

1997 Inv. B -Group 8

Refer to the data in Table 1 and the work sheet. You may remove the pages from the staple for convenience. The work sheet will not be reviewed by the graders or contest director. For questions 66 through 80, write the letter of the best response on your answer sheet.

66. The merchandise inventory on January 1, 1996 was
A. \$9,305 B. \$22,470 C. \$31,775 D. \$79,599
67. The total debits of the trial balance prepared after posting the regular transactions to the general ledger is
A. \$176,470 B. \$185,775 C. \$198,940 D. \$208,245
68. The capital account balance on January 1, 1996 was
A. \$44,057 B. \$51,557 C. \$59,057 D. \$61,654
69. The amount of the supplies adjustment is
A. \$980 B. \$2,884 C. \$3,864 D. \$4,844
70. Failure to adjust the supplies account will result in
A. an understatement of assets
B. an understatement of owner's equity
C. an overstatement of owner's equity
D. an understatement of liabilities
71. On the line for Supplies Expense on the work sheet, the amount extended to the income statement debit column represents the value of supplies
A. bought during the fiscal period
B. available during the fiscal period
C. used during the fiscal period
D. on hand at the end of the fiscal period
72. If the general ledger showed a January 1, 1996 debit balance of \$3,748 in the Supplies account, this would mean that
A. the trial balance is out of balance
B. the adjustment amount should be \$2,768
C. supplies of \$116 were bought during the year
D. both A and B are correct
73. On the line for Prepaid Insurance on the work sheet, the amount in the trial balance debit column represents the value of insurance premiums
A. at the beginning of the fiscal period plus premiums paid during the fiscal period
B. paid during the fiscal period
C. expired during the fiscal period
D. still in force at the end of the fiscal period
74. The balance in the Insurance Expense account after adjustment is
A. zero B. \$395 C. \$980 D. \$1,180 E. \$1,575
75. The adjustment for Insurance Expense would include a
A. debit to Prepaid Insurance for \$395
B. credit to Prepaid Insurance for \$1,180
C. debit to Insurance Expense for \$395
D. debit to Insurance Expense for \$1,970

Worksheet Problems**-2-**

76. On the line for Prepaid Insurance on the work sheet, the amount in the adjusted trial balance debit column represents the value of insurance premiums
- A. prepaid at the beginning of the fiscal period
 - B. prepaid during the fiscal period
 - C. expired during the fiscal period
 - D. prepaid at the end of the fiscal period
77. Regarding the adjustment for merchandise inventory, which of the following is incorrect?
- A. The adjusting entry includes a debit of \$9,305 to Merchandise Inventory.
 - B. The amount in the adjusted trial balance debit column for Merchandise Inventory represents the amount of inventory on hand on December 31, 1996.
 - C. The actual ending inventory amount caused gross profit to be lower than it would have been if ending inventory had been the same as beginning inventory.
 - D. The calculation of the cost of merchandise available for sale is not affected by the ending inventory.
78. The total of the balance sheet debit column before net income or loss has been calculated is
- A. \$63,742 B. \$68,598 C. \$73,839 D. \$74,624
79. The total of the income statement debit column before net income or loss has been calculated is
- A. \$73,839 B. \$130,342 C. \$134,406 D. \$144,503
80. The net income or loss is
- A. net loss \$10,097 C. net loss \$12,786
 - B. net income \$10,097 D. net income \$12,786

TABLE 1 (for questions 66 through 80)

The normal balances of the general ledger accounts of Maxwell Company as of December 31, 1996 after all regular operating transactions have been recorded are listed below. Other information is listed including data needed for the end-of-year adjustments. The company makes adjusting and closing entries only at year-end.

