

Ex. 4–14

- c. Depreciation Expense—Equipment
- g. Fees Earned
- j. Supplies Expense
- k. Wages Expense

Note: Erin Dowley, Drawing is closed to Erin Dowley, Capital rather than to Income Summary.

Ex. 4–15

The income summary account is used to close the revenue and expense accounts, and it aids in detecting and correcting errors. The \$432,200 represents expense account balances, and the \$572,600 represents revenue account balances that have been closed.

Ex. 4–16

a.	Income Summary.....	156,620	
	Laurie Engan, Capital		156,620
	(\$375,000 – \$218,380).		
	 Laurie Engan, Capital.....	18,000	
	Laurie Engan, Drawing		18,000
b.	\$617,720 (\$479,100 + \$156,620 – \$18,000)		

Ex. 4–17

July 31	Fees Earned	293,300	
	Income Summary.....		293,300
31	Income Summary	325,250	
	Wages Expense		250,000
	Rent Expense.....		65,000
	Supplies Expense.....		3,150
	Miscellaneous Expense		7,100
31	John O’Neil, Capital	31,950	
	Income Summary.....		31,950
31	John O’Neil, Capital.....	20,000	
	John O’Neil, Drawing		20,000