

Prob. 4–3A
1, 3, 6.

Cash					
Oct.	31	Bal.	1,450		
Laundry Supplies					
Oct.	31	Bal.	<u>3,750</u>	Oct.	31 Adj.
		31 Adj. Bal.	950		<u>2,800</u>
Prepaid Insurance					
Oct.	31	Bal.	<u>2,400</u>	Oct.	31 Adj.
		31 Adj. Bal.	400		<u>2,000</u>
Laundry Equipment					
Oct.	31	Bal.	54,500		
Accumulated Depreciation					
				Oct.	31 Bal.
					20,500
					31 Adj.
					<u>2,900</u>
					31 Adj. Bal.
					23,400
Accounts Payable					
				Oct.	31 Bal.
					3,100
Wages Payable					
				Oct.	31 Adj.
					600
Hilda Dinero, Capital					
Oct.	31	Clos.	1,000	Oct.	31 Bal.
					18,900
					31 Clos.
					<u>12,300</u>
					31 Bal.
					30,200
Hilda Dinero, Drawing					
Oct.	31	Bal.	1,000	Oct.	31 Clos.
					1,000

Prob. 4–3A Continued
Income Summary

Oct.	31 Clos.	70,200	Oct.	31 Clos.	82,500
	31 Clos.	12,300			

Laundry Revenue

Oct.	31 Clos.	82,500	Oct.	31 Bal.	82,500
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Wages Expense

Oct.	31 Bal.	35,750	Oct.	31 Clos.	36,350
	31 Adj.	<u>600</u>			<u> </u>
	31 Adj. Bal.	36,350			

Rent Expense

Oct.	31 Bal.	18,000	Oct.	31 Clos.	18,000
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Utilities Expense

Oct.	31 Bal.	6,800	Oct.	31 Clos.	6,800
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Depreciation Expense

Oct.	31 Adj.	2,900	Oct.	31 Clos.	2,900
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Laundry Supplies Expense

Oct.	31 Adj.	2,800	Oct.	31 Clos.	2,800
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Insurance Expense

Oct.	31 Adj.	2,000	Oct.	31 Clos.	2,000
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Miscellaneous Expense

Oct.	31 Bal.	1,350	Oct.	31 Clos.	1,350
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Prob. 4-3A Continued
2. Optional (Appendix)

	A	B	C	D	E	F	G	H	I	J	K
1			SURF SUDS LAUNDRY								
2			End-of-Period Spreadsheet (Work Sheet)								
3			For the Year Ended October 31, 2010								
4		Unadjusted		Adjustments		Adjusted		Income		Balance	
5		Trial Balance				Trial Balance		Statement		Sheet	
6	Account Title	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
7	Cash	1,450				1,450				1,450	
8	Laundry Supplies	3,750			(c) 2,800	950				950	
9	Prepaid Insurance	2,400			(d) 2,000	400				400	
10	Laundry Equipment	54,500				54,500				54,500	
11	Accum. Depreciation		20,500		(b) 2,900		23,400				23,400
12	Accounts Payable		3,100				3,100				3,100
13	Wages Payable				(a) 600		600				600
14	Hilda Dinero, Capital		18,900				18,900				18,900
15	Hilda Dinero, Drawing	1,000				1,000				1,000	
16	Laundry Revenue		82,500				82,500		82,500		
17	Wages Expense	35,750		(a) 600		36,350		36,350			
18	Rent Expense	18,000				18,000		18,000			
19	Utilities Expense	6,800				6,800		6,800			
20	Depreciation Expense			b) 2,900		2,900		2,900			
21	Laundry Supp. Expense			(c) 2,800		2,800		2,800			
22	Insurance Expense			(d) 2,000		2,000		2,000			
23	Misc. Expense	1,350				1,350		1,350			
24		<u>125,000</u>	<u>125,000</u>	<u>8,300</u>	<u>8,300</u>	<u>128,500</u>	<u>128,500</u>	<u>70,200</u>	<u>82,500</u>	<u>58,300</u>	<u>46,000</u>
25	Net income							<u>12,300</u>			<u>12,300</u>
26								<u>82,500</u>	<u>82,500</u>	<u>58,300</u>	<u>58,300</u>

Prob. 4–3A Continued
3.
Adjusting Entries
2010

Oct.	31	Wages Expense	600	
		Wages Payable		600
		Accrued wages.		
	31	Depreciation Expense	2,900	
		Accumulated Depreciation		2,900
		Equipment depreciation.		
	31	Laundry Supplies Expense	2,800	
		Laundry Supplies		2,800
		Supplies used (\$3,750 – \$950).		
	31	Insurance Expense	2,000	
		Prepaid Insurance		2,000
		Insurance expired.		