Account Title	Amount	Account Title	Amount
Cash in Bank	10,785	Sales Returns & Allow.	1,312
Accounts Receivable	1,344	Purchases	88,777
Merchandise Inventory	??	Purchases Returns & Allow.	278
Supplies	3,864	Purchases Discounts	940
Prepaid Insurance	1,575	Transportation In	1,345
Store Equipment	12,810	Advertising Expense	2,000
Accounts Payable	9,723	Miscellaneous Expense	472
FICA Payable	1,470	Rent Expense	10,080
Sales Tax Payable	992	Utilities Expense	2,080
Betty Maxwell, Capital	51,557	Salary Expense	21,840
Betty Maxwell, Drawing	15,750	Payroll Tax Expense	2,436
Sales	133,980		

Additional Data:

Worksheet Problems

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- ◆ The owner made an additional investment of \$7,500 during the year.
- ◆ Merchandise Inventory on December 31, 1996 is \$31,775.
- ◆ Supplies on hand on December 31, 1996 is \$980.
- ◆ Insurance premiums of coverage still in force on December 31, 1996 is \$395.

2007 Inv. B -Group 11

Refer to the information in Table 1 on page 10. A work sheet form is provided on page 11. For items 54 through 56, write the correct amount on your answer sheet for the following account balances that were not legible on the November 30, 2006 financial statements.

- 54. Cash in Bank
- 55. Accounts Payable
- 56. Becky Apollo, Capital

Continue to refer to Table 1. For items 57 through 62, write “YES” if the answer to the question is yes; write “NO” if it is no.

- 57. Did each of the three checks written in December debit three expense accounts?
- 58. From the information given, is it possible to determine the balance of the Office Supplies account on 1-1-06?
- 59. Did the only bank deposit in December cause the account Sales to be credited?
- 60. Did any part of the premium of the insurance policy purchased on 12-4-06 for \$1,500 become an expense in 2006?
- 61. Did the purchase of merchandise from Daxter Co. include a December debit to Merchandise Inventory?
- 62. Does the December 31 adjusting entry for merchandise inventory include a debit to Income Summary?

Continue to refer to Table 1. For items 63 through 66, write the correct amount on your answer sheet.

- * 63. What was the balance of Merchandise Inventory on 1-1-06?
- * 64. What was the component percentage of gross profit for the year-to-date on 11-30-06?
- 65. What was the amount of the adjusting entry for office supplies for December?
- ** 66. What is the net income for the twelve months ending 12-31-06?

Continue to refer to Table 1. For items 67 through 75, write the correct amount on your answer sheet for the following account balances that would appear in the unadjusted trial balance columns of the work sheet for the twelve months ended 12-31-06.

- | | | |
|-------------------------|-----------------------------|-----------------------|
| 67. Cash in Bank | * 70. Merchandise Inventory | 73. Purchases |
| * 68. Prepaid Insurance | 71. Accounts Payable | 74. Rent Expense |
| * 69. Office Supplies | 72. Sales | 75. Insurance Expense |

Continue to refer to Table 1. For items 76 through 80, write the correct amount on your answer sheet for the following account balances that would appear in the adjusted trial balance columns of the work sheet for the twelve months ended 12-31-06.

- 76. Prepaid Insurance
- 77. Office Supplies
- 78. Merchandise Inventory
- 79. Insurance Expense
- 80. Office Supplies Expense

Table 1
(for questions 54 through 80)

The office and showroom of Apollo Company sustained structural damages from a tornado at 3 a.m. on Dec. 5, 2006 causing some of the accounting records to be water-damaged and some literally to be blown away. The merchandise inventory fortunately had no damage. The company prepares adjusting entries and financial statements monthly. (The Income Statement is always for the year-to-date.) However, closing entries are prepared only at the end of the fiscal year, which is December 31.

The accountant was able to compile the following information from the records found and by calling other companies with whom Apollo does business.

From financial statements found (Balance Sheet dated November 30, 2006 and year-to-date Income Statement for the eleven months ended November 30, 2006): (All account balances are normal balances. All the accounts in the general ledger are listed. However because of the weather damage some of the amounts were not legible.)

