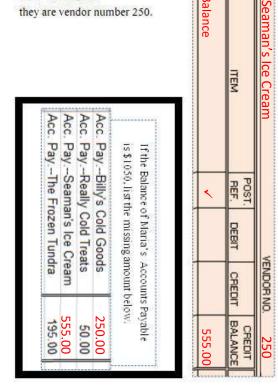
Lesson 9-1: Subsidiary Ledgers and Controlling Accounts

Maria has opened an ice cream shop named Maria's Cool Treats. Maria has many vendors she buys her treats from. To keep these vendor balances up-to-date and ensure payment by due dates, she has created a subsidiary ledger for her Accounts Payable.

VENDOR

Balance

Start a new accounts payable ledger page for Seeman's Ice Cream. As of July 1, Maria owes them \$555 dollars, and they are vendor number 250.



Lesson 9-2: Accounting for Merchandise Purchases

Journalize the following transactions. Use page 1.

On July 5th, Maria purchased 500 more regular ice cream bars from The Frozen Tundra, for a total price of \$300, P53.

On July 10th, Maria purchased 40 more Strawberry Shortcake bars from Really Cold Treats, for a total price of \$50, P54

PURCHASES JOURNAL PAGE CCTS. PAY

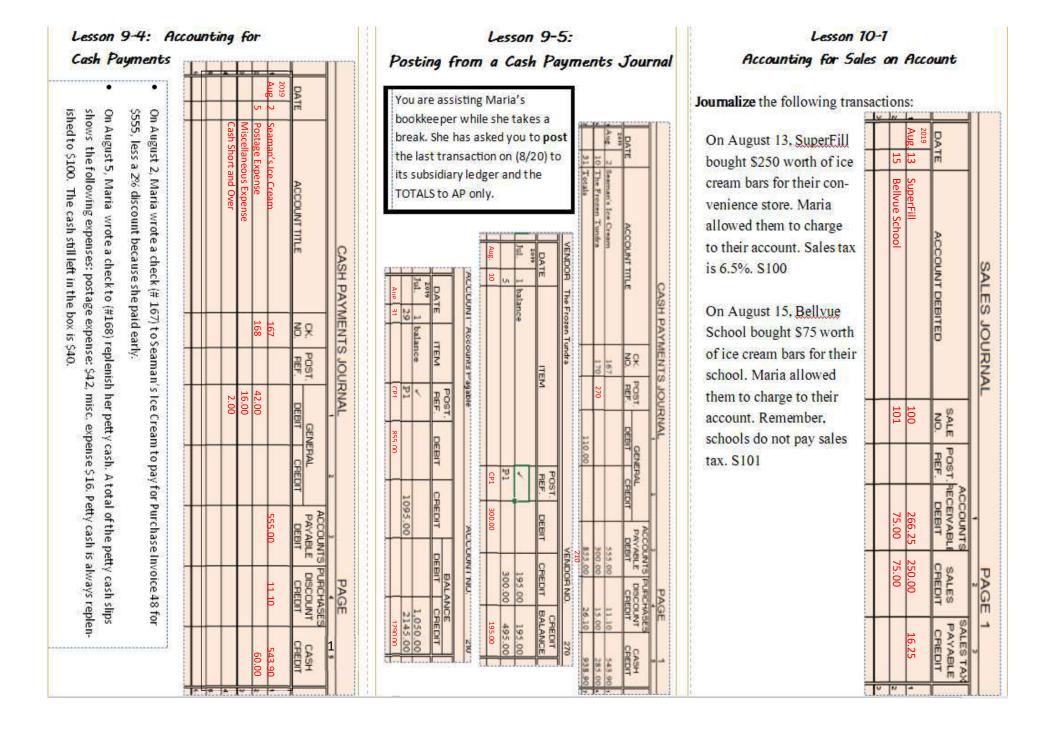
Lesson 9-3: Posting from the Purchases Journal

Maria is in need of more inventory, but she doesn't want her Accounts Payable to become too high. She needs to post her most recent Purchases Journal to see the accurate balance of her Accounts Payable.

