

15-4 WORK TOGETHER, p. 462
GENERAL LEDGER
1., 4.

ACCOUNT Allowance for Uncollectible Accounts

ACCOUNT NO. 1135

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|-------------|-----------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
| 20- Dec. | 1 Balance | ✓ | | | | 4867 |

ACCOUNT Merchandise Inventory

ACCOUNT NO. 1140

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|-------------|-----------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
| 20- Dec. | 1 Balance | ✓ | | | 9484531 | |

ACCOUNT Supplies—Office

ACCOUNT NO. 1145

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|-------------|-----------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
| 20- Dec. | 1 Balance | ✓ | | | 310808 | |

ACCOUNT Supplies—Store

ACCOUNT NO. 1150

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|-------------|-----------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
| 20- Dec. | 1 Balance | ✓ | | | 448362 | |

ACCOUNT Prepaid Insurance

ACCOUNT NO. 1160

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|-------------|-----------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
| 20- Dec. | 1 Balance | ✓ | | | 1120000 | |

ACCOUNT Interest Receivable

ACCOUNT NO. 1175

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|------|------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |

15-4 WORK TOGETHER (continued)

ACCOUNT Accumulated Depreciation—Office Equipment

ACCOUNT NO. 1210

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | | | |
|-------------|-----------|---------------|-------|--------|---------|--------|---|------|
| | | | | | DEBIT | CREDIT | | |
| 20- Dec. | 1 Balance | ✓ | | | | 2 | 3 | 9500 |
| | | | | | | | | |
| | | | | | | | | |

ACCOUNT Accumulated Depreciation—Store Equipment

ACCOUNT NO. 1220

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | | | |
|-------------|-----------|---------------|-------|--------|---------|--------|-------|--|
| | | | | | DEBIT | CREDIT | | |
| 20- Dec. | 1 Balance | ✓ | | | | 8 | 56400 | |
| | | | | | | | | |
| | | | | | | | | |

ACCOUNT Federal Income Tax Payable

ACCOUNT NO. 2170

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | | | |
|------|------|---------------|-------|--------|---------|--------|--|--|
| | | | | | DEBIT | CREDIT | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

ACCOUNT Income Summary

ACCOUNT NO. 3150

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | | | |
|------|------|---------------|-------|--------|---------|--------|--|--|
| | | | | | DEBIT | CREDIT | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

ACCOUNT Depreciation Expense—Office Equipment

ACCOUNT NO. 6120

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | | | |
|------|------|---------------|-------|--------|---------|--------|--|--|
| | | | | | DEBIT | CREDIT | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

ACCOUNT Depreciation Expense—Store Equipment

ACCOUNT NO. 6125

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | | | |
|------|------|---------------|-------|--------|---------|--------|--|--|
| | | | | | DEBIT | CREDIT | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

15-4 WORK TOGETHER (continued)

ACCOUNT Insurance Expense

ACCOUNT NO. 6130

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | | | |
|------|------|---------------|-------|--------|---------|--|--------|--|
| | | | | | DEBIT | | CREDIT | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

ACCOUNT Supplies Expense—Office

ACCOUNT NO. 6155

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | | | |
|------|------|---------------|-------|--------|---------|--|--------|--|
| | | | | | DEBIT | | CREDIT | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

ACCOUNT Supplies Expense—Store

ACCOUNT NO. 6160

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | | | |
|------|------|---------------|-------|--------|---------|--|--------|--|
| | | | | | DEBIT | | CREDIT | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

ACCOUNT Uncollectible Accounts Expense

ACCOUNT NO. 6165

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | | | |
|------|------|---------------|-------|--------|---------|--|--------|--|
| | | | | | DEBIT | | CREDIT | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