Cash in Bank	(can't read)	Sales	72,960
Accounts Receivable	2,645	Purchases	44,261
Prepaid Insurance	100	Rent Expense	6,875
Office Supplies	520	Insurance Expense	1,100
Merchandise Inventory	11,435	Office Supplies Expense	790
Accounts Payable	(can't read)	Utilities Expense	7,920
Becky Apollo, Drawing	15,000	Advertising Expense	4,355
Becky Apollo, Capital	(can't read)	Miscellaneous Expense	315
Income Summary	485 CR		

Information obtained from Apollo's checkbook:

Cash balance on the last unused check stub dated Dec. 4, 2006 was \$2,498.00

The only deposit in Dec. was for cash sales of \$2,185 (no charge sales in Dec.)

There were three checks written in December as follows:

Dec. 1 Rent \$650	Dec. 4 Insurance (see below)
Dec. 2 Office Supplies \$625	

Information obtained from contacting other businesses:

Owed to Swanson Company as of Nov. 30, 2006 \$3,685

Owed to Beverly Company as of Nov. 30, 2006 \$2,429

Merchandise purchased on account (and received) from Daxter Co. on 12-2-06 was \$3,420. (This is the only merchandise purchased in December.)

Information obtained from Apollo's insurance agent:

Policy bought on 12-3-05 for \$1,200 for coverage period of 1-1-06 to 12-31-06

Policy bought on 12-4-06 for \$1,500 for coverage period of 1-1-07 to 12-31-07

Physical Inventories (taken on Dec. 5, 2006 after electricity service restored)

Office Supplies \$495 Merchandise Inventory \$14,029

No other transactions occurred in December because the insurance claim was still pending and the structural repairs had not yet been completed. Enough information is provided to prepare the work sheet for the twelve months ended December 31, 2006.

UIL Accounting Invitational 2007-B

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Apollo Company								
Work Sheet								
Account Title	Trial Balance		Adjustments		Income Statement		Balance Sheet	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Cash in Bank								
Accounts Receivable								
Prepaid Insurance								
Office Supplies								
Merchandise Inventory								
Accounts Payable								
Becky Apollo, Drawing								
Becky Apollo, Capital								
Income Summary								
Sales								
Purchases								
Rent Expense								
Insurance Expense								
Office Supplies Expense								
Utilities Expense								
Advertising Expense								
Miscellaneous Expense								

[illegible]

Inv. A - 1998**Group 8**

For questions 60 through 80 refer to Table 1 and the work sheet. The work sheet will not be reviewed by the graders or contest director. You may remove the table page and work sheet from the staple for convenience. Write the identifying letter of the best answer for each on your answer sheet.

60. What is the amount of Office Supplies in the trial balance column?
A. zero B. \$405 C. \$420 D. \$565 E. \$970
61. What is the amount of Prepaid Insurance in the trial balance column?
A. zero B. \$1,800 C. \$2,100 D. \$2,250 E. \$3,900
62. What amount should appear in the work sheet trial balance column for Merchandise Inventory?
A. zero B. \$1,500 C. \$35,500 D. \$37,000
63. What is the amount of Office Supplies Expense in the trial balance column?
A. zero B. \$145 C. \$260 D. \$550 E. \$1,390
64. What is the trial balance debit subtotal on the work sheet?
A. \$110,220 B. \$147,220 C. \$149,585 D. \$149,890 E. \$152,090
65. The amount of capital in the trial balance column is:
A. \$31,600 B. \$36,600 C. \$41,600 D. \$136,750 E. \$140,450
66. Total sales for 1997 are:
A. \$95,150 B. \$96,345 C. \$96,485 D. \$98,850 E. \$100,150
67. The amount of the supplies adjustment is:
A. \$15 B. \$145 C. \$260 D. \$550 E. \$1,390
68. The total insurance expense for 1997 is:
A. \$1,650 B. \$1,800 C. \$2,100 D. \$2,250 E. \$3,900