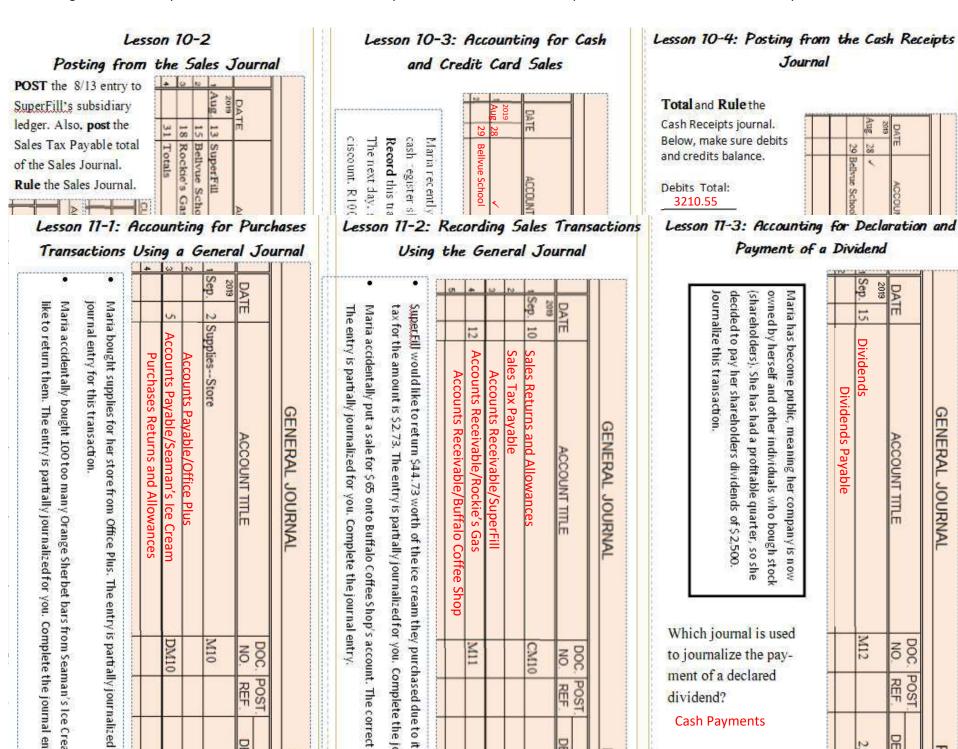
- 1. Post the last two entries on the Purchase Journal to the subsidiary ledger. Use date July 29.
- 2. Rule and post the whole Purchases Journal to just the AP account (the total is shown for you). Use date July 29. What other account is affected by totaling the Purchases Journal? Debit or credit? Purchases - Debit

16 Really Cold Treats

						41010		13000				1095
	2019 Jul.	0	å			Jul	DATE	VENDOR			Jul. 1014	8
29		DATE	25	29	UA.	er.	m		29	10	-	DATE
	balance	ITEM	ACCOUNT Accounts Payable			balance		The Frozen Tundra			balance	
P1	'	POST.	ayable				Mari					ITEM
		DEBIT										
1095.00		CREDIT		P1	14		POST.		P1	PI	4	POST.
5.00		H	ACCO				DEBIT					пеза
		BALANCE DEBIT CH	ACCOUNT NO.	195.00	300.00	195.00	CREDIT	VENDOR NO.	125.00	50.00	50.00	CREDIT
2145.00	1,050.00	CREDIT	210	690.00	495.00	195.00	BALANCE	270	0 225.00	100.00	50.00	BALANCE



R



Lesson 12-1: Calculating Employee Earnings

Maria has opened a new location hired three employees to help her. Kathy Kline is paid \$14.00. She is a regular employee. Any hours over 40 in a WEEK are overtime. Calculate her total earnings this week.

Monday—9 hours Tuesday—7.5 hours

Wednesday- 8.5 hours

Thursday- 9 hours

Friday- 7.5 hours

Total hours:

41.5

Regular wages:

40*14=\$560.00

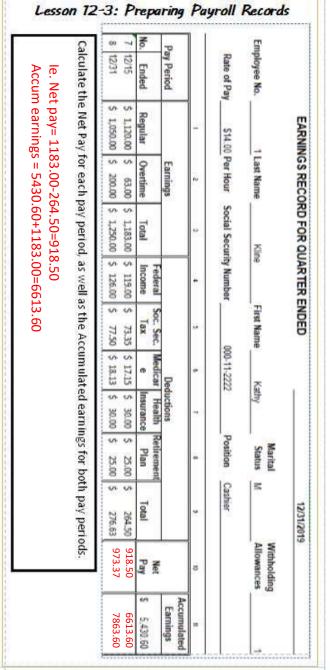
Overtime wages:

1.5*(14*1.5)= \$31.50

Total GROSS earnings:

\$560+31.50=\$591.50

Lesson 12-2: Determining Payroll Tax Withholding Kathy's W-2 is listed below. Using the Kathy Kline's gross pay last paycheck was \$1,049.50 her Medicare and Social Security taxes also ing chart below, calculate her income tax. Calculate ,000 1,025 100 899 823 Tax Withhold 825 Gross Income: Income Tax: 104.00 \$1,049.50 Medicare: Net Pay: Certificate 865.21