ACCOUNT Federal Income Tax Expense

ACCOUNT NO. 6205

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | | | |
|---------------|---------|---------------|-------|--------|---------|------|--------|--|
| | | | | | DEBIT | | CREDIT | |
| 20- Dec. 1 | Balance | ✓ | | | 32 | 0000 | 00 | |
| | | | | | | | | |
| | | | | | | | | |

ACCOUNT Interest Income

ACCOUNT NO. 7110

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | | | |
|---------------|---------|---------------|-------|--------|---------|--|--------|----|
| | | | | | DEBIT | | CREDIT | |
| 20- Dec. 1 | Balance | ✓ | | | | | 464 | 00 |
| | | | | | | | | |
| | | | | | | | | |

15-4 WORK TOGETHER (continued)

3.

Total of income statement credit accounts \$ _____
 Less total of income statement debit accounts
 excluding federal income tax..... _____
Equals net income before federal income tax..... \$ _____

| Net Income before Federal Income Tax | – | Of the Amount Over | = | Net Income Subject to Marginal Tax Rate | × | Marginal Tax Rate | = | Marginal Income Tax |
|--|---|-----------------------|---|---|---|----------------------|---|------------------------|
| \$ | – | \$ | = | \$ | × | | = | \$ |

| Bracket Minimum Income Tax | + | Marginal Income Tax | = | Federal Income Tax |
|-------------------------------|---|------------------------|---|-----------------------|
| \$ | + | \$ | = | \$ |

15-4 WORK TOGETHER (continued)**2., 5., 6.**

| ACCOUNT TITLE | DEBIT | | | | | CREDIT | | | | |
|---|-------|---|---|---|----|--------|---|---|---|----|
| Cash | 24 | 1 | 9 | 4 | 34 | | | | | |
| Petty Cash | | 2 | 5 | 0 | 00 | | | | | |
| Accounts Receivable | 38 | 5 | 1 | 8 | 56 | | | | | |
| Allowance for Uncollectible Accounts | | | | | | | | | | |
| Merchandise Inventory | | | | | | | | | | |
| Supplies—Office | | | | | | | | | | |
| Supplies—Store | | | | | | | | | | |
| Prepaid Insurance | | | | | | | | | | |
| Notes Receivable | 8 | 0 | 0 | 0 | 00 | | | | | |
| Interest Receivable | | | | | | | | | | |
| Office Equipment | 6 | 9 | 4 | 8 | 88 | | | | | |
| Accumulated Depreciation—Office Equipment | | | | | | | | | | |
| Store Equipment | 22 | 4 | 6 | 1 | 95 | | | | | |
| Accumulated Depreciation—Store Equipment | | | | | | | | | | |
| Accounts Payable | | | | | | 4 | 4 | 6 | 2 | 21 |
| Sales Tax Payable | | | | | | | 4 | 9 | 5 | 90 |
| Employee Income Tax Payable—Federal | | | | | | | 5 | 9 | 4 | 00 |
| Social Security Tax Payable | | | | | | 1 | 2 | 6 | 6 | 80 |
| Medicare Tax Payable | | | | | | | 2 | 9 | 6 | 27 |
| Health Insurance Premiums Payable | | | | | | | 2 | 8 | 8 | 04 |
| Retirement Benefits Payable | | | | | | | 2 | 9 | 1 | 17 |
| Unemployment Tax Payable—Federal | | | | | | | 1 | 8 | 5 | 99 |
| Unemployment Tax Payable—State | | | | | | | | 9 | 2 | 31 |
| Federal Income Tax Payable | | | | | | | | | | |
| Dividends Payable | | | | | | 3 | 0 | 0 | 0 | 00 |
| Capital Stock | | | | | | 30 | 0 | 0 | 0 | 00 |
| Retained Earnings | | | | | | 37 | 1 | 2 | 9 | 26 |
| Dividends | 12 | 0 | 0 | 0 | 00 | | | | | |

(Note: Trial balance is continued on the next page.)