4.

SURF SUDS LAUNDRY
Adjusted Trial Balance
October 31, 2010

	<u>Debit Balances</u>	<u>Credit Balances</u>
Cash	1,450	
Laundry Supplies	950	
Prepaid Insurance	400	
Laundry Equipment	54,500	
Accumulated Depreciation		23,400
Accounts Payable		3,100
Wages Payable		600
Hilda Dinero, Capital		18,900
Hilda Dinero, Drawing	1,000	
Laundry Revenue		82,500
Wages Expense	36,350	
Rent Expense	18,000	
Utilities Expense	6,800	
Depreciation Expense	2,900	
Laundry Supplies Expense	2,800	
Insurance Expense	2,000	
Miscellaneous Expense	1,350	
	<u>128,500</u>	<u>128,500</u>

Prob. 4–3A Continued

5.

SURF SUDS LAUNDRY
Income Statement
For the Year Ended October 31, 2010

Laundry revenue		\$82,500
Expenses:		
Wages expense	\$36,350	
Rent expense.....	18,000	
Utilities expense.....	6,800	
Depreciation expense	2,900	
Laundry supplies expense	2,800	
Insurance expense.....	2,000	
Miscellaneous expense	<u>1,350</u>	
Total expenses		<u>70,200</u>
Net income.....		<u>\$ 12,300</u>

SURF SUDS LAUNDRY
Statement of Owner's Equity
For the Year Ended October 31, 2010

Hilda Dinero, capital, November 1, 2009		\$18,900
Net income for the year	\$12,300	
Less withdrawals	<u>1,000</u>	
Increase in owner's equity		<u>11,300</u>
Hilda Dinero, capital, October 31, 2010		<u>\$30,200</u>

SURF SUDS LAUNDRY
Balance Sheet
October 31, 2010

<u>Assets</u>		<u>Liabilities</u>	
Current assets:		Current liabilities:	
Cash.....	\$ 1,450	Accounts payable...	\$3,100
Laundry supplies	950	Wages payable.....	<u>600</u>
Prepaid insurance	<u>400</u>	Total liabilities	\$ 3,700
Total current assets	\$ 2,800		
Property, plant, and equipment:		<u>Owner's Equity</u>	
Laundry equipment ..	\$ 54,500	Hilda Dinero, capital..	<u>30,200</u>
Less accum. depr.	<u>23,400</u>		
Total property, plant, and equipment.....	<u>31,100</u>	Total liabilities and owner's equity	<u>\$33,900</u>
Total assets	<u>\$ 33,900</u>		

Prob. 4–3A Concluded

6.

Closing Entries

2010

Oct. 31	Laundry Revenue	82,500	
	Income Summary		82,500
31	Income Summary.....	70,200	
	Wages Expense.....		36,350
	Rent Expense		18,000
	Utilities Expense		6,800
	Miscellaneous Expense.....		1,350
	Depreciation Expense.....		2,900
	Laundry Supplies Expense		2,800
	Insurance Expense		2,000
31	Income Summary.....	12,300	
	Hilda Dinero, Capital		12,300
31	Hilda Dinero, Capital	1,000	
	Hilda Dinero, Drawing.....		1,000

7.

SURF SUDS LAUNDRY
Post-Closing Trial Balance
October 31, 2010

	<u>Debit Balances</u>	<u>Credit Balances</u>
Cash	1,450	
Laundry Supplies	950	
Prepaid Insurance	400	
Laundry Equipment.....	54,500	
Accumulated Depreciation		23,400
Accounts Payable		3,100
Wages Payable		600
Hilda Dinero, Capital		30,200
	<u>57,300</u>	<u>57,300</u>