

1. Prepare a post-closing trial balance as of October 31, 2007.
2. What account balances will be carried forward to November 1, 2007 for (1) Building, (2) Accrued Expenses, (3) Sales, (4) Salaries and Wages Expense, (5) Accrued Interest Receivable, (6) Mortgages Payable, and (7) A. Aquarius, Capital?
3. The income statement and balance sheet columns of the financial statement worksheet of An Important Restaurant Corp. for the year ended July 31, 2008, follow:

	Income Statement		Balance sheet	
	Dr	Cr	Dr	Cr
Cash			3,000	
Accounts receivable			5,000	
Accounts payable				1,000
Income taxes payable				650
Interest expense	200			
Salaries and wages expense	1,300			
Property and equipment			10,000	
Accumulated depreciation				2,000
Common shares				5,700
Retained earnings				8,000
Income tax expense	650			
Other expenses	500			
Sales		3,000		
Other income		300		
	<u>2,650</u>	<u>3,300</u>	<u>18,000</u>	<u>17,350</u>

- a. Prepare an income statement, a statement of retained earnings, and a balance sheet as of July 31, 2008, and for the year then ended.
- b. Record closing entries in the general journal.
- c. Open T-accounts for each account listed on the financial statement worksheet. Post closing entries to the T-accounts.
- d. Prepare a post-closing trial balance.
4. The account balances, in thousands of dollars, in the ledger of Lively Inn on February 29, 2008 (the end of its fiscal year), were as follows:

Debit Balances		Credit Balances	
Cash	\$ 300	Accumulated depreciation	\$ 55
Accounts receivable	225	Notes payable	100
Food inventory	140	Accounts payable	120
Furniture and fixtures	200	Common shares	200
Supplies inventory	10	Retained earnings Feb. 28/07	300
Prepaid insurance	50	Room sales	200
Salaries expense	100	Food sales	80
Interest expense	50	Beverage sales	50
Other expenses	30		
	<u>\$1,105</u>		<u>\$1,105</u>