15-4 WORK TOGETHER (concluded)

| ACCOUNT TITLE | DEBIT | | | | | CREDIT | | | | |
|---------------------------------------|-------|-----|---|---|----|--------|----|---|---|----|
| | | | | | | | | | | |
| Income Summary | | | | | | | | | | |
| Sales | | | | | | 532 | 3 | 7 | 1 | 75 |
| Sales Discount | | 2 | 1 | 8 | 10 | | | | | |
| Sales Returns and Allowances | | 1 | 4 | 8 | 48 | | | | | |
| Purchases | 223 | 1 | 7 | 4 | 88 | | | | | |
| Purchases Discount | | | | | | | 9 | 2 | 2 | 14 |
| Purchases Returns and Allowances | | | | | | | 14 | 9 | 5 | 01 |
| Advertising Expense | | 2 | 1 | 8 | 2 | 81 | | | | |
| Credit Card Fee Expense | | | 3 | 9 | 5 | 42 | | | | |
| Depreciation Expense—Office Equipment | | | | | | | | | | |
| Depreciation Expense—Store Equipment | | | | | | | | | | |
| Insurance Expense | | | | | | | | | | |
| Miscellaneous Expense | | 2 | 3 | 8 | 2 | 80 | | | | |
| Payroll Taxes Expense | | 12 | 7 | 9 | 7 | 20 | | | | |
| Rent Expense | | | 5 | 7 | 1 | 4 | 03 | | | |
| Salary Expense | | 115 | 3 | 6 | 4 | 38 | | | | |
| Supplies Expense—Office | | | | | | | | | | |
| Supplies Expense—Store | | | | | | | | | | |
| Uncollectible Accounts Expense | | | | | | | | | | |
| Utilities Expense | | | 3 | 9 | 7 | 3 | 68 | | | |
| Federal Income Tax Expense | | | | | | | | | | |
| Interest Income | | | | | | | | | | |
| | | | | | | | | | | |

1., 4.

ACCOUNT NO. 1135

ACCOUNT Merchandise Inventory

ACCOUNT NO. 1140

ACCOUNT Supplies—Office

ACCOUNT NO. 1145

ACCOUNT Supplies—Store

ACCOUNT NO. 1150

ACCOUNT Prepaid Insurance

ACCOUNT NO. 1160

ACCOUNT Interest Receivable

ACCOUNT NO. 1175

Chapter 15 Preparing Adjusting Entries and a Trial Balance • 439

15-4 ON YOUR OWN (continued)

ACCOUNT Accumulated Depreciation—Office Equipment

ACCOUNT NO. 1210

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|---------------|---------|---------------|-------|--------|---------|------------|
| | | | | | DEBIT | CREDIT |
| 20- Dec. 1 | Balance | ✓ | | | | 6 1 4 9 00 |
| | | | | | | |
| | | | | | | |

ACCOUNT Accumulated Depreciation—Store Equipment

ACCOUNT NO. 1220

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|---------------|---------|---------------|-------|--------|---------|-------------|
| | | | | | DEBIT | CREDIT |
| 20- Dec. 1 | Balance | ✓ | | | | 12 4 9 5 00 |
| | | | | | | |
| | | | | | | |

ACCOUNT Federal Income Tax Payable

ACCOUNT NO. 2170

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|------|------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
| | | | | | | |
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ACCOUNT Income Summary

ACCOUNT NO. 3150

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|------|------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
| | | | | | | |
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ACCOUNT Depreciation Expense—Office Equipment

ACCOUNT NO. 6120

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|------|------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
| | | | | | | |
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ACCOUNT Depreciation Expense—Store Equipment

ACCOUNT NO. 6125

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|------|------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
| | | | | | | |
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15-4 ON YOUR OWN (continued)

ACCOUNT Insurance Expense

ACCOUNT NO. 6130

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|------|------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
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ACCOUNT Supplies Expense—Office

ACCOUNT NO. 6155

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|------|------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
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ACCOUNT Supplies Expense—Store