69. The amount of inventory in the balance sheet debit column is:
A. \$1,500 B. \$35,500 C. \$37,000 D. cannot be determined
70. On the line for Prepaid Insurance on the work sheet, the amount in the trial balance debit column represents the value of insurance premiums
A. at the beginning of the fiscal period plus premiums paid during the fiscal period
B. paid during the fiscal period
C. expired during the fiscal period
D. at the end of the fiscal period
71. After the prepaid insurance adjusting entry has been posted, the Insurance Expense account balance represents the
A. prepaid insurance premiums at the beginning of the fiscal period
B. amount of insurance premiums expired during the fiscal period
C. prepaid insurance premiums during the fiscal period
D. prepaid insurance premiums at the end of the fiscal period
72. After the adjusting entry for prepaid insurance has been posted, the balance of the prepaid insurance account represents the value of insurance premiums
A. prepaid at the beginning of the fiscal period
B. prepaid during the fiscal period
C. expired during the fiscal period
D. prepaid at the end of the fiscal period
73. A company recorded office supplies in an asset account when the supplies were purchased. Failure to take an inventory and make an adjusting entry will result in
A. an understatement of assets
B. an understatement of owner's equity
C. an overstatement of owner's equity
D. an understatement of liabilities
74. The amount of insurance expense in the trial balance column is
A. \$1,650 B. \$1,800 C. \$2,100 D. \$2,250 E. none of the above

75. What is the income statement credit subtotal on the work sheet before net income is calculated?
 A. \$98,590 B. \$99,785 C. \$100,090 D. \$102,290 E. \$103,790
76. The cost of delivered merchandise is:
 A. \$61,770 B. \$63,070 C. \$63,910 D. \$65,210 E. \$67,350
77. The amount of net purchases is:
 A. \$61,770 B. \$63,070 C. \$63,910 D. \$65,210 E. \$67,350
78. What is the balancing total on the post-closing trial balance?
 A. \$49,800 B. \$51,820 C. \$60,020 D. \$72,020 E. \$102,290

Again refer to the data in Table 1 and the work sheet. For questions 79 and 80 write the correct amount on your answer sheet.

79. What is the amount of net income or loss for 1997?

80. After closing entries are posted, the capital account balance is a credit of ? .

TABLE 1
(for questions 60 through 80)

Louis Burbank is the owner of a company that sells band uniforms, accessories, and other related items. Some of the unadjusted trial balance figures for his December 31, 1997 fiscal year end are as follows. All have normal balances.

Cash	21,850	Sales	?
Office Supplies	?	Purchases	65,210
Prepaid Insurance	?	Purchases Returns & Allow.	2,140
Merchandise Inventory	?	Purchases Discounts	1,300
Accounts Payable	8,200	Rent Expense	7,200
Louis Burbank, Capital	?	Utilities Expense	3,960
Louis Burbank, Withdrawals	12,000		

Additional Information:

1. The amount of office supplies on hand is as follows:

January 1, 1997.....\$565
 Purchased during 1997..... 405
 December 31, 1997..... 420

2. Insurance information:

Unexpired as of January 1, 1997..... \$1,800
 Purchased during 1997..... 2,100
 Unexpired as of December 31, 1997..... 2,250

3. Merchandise Inventory information:

January 1, 1997..... \$37,000
 December 31, 1997..... 35,500

4. Capital contributions made by the owner in 1997 were \$5,000.

5. Capital account balance on January 1, 1997 was \$36,600.

6. The company uses the one-step approach (record increase or decrease) to adjust for changes in merchandise inventory levels.

Dress Up the Band								
Work Sheet								
For Year Ended December 31, 1997								
Account Title	Trial Balance		Adjustments		Income Stmt		Balance Sheet	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Cash								
Office Supplies								
Prepaid Insurance								

**District 1 -
Group 2**

In
5 through
determine
of the
to which
normal
balance
extended
following
Write the
letter of
response
answer

Merchandise Inven.								
Accounts Payable								
Louis Burbank, Cap.								
Louis Burbank, W/D								
Sales								
Purchases								
Purchases R&A								
Purchases Disc.								
Rent Expense								
Utilities Expense								

1997

questions
12,
the section
work sheet
each
account
would be
using the
code.
identifying
the correct
on your
sheet.

