

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