

Requirements

1. Open these additional T-accounts: Accumulated depreciation—equipment; Accumulated depreciation—furniture; Salary payable; Unearned service revenue; Depreciation expense—equipment; Depreciation expense—furniture; Supplies expense.
2. Journalize the transactions of December 21–30.
3. Post to the T-accounts, keying all items by date.
4. Prepare a trial balance at December 31. Also set up columns for the adjustments and for the adjusted trial balance, as illustrated in Exhibit 3-9.
5. At December 31, the business gathers the following information for the adjusting entries:
 - a. Accrued service revenue, \$400
 - b. Earned \$300 of the service revenue collected in advance on December 21
 - c. Supplies on hand, \$100
 - d. Depreciation expense—equipment, \$33; furniture, \$60
 - e. Accrued \$700 expense for secretary's salary

On your work sheet make these adjustments directly in the adjustments columns, and complete the adjusted trial balance at December 31. Throughout the book, to avoid rounding errors, we base adjusting entries on 30-day months and 360-day years.

6. Journalize and post the adjusting entries. In the T-accounts denote each adjusting amount as *Adj* and an account balance as *Bal*.
7. Prepare the income statement and the statement of owner's equity of Haupt Consulting for the month ended December 31, 2010, and prepare the balance sheet at that date.

■ Practice Set

Using the Trial balance prepared in Chapter 2 consider the following adjustment data gathered by CJ:

- a. CJ prepared an inventory of supplies and found there were \$70 of supplies in the cabinet on April 30
- b. One month's combined depreciation on all assets was estimated to be \$300

Requirements

1. Using the data provided from the trial balance, the previous adjustment information, and the information from Chapter 2, prepare all required adjusting journal entries for April.
2. Prepare an adjusted trial balance as of April 30 for Crystal Clear Cleaning.

Apply Your Knowledge

■ Decision Cases

Case 1. Lee Nicholas has been the owner and has operated World.com Advertising since its beginning 10 years ago. The company has prospered. Recently, Nicholas mentioned that he would sell the business for the right price.