

## Ex. 3–3

Supplies Expense	923	
Supplies		923
Supplies used (\$1,736 – \$813).		

- Ex. 3–4
- \$3,393 (\$675 + \$2,718)

## Ex. 3–5

- a. Insurance expense (or expenses) will be understated. Net income will be overstated.
- b. Prepaid insurance (or assets) will be overstated. Owner's equity will be overstated.

## Ex. 3–6

a.	Insurance Expense Prepaid Insurance Insurance expired.	8,750	8,750
b.	Insurance Expense	8,750	
	Prepaid Insurance Insurance expired (\$11,500 – \$2,750).		8,750

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