Lesson 12-4: Preparing Payroll Checks

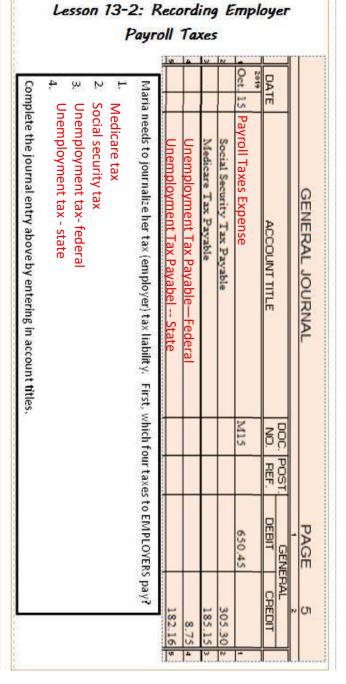
,		Student Signat	ure
		_	
PAYTO THE ORDER OF	First Community Bank Payrol Acct: 148-164-118 320 N. Dean Rd Aubum, AL 36830		
GENERAL ACCOUNT Four thouse	and thirty-five and	ł 50/100	Dollars
Sunnyville, ND 58888	Aubum, Al., 36830	12/15/19	\$4135.50
150 Sept 1955	FIRST COMMUNITY BANK 320 N. Dean Rd	Ø27N'	101

semantiful to Same		Student Signature	
Aubum, AL 36830			
First Community B	Bank		
One thousan	d eight hundred	seventy-nine and 90/100	Dollars
PAY TO THE ORDER OF	Kathy Kline		\$ 1879.90
			Amount
nana a cour reala		12/15/2019	
Mana's Cool Treats		-	,,,,,
PAYROLL ACCOUNT		No.	105

Maria also keeps her payroll account separate. The gross pay for this pay period is \$4,670.68. Net pay for this pay period is \$4,135.50. Write the general account check dates 12/15/2019.

Kathy Kline's gross pay for this pay period is \$2,120.60. Her net pay is \$1,879.90. **Write** Kathy's check, dated 12/15/2019.

	CASH	CASH PAYMENTS JOURNAL	NOF S	RNAL	20	000	
		R	POST.	GENERAL	HAL	ACCOUNTS PURCHASES PAYABLE DISCOUNT	
DATE	ACCOUNT TITLE	NO.	REF.	DEBIT	CREDIT	DEBIT	
2014 Oct. 15	15 Salary expense	175		4,522.75			
	Employee Income Tax Payable				315.60		
	Social Security Tax Payable				422.50		
	Medicare Tax Payable				76.80		-
	Health Insurance Premiums Payable				135.00		
	Retirement Contributions Payable				305.70		-
Maria is journ recent payroll	Maria is journalizing the payment of her most recent payroll.	er most	Social	Social Security Tax Payable =	x Payable =	\$ 422.50	
Using the follo	Using the following information, complete the journal entry.	lete the	Health	Health Insurance Premiums Payable = \$	oremiums Pa	ayable=\$	135.00
Gross p	Gross pay for the pay-period =	\$4,522.75	Retire	Retirement Contributions Payable =	butions Pay	able= \$	305.70
Employ	Employee Income Tax Pavable =	\$ 315.60					



Lesson 13-3: Reporting withholding and Payroll Taxes

Maria has to file her quarterly 941 report to ensure she is depositing accurate tax amounts each month.

Date Paid	Total Earnings	Federal Income Tax Withheld	Employee SS Tax Withheld	Employee Medicare Tax With- held
Jul. 31	\$ 6,824.00	\$ 540.00	\$ 423.09	\$ 98.95
Aug. 31	7,214.00	580.00	447.27	104.60
Sep. 30	6,985.00	560.00	433.07	101.28

Complete part of the 941 below by **calculating** and entering the monthly tax deposits and total quarterly tax liability.

Tax liability: Month 1	
Month 2	
Month 3	
otal liability for quarter	

What is the **employer** medicare tax percentage?

What is the **employer** social security tax percentage?

Lesson 13-4: Paying Withholding and Payroll Taxes Which three tax liabilities do we pay (generally) as a monthly deposit to the IRS? Income tax, medicare, and SS Maria is required to make monthly tax deposits for due liabilities. She is paying her September tax liability on October 15th via EFTPS. the online portal. Journalize this transaction. Income tax liability: \$678.20 Social security liability: \$1.539.91 Medicare liability: 360.14 Our payable (liability) accounts have a normal balance of a credit so to reduce them (since we are paying our tax liability with our monthly deposit) we will debit them.