ACCOUNT NO. 6160

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|------|------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
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ACCOUNT Uncollectible Accounts Expense

ACCOUNT NO. 6165

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|------|------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
| | | | | | | |
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ACCOUNT Federal Income Tax Expense

ACCOUNT NO. 6205

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|-------------|-----------|---------------|-------|--------|------------|--------|
| | | | | | DEBIT | CREDIT |
| 20- Dec. | 1 Balance | ✓ | | | 18 000 000 | |
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ACCOUNT Interest Income

ACCOUNT NO. 7110

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|-------------|-----------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
| 20- Dec. | 1 Balance | ✓ | | | | 25 800 |
| | | | | | | |
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15-4 ON YOUR OWN (continued)

3.

Total of income statement credit accounts \$ _____
 Less total of income statement debit accounts
 excluding federal income tax..... _____
Equals net income before federal income tax..... \$ _____

| Net Income before Federal Income Tax | - | Of the Amount Over | = | Net Income Subject to Marginal Tax Rate | × | Marginal Tax Rate | = | Marginal Income Tax |
|--|---|-----------------------|---|---|---|----------------------|---|------------------------|
| \$ | - | \$ | = | \$ | × | | = | \$ |

| Bracket Minimum Income Tax | + | Marginal Income Tax | = | Federal Income Tax |
|-------------------------------|---|------------------------|---|-----------------------|
| \$ | + | \$ | = | \$ |

15-4 ON YOUR OWN (continued)**2., 5., 6.**

| ACCOUNT TITLE | DEBIT | | | | | CREDIT | | | | |
|---|-------|---|---|---|----|--------|---|---|---|----|
| Cash | 18 | 4 | 3 | 1 | 35 | | | | | |
| Petty Cash | | 2 | 0 | 0 | 00 | | | | | |
| Accounts Receivable | 38 | 1 | 4 | 8 | 21 | | | | | |
| Allowance for Uncollectible Accounts | | | | | | | | | | |
| Merchandise Inventory | | | | | | | | | | |
| Supplies—Office | | | | | | | | | | |
| Supplies—Store | | | | | | | | | | |
| Prepaid Insurance | | | | | | | | | | |
| Notes Receivable | 7 | 5 | 0 | 0 | 00 | | | | | |
| Interest Receivable | | | | | | | | | | |
| Office Equipment | 15 | 4 | 9 | 5 | 28 | | | | | |
| Accumulated Depreciation—Office Equipment | | | | | | | | | | |
| Store Equipment | 28 | 4 | 9 | 1 | 48 | | | | | |
| Accumulated Depreciation—Store Equipment | | | | | | | | | | |
| Accounts Payable | | | | | | 8 | 4 | 9 | 1 | 04 |
| Sales Tax Payable | | | | | | 4 | 9 | 1 | 5 | 22 |
| Employee Income Tax Payable—Federal | | | | | | 7 | 4 | 3 | 0 | 00 |
| Social Security Tax Payable | | | | | | 1 | 5 | 8 | 3 | 34 |
| Medicare Tax Payable | | | | | | 3 | 7 | 0 | 3 | 00 |
| Health Insurance Premiums Payable | | | | | | 3 | 6 | 0 | 0 | 02 |
| Retirement Benefits Payable | | | | | | 3 | 6 | 3 | 9 | 30 |
| Unemployment Tax Payable—Federal | | | | | | 2 | 3 | 2 | 4 | 60 |
| Unemployment Tax Payable—State | | | | | | 1 | 1 | 5 | 3 | 80 |
| Federal Income Tax Payable | | | | | | | | | | |
| Dividends Payable | | | | | | 2 | 5 | 0 | 0 | 00 |
| Capital Stock | | | | | | 5 | 0 | 0 | 0 | 00 |
| Retained Earnings | | | | | | 1 | 0 | 3 | 8 | 07 |
| Dividends | 10 | 0 | 0 | 0 | 00 | | | | | |

(Note: Trial balance is continued on the next page.)

