

16-1 WORK TOGETHER, p. 481

Preparing an income statement for a merchandising business

Superior Corporation

Adjusted Trial Balance

December 31, 20--

ACCOUNT TITLE	DEBIT				CREDIT					
Cash	43	3	5	5	47					
Petty Cash		2	0	0	00					
Accounts Receivable	16	3	0	5	45					
Allowance for Uncollectible Accounts						2	4	8	4	22
Merchandise Inventory	81	0	1	7	26					
Supplies—Office		7	7	7	65					
Supplies—Store		5	1	6	36					
Prepaid Insurance	2	8	0	0	00					
Notes Receivable	4	9	6	0	00					
Interest Receivable			9	5	00					
Office Equipment	19	9	1	6	14					
Accumulated Depreciation—Office Equipment						12	4	3	6	20
Store Equipment	47	3	1	8	49					
Accumulated Depreciation—Store Equipment						16	6	2	6	00
Accounts Payable						13	1	9	1	28
Sales Tax Payable						2	8	5	9	71
Employee Income Tax Payable						7	6	0	0	00
Social Security Tax Payable						1	6	1	8	45
Medicare Tax Payable						3	7	8	5	1
Health Insurance Premiums Payable						3	6	8	0	00
Retirement Benefits Payable						3	7	2	0	00
Unemployment Tax Payable—Federal						2	3	7	6	2
Unemployment Tax Payable—State						1	1	7	9	4
Federal Income Tax Payable						3	8	7	9	69
Dividends Payable						3	0	0	0	00
Capital Stock						82	5	0	0	00
Retained Earnings						15	2	8	3	40
Dividends	12	0	0	0	00					

(Note: Adjusted trial balance is continued on next page.)

16-1 WORK TOGETHER (continued)

Superior Corporation
Adjusted Trial Balance
December 31, 20--

ACCOUNT TITLE	DEBIT	CREDIT
Income Summary	577189	
Sales		50589740
Sales Discount	131855	
Sales Returns and Allowances	315326	
Purchases	20388101	
Purchases Discount		73771
Purchases Returns and Allowances		119601
Advertising Expense	374400	
Credit Card Fee Expense	547376	
Depreciation Expense—Office Equipment	748500	
Depreciation Expense—Store Equipment	983000	
Insurance Expense	600000	
Miscellaneous Expense	279603	
Payroll Taxes Expense	1437591	
Rent Expense	672000	
Salary Expense	13197876	
Supplies Expense—Office	286089	
Supplies Expense—Store	352333	
Uncollectible Accounts Expense	238410	
Utilities Expense	397234	
Federal Income Tax Expense	1987969	
Interest Income		46620
Totals	66441034	66441034

16-1 ON YOUR OWN, p. 481
Preparing an income statement for a merchandising business

Eastern Imports
Adjusted Trial Balance
December 31, 20--

ACCOUNT TITLE	DEBIT				CREDIT			
Cash	19	0	1	92				
Petty Cash			1	80				
Accounts Receivable	34	6	7	491				
Allowance for Uncollectible Accounts					2	6	5	000
Merchandise Inventory	122	4	6	180				
Supplies—Office			7	80				
Supplies—Store			1	323				
Prepaid Insurance			2	600				
Notes Receivable	4	4	6	400				
Interest Receivable				82				
Office Equipment	17	9	2	453				
Accumulated Depreciation—Office Equipment					1	1	9	4108
Store Equipment	42	5	8	664				
Accumulated Depreciation—Store Equipment					1	5	9	4640
Accounts Payable					1	4	8	7215
Sales Tax Payable					2	5	7	374
Employee Income Tax Payable							6	8400
Social Security Tax Payable					1	4	5	661
Medicare Tax Payable							3	4066
Health Insurance Premiums Payable							3	3120
Retirement Benefits Payable							3	3480
Unemployment Tax Payable—Federal							2	1386
Unemployment Tax Payable—State							1	0615
Federal Income Tax Payable							1	61790
Dividends Payable							2	70000
Capital Stock					1	3	6	00000
Retained Earnings					2	9	4	7456
Dividends	2	4	0	0000				

(Note: Adjusted trial balance is continued on next page.)

