Name

Sample B

AC211
Comp 3

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COMPREHENSIVE PROBLEM 3

1.

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DATE		DESCRIPTION	POST. REF.	DEBIT	CREDIT
Jan 2010	2	Petty Cash fund		$ 2000	
		Cash			2000
Mar	4	Office Supplies		789	
		Miscellaneous Selling Exp.		256	
		Miscellaneous Admin Exp.		378	
		Cash			1,423
April	5	Merchandise Inv.		14,000	
		Accts. Pay.			14,000
May	7	Accts. Pay		14,000	
		Cash			14,000
	10	Cash		9,455	
		Cash short / over		90	9,515
		Sales			9,545
Jun	2	Notes Rec. / Stevens		80,000	
		Accts. Rec / Stevens			80,000
Aug	1	Cash		81,200	
		Note Rec. / Stevens			80,000
		Interest Revenue			1,200
	8	Cash		3,400	
		Allowance for Doubtful Accts		600	
		Accts. Rec.			4000
	25	Accts. Rec		600	
		Allow. for Doubtful Accts			600
		Cash		600	
		Acct. Rec.			600

COMPREHENSIVE PROBLEM 3, Continued

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DATE		DESCRIPTION	POST. REF.	DEBIT	CREDIT
Sept 2010	2	land		292,500	
		Interest Exp.		7,500	
		notes Pay			300,000
Oct.	2	Cash		60,000	
		notes Rec		40,000	
		Accump. Depre.		25,000	
		loss on Sale		15,000	
		Equipment			140,000
Nov.	30	Office salaries Exp.		60,400	
		Sales, Salaries Exp		34,500	
		Taxes withheld pay			17,082
		S.S. withheld pay			5450
		medicare withheld Pay			1,424
		Salaries pay			70,944
	30	payroll Tax Exp.		7066	
		S.S Tax pay			5450
		medicare Tax pay			1424
		Futa pay			32
		Suta Pay			160
Dec					
Dec	7	notes Pay		300,000	
		Cash			300,000
	30	Pension Exp		85,000	
		Cash			62,400
		Unfunded Pension liability			22,600

COMPREHENSIVE PROBLEM 3, Continued

2.

Blackwell company

Bank Reconciliation

December 31, 2010

cash balance recording to bank statement	$ 126,400
Add deposits not recorded by bank, Dec. 31	13,200
	$ 139,600
Deducted outstanding checks, Dec 31	30,600
Adjusted Balanced	$ 109,000
Cash Balance according to blackwell company	$ 109,650
Deduct: Bank service charge	350
Error in recording check	300
Adjusted Balance	$ 109,000

COMPREHENSIVE PROBLEM 3, Continued

3. and 4.

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DATE		DESCRIPTION	POST. REF.	DEBIT	CREDIT
Dec 2010	31	Accts. ~~Rec~~ Payable		300	
		miscellaneous Exp.		350	
		cash			650
		Adjusted Entries			
	31	~~Bad Debt Expense~~ Uncoll. Accts Exp		7,950	
		Allowance for doubtful Accts			7,950
	31	cost of merchandise sold		1480	
		merchandise inventory			1480
	31	Insurance Exp.		10,200	
		prepaid Insurance			10,200
	31	office Supplies Exp.		1,760	
		office supplies			1,760
		1 yr SE 12500 [illegible] 12500			
	31	Depreciation Exp. Building		10,000	
		Accum. Depre. Building			10,000
	31	Depreciation Exp. office Eq.		12,500	
		Accum. Depre. office Eq.			12,500
	31	Amortization Exp. patents		4500	
		patents			4500
	31	Depletion Exp		13200	
		Accum. Depletion			13200
	31	vacation pay Exp		4800	
		vacation pay payable			4800
	31	product warranty Exp.		2100	
		Product warranty			2100

Name ______________________________

COMPREHENSIVE PROBLEM 3, Continued

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DATE		DESCRIPTION	POST. REF.	DEBIT	CREDIT
	31	Interest Rec		600	
		Interest Rec			600

COMPREHENSIVE PROBLEM 3, Continued

5.

Blackwell Company
Balance Sheet
December 31, 2010

Assets			
Current Assets:		$	
Petty Cash		$ 2000	
Cash		109000	
Note Rec		40,000	
Accts. Rec.		210,000	
Allowance for doubtful Accts	$ 7200		
merchandise Inventory		144200	
Interest Rec.		600	
Prepaid Ins.		20400	
Office Sup.		600	
Total Current Assets:			$ 525,000
PPE:			
Land		$ 92,500	
Buildings	$ 400,000		
Accum. Depre. Build (less)	10,000	390,000	
Office Eq.	$ 110,000		
Accum. Depre Office Eq (less)	12500	92,500	
Store Eq.	$ 5000		
accum Depre. Store Eq (less)	12500	37,500	
minerals Rights	$ 220,000		
Accum. Depletion (less)	13200	206,800	
Patents		8000	15 (7300)

COMPREHENSIVE PROBLEM 3, Continued

Total PPE.			1,042,200
Total Assets:			$1567300
liabilities			
Current liabilities:			
Social Security Tax pay.		$10420	
medicare tax pay		2550	
Employees federal Income tax pay		17260	
Suta pay		100	
FUTA pay		20	
Salaries pay		85000	
Accts. Pay		140000	
Interest pay		3200	
Product warranty Pay		21000	
vacation Pay payable		3200	
notes pay		25000	
Total current liabilities:			$307,750
long term liabilities:			
vacation pay payable		$1400	
notes pay		75,000	
unfunded Pension liability		22,400	
Total long term liabilities			99,200
Total liabilities:			$406,950
Owners Equity			
J. Orane Capital			$1,160,350
Total liabilities & owner's Equity			$1567300

COMPREHENSIVE PROBLEM 3, Concluded

6.

merchandise inventory, Jan. 1		$ 144200
Purchases in Jan. (net		$ 140,000
merchandise avail. for sale		$ 104,200
sales for Jan. (net	$ 70,000	$ 104,200
Less estimated gross profit (70000 x 40%)	28000	
Estimated cost of merchandise sold		42000
Estimated merchandise Inventory, Feb. 7		$ 62,200