- A. income statement debit
- B. income statement credit
- C. balance sheet debit
- D. balance sheet credit
- E. this item is not extended on a work sheet

- 5. Office Supplies
- 6. Sales Tax Payable
- 7. Sales Returns & Allowances
- 8. Merchandise Inventory
- 9. Transportation In
- 10. Purchases Discounts
- 11. Salary Expense
- 12. Income Summary (when ending inventory decreased from beginning inventory)

Group 3

Selected information from the work sheet of Thyme Company is shown below. For questions 13 through 15, write the correct amount on your answer sheet.

ACCOUNT TITLE	TRIAL BALANCE	ADJUSTED TRIAL BALANCE			
		DEBIT	CREDIT	DEBIT	CREDIT
Prepaid Insurance	8,000			6,500	
Supplies	750			#14	
Merchandise Inventory	#13			24,000	
Income Summary				8,000	
Insurance Expense				#15	
Supplies Expense				360	

District 2 – 1997

Group 2

In questions 5 through 12, determine the section of the work sheet to which each normal account balance would be extended using the following code. Write the identifying letter of the correct response on your answer sheet.

- A. income statement debit
- B. income statement credit
- C. balance sheet debit
- D. balance sheet credit
- E. this item is not extended on a work sheet

- | | |
|-----------------------------------|---|
| 5. Sales Discounts | 10. Sales |
| 6. Rent Expense | 11. Accounts Payable |
| 7. Purchases Returns & Allowances | 12. Income Summary (when ending inventory increased from beginning inventory) |
| 8. Beverly Rosemary, Capital | |
| 9. Prepaid Insurance | |

Group 3

Selected information from the work sheet of Thyme Company is shown below. For questions 13 through 15, write the correct amount on your answer sheet.

ACCOUNT TITLE	TRIAL BALANCE		ADJUSTED TRIAL BALANCE		
		DEBIT	CREDIT	DEBIT	CREDIT
Prepaid Insurance		#13		800	
Supplies		1,100		450	
Merchandise Inventory		10,800		#14	
Income Summary					6,500
Insurance Expense				1,600	
Supplies Expense				#15	

District 1 – 1998 - Group 6

Refer to the data in Table 1 (next page) and answer questions 35 through 45. On your answer sheet write TRUE if the statement is true; write FALSE if the statement is false.

35. On January 1, 1997 before any transactions occurred, Insurance Expense had a CR balance.
36. The amount of Supplies in the trial balance column of the work sheet is \$5,550.
37. The amount on the work sheet in the adjustments credit column for Prepaid Insurance is \$250.
38. The amount of Merchandise Inventory on January 1, 1997 was less than the amount of Merchandise Inventory on December 31, 1997.
39. On the work sheet, the total of the income statement debit column before net income or loss is considered is \$187,805.
40. One of the closing entries will include a credit to the capital account of \$121,745.
41. One of the closing entries will include a debit to Income Summary of \$345,890.
42. One of the closing entries will include a debit to Income Summary of \$391,205.
43. The withdrawals account is closed with a \$30,200 credit and the account debited is Income Summary for the same amount.
44. One of the closing entries will include a credit to Andy Mulberry, Capital for \$41,780.
45. After closing all account numbers 401 through 650, the Income Summary account will have a credit balance of \$45,315.
46. If the Supplies account had a debit balance of \$350 on January 1, 1997 before any 1997 transactions were recorded, what is the dollar amount of supplies purchased during 1997?

Worksheet Problems**-16-**

47. If \$600 of prepaid insurance was purchased during 1997, what was the balance in the Prepaid Insurance account on January 1, 1997 before any 1997 transactions were recorded?
48. What was the balance in Andy Mulberry's capital account on January 1, 1997 before any 1997 transactions were recorded?
49. What is the amount of the balancing total in the trial balance columns of the work sheet?
50. What is the amount of net sales?
51. What is the amount of cost of delivered merchandise?
52. What is the amount of net purchases?
53. What is the amount of cost of merchandise sold?
54. What is the amount of cost of merchandise available for sale?
55. What is the amount of gross profit?
56. What is the amount of net income or loss?