16-1 ON YOUR OWN (continued)

Eastern Imports
Adjusted Trial Balance
December 31, 20--

ACCOUNT TITLE	DEBIT				CREDIT			
Income Summary	5	6	4	8	4	4		
Sales					4	3	2	6
Sales Discount	1	1	8	6				
Sales Returns and Allowances	2	8	3	7				
Purchases	1	9	3	4				
Purchases Discount					6	6	3	9
Purchases Returns and Allowances					1	0	7	6
Advertising Expense	3	3	6	9				
Credit Card Fee Expense	4	9	2	6				
Depreciation Expense—Office Equipment	8	4	8	5				
Depreciation Expense—Store Equipment	8	8	3	0				
Insurance Expense	5	1	2	0				
Miscellaneous Expense	2	5	1	6				
Payroll Taxes Expense	1	2	9	3				
Rent Expense	6	0	4	8				
Salary Expense	1	0	9	4				
Supplies Expense—Office	2	4	9	4				
Supplies Expense—Store	2	5	1	2				
Uncollectible Accounts Expense	2	6	5	0				
Utilities Expense	3	5	7	5				
Federal Income Tax Expense	9	6	1	7				
Interest Income					4	1	6	0
Totals	6	5	5	8	6	5	5	8
	3	2	1	8	8	3	2	1

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Preparing an income statement for a merchandising business

Top-Light Corporation

Adjusted Trial Balance

December 31, 20--

ACCOUNT TITLE	DEBIT				CREDIT			
Cash	14	02	48	81				
Petty Cash		3	00	00				
Accounts Receivable	16	95	76	67				
Allowance for Uncollectible Accounts					2	10	70	00
Merchandise Inventory	88	14	25	4				
Supplies—Office		3	90	00				
Supplies—Store		7	50	00				
Prepaid Insurance	2	00	00	00				
Notes Receivable	6	11	00	00				
Interest Receivable		4	88					
Office Equipment	23	81	40	00				
Accumulated Depreciation—Office Equipment					18	60	92	5
Store Equipment	51	94	86	5				
Accumulated Depreciation—Store Equipment					23	50	78	4
Accounts Payable					13	71	89	3
Sales Tax Payable					2	57	41	0
Employee Income Tax Payable						7	90	00
Social Security Tax Payable						1	68	31
Medicare Tax Payable						3	93	65
Health Insurance Premiums Payable						3	80	00
Retirement Benefits Payable						4	20	00
Unemployment Tax Payable—Federal						2	47	13
Unemployment Tax Payable—State						1	22	66
Federal Income Tax Payable						9	07	37
Dividends Payable						4	60	00
Capital Stock					57	50	00	00
Retained Earnings					50	40	33	1

Note: Adjusted trial balance is continued on next page.)

16-1 APPLICATION PROBLEM (continued)

Top-Light Corporation

Adjusted Trial Balance

December 31, 20--

ACCOUNT TITLE	DEBIT				CREDIT			
Dividends	17	20	00	00				
Income Summary	21	18	18					
Sales					557	90	00	50
Sales Discount	13	71	30					
Sales Returns and Allowances	32	79	39					
Purchases	260	03	62	5				
Purchases Discount					22	18	16	
Purchases Returns and Allowances					31	19	45	
Advertising Expense	18	41	13	2				
Credit Card Fee Expense	5	69	27	1				
Depreciation Expense—Office Equipment	5	46	00	00				
Depreciation Expense—Store Equipment	8	44	00	00				
Insurance Expense	12	00	00	00				
Miscellaneous Expense	4	15	93	1				
Payroll Taxes Expense	14	01	96	4				
Rent Expense	8	40	00	00				
Salary Expense	155	77	38	0				
Supplies Expense—Office	2	48	17	2				
Supplies Expense—Store	3	64	58	1				
Uncollectible Accounts Expense	1	49	41	2				
Utilities Expense	4	99	51	4				
Federal Income Tax Expense	7	90	73	7				
Interest Income							1	70
Totals	741	37	261	741	37	261		