15-4 ON YOUR OWN (concluded)

| ACCOUNT TITLE | DEBIT | | | | | CREDIT | | | | |
|---------------------------------------|-------|---|---|---|----|--------|---|---|----|----|
| Income Summary | | | | | | | | | | |
| Sales | | | | | | 768 | 1 | 9 | 4 | 26 |
| Sales Discount | 2 | 4 | 8 | 7 | 16 | | | | | |
| Sales Returns and Allowances | 3 | 1 | 4 | 9 | 25 | | | | | |
| Purchases | 395 | 4 | 1 | 9 | 20 | | | | | |
| Purchases Discount | | | | | | 29 | 4 | 7 | 24 | |
| Purchases Returns and Allowances | | | | | | 34 | 9 | 8 | 11 | |
| Advertising Expense | 24 | 2 | 0 | 0 | 00 | | | | | |
| Credit Card Fee Expense | 12 | 4 | 4 | 1 | 80 | | | | | |
| Depreciation Expense—Office Equipment | | | | | | | | | | |
| Depreciation Expense—Store Equipment | | | | | | | | | | |
| Insurance Expense | | | | | | | | | | |
| Miscellaneous Expense | 6 | 8 | 4 | 7 | 14 | | | | | |
| Payroll Taxes Expense | 12 | 9 | 7 | 7 | 15 | | | | | |
| Rent Expense | 34 | 8 | 0 | 0 | 00 | | | | | |
| Salary Expense | 144 | 1 | 9 | 1 | 15 | | | | | |
| Supplies Expense—Office | | | | | | | | | | |
| Supplies Expense—Store | | | | | | | | | | |
| Uncollectible Accounts Expense | | | | | | | | | | |
| Utilities Expense | 6 | 1 | 4 | 8 | 25 | | | | | |
| Federal Income Tax Expense | | | | | | | | | | |
| Interest Income | | | | | | | | | | |
| | | | | | | | | | | |

15-4 APPLICATION PROBLEM, p. 466**GENERAL LEDGER****1., 4.**

ACCOUNT Allowance for Uncollectible Accounts

ACCOUNT NO. 1135

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|---------|-----------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
| 20-Dec. | 1 Balance | ✓ | | | | 33220 |
| | | | | | | |
| | | | | | | |

ACCOUNT Merchandise Inventory

ACCOUNT NO. 1140

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|---------|-----------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
| 20-Dec. | 1 Balance | ✓ | | | 8511410 | |
| | | | | | | |
| | | | | | | |

ACCOUNT Supplies—Office

ACCOUNT NO. 1145

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|---------|-----------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
| 20-Dec. | 1 Balance | ✓ | | | 341911 | |
| | | | | | | |
| | | | | | | |

ACCOUNT Supplies—Store

ACCOUNT NO. 1150

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|---------|-----------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
| 20-Dec. | 1 Balance | ✓ | | | 411625 | |
| | | | | | | |
| | | | | | | |

ACCOUNT Prepaid Insurance

ACCOUNT NO. 1160

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|---------|-----------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
| 20-Dec. | 1 Balance | ✓ | | | 1420000 | |
| | | | | | | |
| | | | | | | |

ACCOUNT Interest Receivable

ACCOUNT NO. 1175

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|------|------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
| | | | | | | |
| | | | | | | |
| | | | | | | |

15-4 APPLICATION PROBLEM (continued)

ACCOUNT Accumulated Depreciation—Office Equipment

ACCOUNT NO. 1210

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|---------------|---------|---------------|-------|--------|---------|------------|
| | | | | | DEBIT | CREDIT |
| 20- Dec. 1 | Balance | ✓ | | | | 5 1 9 5 00 |
| | | | | | | |
| | | | | | | |
| | | | | | | |

