Problem 4-1A Completing a work sheet LO1 eXcel

CHECK FIGURE: 3. Adjusted trial balance columns = $646,265

The March 31, 2017, unadjusted trial balance for Silva Rentals after its first year of operations is shown below:

Nanimahoo Rentals Trial Balance.xls

Silva Rentals
Unadjusted Trial Balance
March 31, 2017

No.	Account	Unadjusted Trial Balance Dr.	Unadjusted Trial Balance Cr.
101	Cash	$ 7,000	
110	Rent receivable	31,000	
124	Office supplies	2,250	
141	Notes receivable, due 2020	46,000	
161	Furniture	16,000	
173	Building	216,000	
183	Land	41,000	
191	Patent	9,600	
201	Accounts payable		$ 13,750
252	Long-term note payable		175,000
301	Stephen Silva, capital		90,250
302	Stephen Silva, withdrawals	92,000	
406	Rent revenue		328,800
620	Office salaries expense	52,000	
633	Interest expense	5,250	
655	Advertising expense	14,600	
673	Janitorial expense	41,000	
690	Utilities expense	34,100	
	Totals	$ 607,800	$ 607,800

Required

1. Enter the unadjusted trial balance onto a work sheet.
2. Using the following additional information, enter the adjustments into the work sheet (the Chart of Accounts at the back of the textbook may be useful when additional accounts are required):
   a. It was determined that the balance in the Rent Receivable account at March 31 should be $36,000.
   b. A count of the office supplies showed $1,830 of the balance had been used.

c. Annual depreciation on the building is $25,000 and $3,500 on the furniture.

d. The two part-time office staff members each get paid $1,600 biweekly. The last biweekly pay period ended Friday, March 21. At March 31, six days' salary had accrued.

e. A review of the balance in Advertising Expense showed that $2,400 was for advertisements to appear in the April issue of *Canadian Business* magazine.

f. Accrued utilities at March 31 totalled $2,620.

g. March interest of $425 on the long-term note payable is unrecorded and unpaid as of March 31.

3. Complete the work sheet.

Problem 4-3A Work sheet, journal entries, and financial statements LO1,6 eXcel

CHECK FIGURES: 1. Adjusted trial balance columns = $447,890; 3. Profit = $64,130; Total assets = $130,300

This unadjusted trial balance is for Challenger Construction at the end of its fiscal year, September 30, 2017. The beginning balance of the owner's capital account was $46,000 and the owner invested another $25,000 cash in the company during the year.

Challenger Construction Trial Balance.xls

Home Insert Page Layout Formulas Data Review View

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	A		B	C
1	**Challenger Construction**			
2	**Unadjusted Trial Balance**			
3	**September 30, 2017**			
4			**Unadjusted**	
5			**Trial Balance**	
6	**No.**	**Account**	**Dr.**	**Cr.**
7	101	Cash	$ 22,000	
8	126	Supplies	17,200	
9	128	Prepaid insurance	9,600	
10	149	Land not currently used in operations	50,000	
11	167	Equipment	106,000	
12	168	Accumulated depreciation, Equipment		$ 40,500
13	191	Copyright	6,000	
14	201	Accounts payable		8,100
15	203	Interest payable		-0-
16	210	Wages payable		-0-
17	251	Long-term notes payable		50,000
18	301	Chris Challenger, capital		71,000
19	302	Chris Challenger, withdrawals	68,000	
20	401	Construction revenue		255,620
21	612	Depreciation expense, equipment	-0-	
22	623	Wages expense	96,000	
23	633	Interest expense	1,200	
24	637	Insurance expense	-0-	
25	640	Rent expense	26,400	
26	652	Supplies expense	-0-	
27	683	Business taxes expense	10,000	
28	684	Repairs expense	5,020	
29	690	Utilities expense	7,800	
30		**Totals**	$ 425,220	$ 425,220

Required

1. Prepare a 10-column work sheet for fiscal 2017, starting with the unadjusted trial balance and including these additional facts:

   a. The inventory of supplies at the end of the year had a cost of $3,200.

   b. The cost of expired insurance for the year is $8,400.

c. Annual depreciation of the equipment is $17,600.

d. The September utilities expense was not included in the trial balance because the bill arrived after it was prepared. Its $750 amount needs to be recorded.

e. The company's employees have earned $4,200 of accrued wages.

f. The interest expense of $120 for September has not yet been paid or recorded.

2. Use the work sheet to prepare the adjusting and closing entries.

3. Prepare an income statement, a statement of changes in equity, and a classified balance sheet. $16,000 of the long-term note payable is to be paid by September 30, 2018.

Analysis Component: Analyze the following potential errors and describe how each would affect the 10-column work sheet. Explain whether the error is likely to be discovered in completing the work sheet and, if not, the effect of the error on the financial statements.

a. The adjustment to record used supplies was credited to Supplies for $3,200 and debited the same amount to Supplies Expense.

b. When completing the adjusted trial balance in the work sheet, the $22,000 cash balance was incorrectly entered in the Credit column.

Problem 4-8A Adjusting entries and closing entries LO2,3,5

Adventure Elements provides outdoor activities including ropes courses, rock climbing, and zip-lining. The company offers a unique experience for team building activities, camps for youth and anyone seeking outdoor adventure.

No.	Account	Debit	Credit
201	Accounts payable and accrued liabilities		$ 2,300
103	Accounts receivable	$ 5,100	
168	Accumulated depreciation, equipment		5,900
300	Becky Brenner, capital		34,700
301	Becky Brenner, withdrawals	31,200	
101	Cash	9,600	
194	Copyright	6,500	
167	Equipment	22,000	
633	Insurance expense	1,875	
623	Interest expense	120	
141	Notes receivable, due January 1, 2020	10,000	
233	Long-term notes payable		19,000
610	Rent expense	7,500	
402	Revenues		61,015
126	Supplies	270	
637	Supplies expense	1,800	
652	Telephone expense	2,000	
203	Unearned revenues		10,600
688	Utilities expense	2,150	
612	Wages expense	33,400	
	Totals	$133,515	$133,515

You are the accounting manager. Your staff submitted the following trial balance for the year ended March 31, 2017. In your review, you discover the following additional information that has not been included in the trial balance.

a. On April 2, you received the telephone bill for the month of March for $300.

b. On March 31, Adventure Element took a university student club zip-lining. An invoice had been sent to the student club for $2,000 due April 30.

c. On March 31, the company held a teen's camp for $1,500. All tickets had been prepaid two weeks in advance.

d. The equipment has an estimated useful life of 20 years. If you need to create a new account, use account number 606.

Required

1. Prepare the missing adjusting entries for transactions a–d.
2. Prepare an adjusted trial balance.
3. Based on your adjusted trial balance, prepare the closing entries.