Acct#	Account Title	Amount		Acct #	Account Title	Amount
101	Cash in Bank	21,280		501	Purchases	209,460
105	Accounts Receivable	6,360		505	Purchases Discounts	9,800
110	Merchandise Inventory	81,385		510	Purchases Returns & Allow.	4,020
115	Supplies	1,840		515	Transportation In	4,215
120	Prepaid Insurance	1,250		601	Advertising Expense	2,860
150	Delivery Equipment	19,140		605	Bank Card Fees Exp.	3,290
155	Store Equipment	26,350		610	Delivery Expense	2,690
201	Accounts Payable	22,300		615	Insurance Expense	250
210	Sales Tax Payable	1,980		620	Maintenance Expense	3,320
310	Andy Mulberry, Capital	121,745		625	Miscellaneous Expense	645
315	Andy Mulberry, Withdrawals	30,200		630	Rent Expense	15,000
320	Income Summary	3,535 dr		635	Salaries Expense	84,000
401	Sales	377,385		640	Payroll Tax Expense	8,690
405	Sales Discounts	3,550		645	Supplies Expense	3,710

Worksheet Problems

-17-

The following accounts and normal balances appear in the income statement and balance sheet columns of a work sheet for the year ended December 31, 1997. The owner made an investment of \$85,000 during 1997.

3,150

Work Sheet								
Account Title	Trial Balance		Adjustments		Income Statement		Balance Sheet	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Cash in Bank								
Accounts Receivable								
Merchandise Inventory								
Supplies								
Prepaid Insurance								
Delivery Equipment								
Store Equipment								
Accounts Payable								
Sales Tax Payable								
Andy Mulberry, Capital								
Andy Mulberry, Withdrawals								
Income Summary								
Sales								
Sales Discounts								
Sales Returns & Allowances								
Purchases								
Purchases Discounts								
Purchases Returns & Allow.								
Transportation In								
Advertising Expense								
Bank Card Fees Expense								
Delivery Expense								
Insurance Expense								
Maintenance Expense								
Miscellaneous Expense								
Rent Expense								
Salaries Expense								
Payroll Tax Expense								
Supplies Expense								
Utilities Expense								

District - 1998

Refer to the data in Table 1 on next page and answer questions 35 through 45. You may remove the table pages and work sheet for your convenience. On your answer sheet write TRUE if the statement is true; write FALSE if the statement is false.

35. On January 1, 1997 before any transactions occurred, Prepaid Insurance had a debit balance.
 36. The amount on the work sheet in the adjustments credit column for Supplies is \$3,710.
 37. The amount of Prepaid Insurance in the trial balance column of the work sheet is \$1,250.
 38. The amount of Merchandise Inventory on January 1, 1997 was greater than the amount of Merchandise Inventory on December 31, 1997 by \$3,535.
 39. On the work sheet, the total of the balance sheet credit column before net income or loss is considered is \$187,805.
 40. There will not be a closing entry that credits the capital account for \$121,745.
 41. One of the closing entries will include a credit to Income Summary of \$345,890.
 42. One of the closing entries will include a debit to Income Summary of \$349,425.
 43. The withdrawals account is closed with a \$30,200 credit to the withdrawals account and a debit to the capital account for the same amount.
 44. To close the Income Summary account, credit Andy Mulberry, Capital for \$11,580.
 45. After closing all account numbers 401 through 650, the Andy Mulberry, Withdrawals account will have a debit balance of \$30,200.
-
46. If \$5,200 of supplies were purchased during 1997, what was the balance in the supplies account on January 1, 1997 before any 1997 transactions were recorded?
 47. If the Prepaid Insurance account had a debit balance of \$900 on January 1, 1997 before any 1997 transactions were recorded, what is the dollar amount of prepaid insurance purchased during 1997?
 48. What was the balance in Andy Mulberry's capital account on January 1, 1997 before any 1997 transactions were recorded?
 49. What is the amount of the balancing total in the trial balance columns of the

work sheet?