ACCOUNT Accumulated Depreciation—Store Equipment

ACCOUNT NO. 1220

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|---------------|---------|---------------|-------|--------|---------|-------------|
| | | | | | DEBIT | CREDIT |
| 20- Dec. 1 | Balance | ✓ | | | | 18 4 4 1 48 |
| | | | | | | |
| | | | | | | |
| | | | | | | |

ACCOUNT Federal Income Tax Payable

ACCOUNT NO. 2170

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|------|------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
| | | | | | | |
| | | | | | | |
| | | | | | | |

ACCOUNT Income Summary

ACCOUNT NO. 3150

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|------|------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
| | | | | | | |
| | | | | | | |
| | | | | | | |

ACCOUNT Depreciation Expense—Office Equipment

ACCOUNT NO. 6120

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|------|------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
| | | | | | | |
| | | | | | | |
| | | | | | | |

ACCOUNT Depreciation Expense—Store Equipment

ACCOUNT NO. 6125

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | |
|------|------|---------------|-------|--------|---------|--------|
| | | | | | DEBIT | CREDIT |
| | | | | | | |
| | | | | | | |
| | | | | | | |

15-4 APPLICATION PROBLEM (continued)

ACCOUNT Insurance Expense

ACCOUNT NO. 6130

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | | | |
|------|------|---------------|-------|--------|---------|--|--------|--|
| | | | | | DEBIT | | CREDIT | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

ACCOUNT Supplies Expense—Office

ACCOUNT NO. 6155

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | | | |
|------|------|---------------|-------|--------|---------|--|--------|--|
| | | | | | DEBIT | | CREDIT | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

ACCOUNT Supplies Expense—Store

ACCOUNT NO. 6160

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | | | |
|------|------|---------------|-------|--------|---------|--|--------|--|
| | | | | | DEBIT | | CREDIT | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

ACCOUNT Uncollectible Accounts Expense

ACCOUNT NO. 6165

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | | | |
|------|------|---------------|-------|--------|---------|--|--------|--|
| | | | | | DEBIT | | CREDIT | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

ACCOUNT Federal Income Tax Expense

ACCOUNT NO. 6205

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | | | |
|-------------|-----------|---------------|-------|--------|---------|--------|--------|--|
| | | | | | DEBIT | | CREDIT | |
| 20- Dec. | 1 Balance | ✓ | | | 10 | 000000 | | |
| | | | | | | | | |
| | | | | | | | | |

ACCOUNT Interest Income

ACCOUNT NO. 7110

| DATE | ITEM | POST. REF. | DEBIT | CREDIT | BALANCE | | | |
|-------------|-----------|---------------|-------|--------|---------|--|--------|--|
| | | | | | DEBIT | | CREDIT | |
| 20- Dec. | 1 Balance | ✓ | | | | | 35600 | |
| | | | | | | | | |
| | | | | | | | | |

15-4 APPLICATION PROBLEM (continued)

3.

Total of income statement credit accounts \$ _____
 Less total of income statement debit accounts
 excluding federal income tax..... _____
Equals net income before federal income tax..... \$ _____

| Net Income before Federal Income Tax | – | Of the Amount Over | = | Net Income Subject to Marginal Tax Rate | × | Marginal Tax Rate | = | Marginal Income Tax |
|--|---|-----------------------|---|---|---|----------------------|---|------------------------|
| \$ | – | \$ | = | \$ | × | | = | \$ |

| Bracket Minimum Income Tax | + | Marginal Income Tax | = | Federal Income Tax |
|-------------------------------|---|------------------------|---|-----------------------|
| \$ | + | \$ | = | \$ |

