

The data for the adjustments are as follows:

- i. Cost of food sold, \$50,000.
- ii. Interest accrued on notes payable, \$10,000.
- iii. Supplies inventory on February 29, 2008, \$5,000.
- iv. Salaries incurred during February 2008, but not paid to employees, \$20,000.
- v. Expired insurance not recorded, \$10,000.
- vi. Depreciation for the year, \$20,000.

*Required:*

- a. Set up T-accounts with the balances given above.
- b. Record adjusting entries in the general journal.
- c. Post adjusting entries, adding other T-accounts as necessary.
- d. Prepare a balance sheet and an income statement as of and for the period ending February 29, 2008.
- e. Journalize closing entries.
- f. Post closing entries to the general ledger T-accounts.
- g. Prepare a post-closing trial balance as of February 29, 2008.
- h. Record reversing entries in the general journal on March 1, 2008.