent manually.)***

1. The issuance of the bonds on January 1, 2014.
2. Accrual of interest and amortization of the premium on December 31, 2014.
3. The payment of interest on January 1, 2015.
4. Accrual of interest and amortization of the premium on December 31, 2015.

No.	Date	Account Titles and Explanation	Debit	Credit
1.	Jan. 1, 2014			
2.	Dec. 31, 2014			
3.	Jan. 1, 2015			
4.	Dec. 31, 2015			

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Attempts: 0 of 3 used SAVE FOR LATER SUBMIT ANSWER

(b)