

Prob. 3–6A

1. a. Accounts Receivable	8,000	
Fees Earned		8,000
Accrued fees earned.		
b. Depreciation Expense.....	5,500	
Accumulated Depreciation—Equipment.....		5,500
Depreciation for July.		
c. Wages Expense.....	2,500	
Wages Payable.....		2,500
Accrued wages.		
d. Supplies Expense	1,725	
Supplies.....		1,725
Supplies used.		

2.

	Net Income	Total Assets	=	Total Liabilities	+	Total Owner's Equity
Reported amounts	\$ 99,480	\$400,000		\$100,000		\$300,000
Corrections:						
Adjustment (a)	+ 8,000	+ 8,000		0		+ 8,000
Adjustment (b)	– 5,500	– 5,500		0		– 5,500
Adjustment (c)	– 2,500	0		+ 2,500		– 2,500
Adjustment (d)	– 1,725	– 1,725		0		– 1,725
Corrected amounts	<u>\$ 97,755</u>	<u>\$400,775</u>		<u>\$102,500</u>		<u>\$298,275</u>