



LESSON 16-1

Recording Adjusting Entries



ADJUSTING ENTRIES RECORDED FROM A WORK SHEET

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	ACCOUNT TITLE	TRIAL BALANCE		ADJUSTMENTS		
		DEBIT	CREDIT	DEBIT	CREDIT	
1	Cash	2908028				1
2	Petty Cash	30000				2
3	Accounts Receivable	1469840				3
4	Allow. for Uncoll. Accts.		12752	(e) 124500		4
5	Merchandise Inventory	14048000		(d) 1584000		5
6	Supplies—Office	348000		(a) 273000		6
7	Supplies—Store	394400		(b) 291000		7
8	Prepaid Insurance	580000		(c) 317000		8
28	Income Summary			(d) 1584000		28
45	Supplies Expense—Office			(a) 273000		45
46	Supplies Expense—Store			(b) 291000		46
47	Uncollectible Accounts Expense			(e) 124500		47
48	Utilities Expense	382000				48
49	Federal Income Tax Expense	1800000		(h) 588924		49

3

1.Heading

2.Date

3. Identify the first adjustment

4.Account debited

5.Debit

6.Account credited

7.Credit

8.Continue down the Adjustments columns

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DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT	CREDIT		
	Adjusting Entries					1	
Dec. 31	Uncollectible Accounts Expense			124500		2	
	Allowance for Uncoll. Accounts				124500	3	
31	Income Summary			1584000		4	



ADJUSTING ENTRY FOR ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

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DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT	CREDIT
	<i>Adjusting Entries</i>				
20-- Dec. 31	<i>Uncollectible Accounts Expense</i>			1 2 4 5 0 0	
	<i>Allowance for Uncoll. Accounts</i>				1 2 4 5 0 0

Allowance for Uncollectible Accounts

Bal.	127.52
Adj. (e)	1,245.00
<i>(New Bal.)</i>	<i>1,372.52</i>

Uncollectible Accounts Expense

Adj. (e)	1,245.00
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ADJUSTING ENTRY FOR MERCHANDISE INVENTORY

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DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT	CREDIT
4	31 <i>Income Summary</i>			15 840 00	
5	<i>Merchandise Inventory</i>				15 840 00

Merchandise Inventory

Bal.	140,480.00	Adj. (d)	15,840.00
(New Bal.)	124,640.00		

Income Summary

Adj. (d)	15,840.00
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ADJUSTING ENTRY FOR SUPPLIES—OFFICE

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DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT	CREDIT
6 31	Supplies Expense—Office			2 730 00	
7	Supplies—Office				2 730 00

Supplies—Office			
Bal.	3,480.00	Adj. (a)	2,730.00
(New Bal.)	750.00		

Supplies Expense—Office	
Adj. (a)	2,730.00



ADJUSTING ENTRY FOR SUPPLIES—STORE

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DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT	CREDIT
8 31	<i>Supplies Expense—Store</i>			291000	
9	<i>Supplies—Store</i>				291000

Supplies—Store

Bal.	3,944.00	Adj. (b)	2,910.00
(New Bal.)	1,034.00		

Supplies Expense—Store

Adj. (b)	2,910.00
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ADJUSTING ENTRY FOR PREPAID INSURANCE

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DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT	CREDIT
10 31	<i>Insurance Expense</i>			3 170 00	
11	<i>Prepaid Insurance</i>				3 170 00

Prepaid Insurance

Bal.	5,800.00	Adj. (c)	3,170.00
<i>(New Bal.</i>	<i>2,630.00)</i>		

Insurance Expense

Adj. (c)	3,170.00
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ADJUSTING ENTRY FOR DEPRECIATION—OFFICE EQUIPMENT

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DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT	CREDIT
12 31	<i>Depreciation Exp.—Office Equip.</i>			6540.00	
13	<i>Accum. Depr.—Office Equip.</i>				6540.00

Accum. Depr.—Office Equip.

Bal.	6,497.00
Adj. (f)	6,540.00
<i>(New Bal.)</i>	<i>13,037.00</i>

Depreciation Exp.—Office Equip.

Adj. (f)	6,540.00
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ADJUSTING ENTRY FOR DEPRECIATION— STORE EQUIPMENT

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DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT	CREDIT
14	31 Depreciation Exp.—Store Equip.			5 250 00	
15	Accum. Depr.—Store Equip.				5 250 00

Accum. Depr.—Store Equip.

Bal.	5,069.00
Adj. (g)	5,250.00
<i>(New Bal.)</i>	<i>10,319.00</i>

Depreciation Exp.—Store Equip.

Adj. (g)	5,250.00
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ADJUSTING ENTRY FOR FEDERAL INCOME TAXES

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DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT	CREDIT
16	31 <i>Federal Income Tax Expense</i>			5 889 24	
17	<i>Federal Income Tax Payable</i>				5 889 24

Federal Income Tax Payable

Adj. (h)	5,889.24
(New Bal.)	5,889.24

Federal Income Tax Expense

Bal.	18,000.00
Adj. (h)	5,889.24
(New Bal.)	23,889.24