50. What is the amount of net sales?
51. What is the amount of cost of delivered merchandise?
52. What is the amount of net purchases?
53. What is the amount of cost of merchandise sold?
54. What is the amount of cost of merchandise available for sale?
55. What is the amount of gross profit?
56. What is the amount of net income or loss?

2010- D2--Table 1
(for questions 56 through 80)

The normal balances of the general ledger accounts of Meg's Organics on December 31, 2009 after all regular operating transactions have been recorded for the year are listed below. Other information is listed including data needed for the end-of-year adjustments. The company makes adjusting and closing entries only at year-end. The following amounts have been transferred to the work sheet correctly for your convenience. The accountant had begun to make adjustments on the work sheet when he encountered computer problems, which is why some fields are blank.

Account Title	Amount	Account Title	Amount
Cash in Bank	8,920	Sales Discounts	2,480
Accounts Receivable	5,680	Sales Returns & Allowances	3,795
Merchandise Inventory	??	Purchases	95,033
Supplies	9,916	Purchases Discounts	6,230
Prepaid Insurance	6,012	Purchases Returns & Allow.	3,845
Equipment	42,500	Transportation In	??
Accounts Payable	29,416	Salary Expense	25,000
Sales Tax Payable	1,273	Payroll Tax Expense	2,212
Meg Chopra, Capital	??	Advertising Expense	3,462
Meg Chopra, Drawing	15,000	Rent Expense	7,500
Sales	172,625	Utilities Expense	9,540

Additional Data:

- ♦ The owner invested \$2,500 in the business during the year 2009.
- ♦ Merchandise Inventory on December 31, 2009 was \$30,180.

- ♦ **Supplies on hand on December 31, 2009 were \$1,285.**
- ♦ **Supplies purchased during 2009 were \$6,416.**
- ♦ **Insurance premiums of coverage still in force on December 31, 2009 were \$1,580.**
- ♦ **Insurance premiums paid for during 2009 were \$4,470.**
- ♦ **Gross Profit on net sales for 2009 was 42%**

Table 1

The following accounts and normal balances appear in the income statement and balance sheet columns of a work sheet for the year ended December 31, 1997. The owner made an investment of \$60,000 during 1997.

101	Cash in Bank	21,200	501	Purchases Discounts	9,800
105	Accounts Receivable	6,360	505	Purchases Returns & Allow.	4,020
110	Merchandise Inventory	81,385	515	Transportation In	4,215
115	Supplies	1,840	601	Advertising Expense	2,860
120	Prepaid Insurance	1,250	605	Bank Card Fees Exp.	3,290
150	Delivery Equipment	19,140	610	Delivery Expense	2,690
155	Store Equipment	26,350	615	Insurance Expense	250
201	Accounts Payable	22,300	620	Maintenance Expense	3,320
210	Sales Tax Payable	1,980	625	Miscellaneous Expense	645
310	Andy Mulberry, Capital	121,745	630	Rent Expense	15,000
315	Andy Mulberry, Withdrawals	30,200	635	Salaries Expense	84,000
320	Income Summary	3,535 dr	640	Payroll Tax Expense	8,690
401	Sales	377,385	645	Supplies Expense	3,710
405	Sales Discounts	3,550	650	Utilities Expense	3,150
410	Sales Returns & Allow.	1,060			

Work Sheet

Account Title	Trial Balance		Adjustments		Income Statement		Balance Sheet	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Cash in Bank								
Accounts Receivable								
Merchandise Inventory								
Supplies								
Prepaid Insurance								
Delivery Equipment								
Store Equipment								
Accounts Payable								
Sales Tax Payable								
Andy Mulberry, Capital								
Andy Mulberry, Drawing								
Income Summary								
Sales								
Sales Discounts								
Sales Returns & Allow								
Purchases								
Purchases Discounts								
Purchases Returns & Allow.								
Transportation In								
Advertising Expense								
Bank Card Fees Expense								
Delivery Expense								
Insurance Expense								
Maintenance Expense								
Miscellaneous Expense								
Rent Expense								
Salaries Expense								
Payroll Tax Expense								
Supplies Expense								
Utilities Expense								