15-4 APPLICATION PROBLEM (continued)**2., 5., 6.**

| ACCOUNT TITLE | DEBIT | | | | | CREDIT | | | | |
|---|-------|---|---|---|----|--------|---|---|---|----|
| Cash | 16 | 4 | 4 | 8 | 28 | | | | | |
| Petty Cash | | 3 | 0 | 0 | 00 | | | | | |
| Accounts Receivable | 28 | 4 | 1 | 9 | 36 | | | | | |
| Allowance for Uncollectible Accounts | | | | | | | | | | |
| Merchandise Inventory | | | | | | | | | | |
| Supplies—Office | | | | | | | | | | |
| Supplies—Store | | | | | | | | | | |
| Prepaid Insurance | | | | | | | | | | |
| Notes Receivable | 4 | 2 | 0 | 0 | 00 | | | | | |
| Interest Receivable | | | | | | | | | | |
| Office Equipment | 16 | 4 | 4 | 7 | 21 | | | | | |
| Accumulated Depreciation—Office Equipment | | | | | | | | | | |
| Store Equipment | 42 | 1 | 1 | 5 | 00 | | | | | |
| Accumulated Depreciation—Store Equipment | | | | | | | | | | |
| Accounts Payable | | | | | | 7 | 5 | 1 | 0 | 94 |
| Sales Tax Payable | | | | | | 2 | 4 | 4 | 8 | 11 |
| Employee Income Tax Payable—Federal | | | | | | | 5 | 9 | 0 | 00 |
| Social Security Tax Payable | | | | | | 1 | 1 | 9 | 1 | 20 |
| Medicare Tax Payable | | | | | | | 2 | 7 | 8 | 59 |
| Health Insurance Premiums Payable | | | | | | | 2 | 7 | 0 | 85 |
| Retirement Benefits Payable | | | | | | | 2 | 7 | 3 | 80 |
| Unemployment Tax Payable—Federal | | | | | | | 1 | 7 | 4 | 89 |
| Unemployment Tax Payable—State | | | | | | | | 8 | 6 | 80 |
| Federal Income Tax Payable | | | | | | | | | | |
| Dividends Payable | | | | | | 1 | 0 | 0 | 0 | 00 |
| Capital Stock | | | | | | 20 | 0 | 0 | 0 | 00 |
| Retained Earnings | | | | | | 72 | 6 | 4 | 9 | 37 |
| Dividends | 4 | 0 | 0 | 0 | 00 | | | | | |

(Note: Trial balance is continued on the next page.)

15-4 APPLICATION PROBLEM (concluded)

| ACCOUNT TITLE | DEBIT | | | | CREDIT | | | |
|---------------------------------------|-------|----|-----|--|--------|----|-----|--|
| Income Summary | | | | | | | | |
| Sales | | | | | 574 | 80 | 140 | |
| Sales Discount | 3 | 14 | 084 | | | | | |
| Sales Returns and Allowances | 2 | 47 | 920 | | | | | |
| Purchases | 294 | 41 | 826 | | | | | |
| Purchases Discount | | | | | 18 | 47 | 16 | |
| Purchases Returns and Allowances | | | | | 28 | 46 | 51 | |
| Advertising Expense | 18 | 20 | 000 | | | | | |
| Credit Card Fee Expense | 8 | 44 | 563 | | | | | |
| Depreciation Expense—Office Equipment | | | | | | | | |
| Depreciation Expense—Store Equipment | | | | | | | | |
| Insurance Expense | | | | | | | | |
| Miscellaneous Expense | 8 | 11 | 410 | | | | | |
| Payroll Taxes Expense | 12 | 91 | 825 | | | | | |
| Rent Expense | 18 | 20 | 000 | | | | | |
| Salary Expense | 108 | 47 | 950 | | | | | |
| Supplies Expense—Office | | | | | | | | |
| Supplies Expense—Store | | | | | | | | |
| Uncollectible Accounts Expense | | | | | | | | |
| Utilities Expense | 7 | 11 | 921 | | | | | |
| Federal Income Tax Expense | | | | | | | | |
| Interest Income | | | | | | | | |
| | | | | | | | | |