

**22-1 WORK TOGETHER, p. 684**

**Recording adjusting entries and preparing an adjusted trial balance**

Travel Lite Corporation  
Unadjusted Trial Balance  
December 31, 20--

ACCOUNT TITLE	DEBIT				CREDIT			
Cash	45	02	61	2				
Petty Cash		1	50	00				
Accounts Receivable	35	04	70	5				
Allowance for Uncollectible Accounts						2	23	2
Notes Receivable	5	47	60	00				
Interest Receivable								
Merchandise Inventory	32	15	81	5				
Supplies	1	27	60	4				
Prepaid Insurance	4	53	58	0				
Equipment	25	06	96	0				
Accumulated Depreciation—Equipment						6	54	620
Accounts Payable						16	05	809
Sales Tax Payable						3	32	630
Notes Payable						7	20	000
Interest Payable								
Unearned Rent Income						4	00	000
Employee Income Tax Payable						8	26	20
Social Security Tax Payable						7	74	60
Medicare Tax Payable						1	78	76
Medical Insurance Payable						3	51	30
Unemployment Tax Payable—State						1	12	86
Unemployment Tax Payable—Federal							1	672
Federal Income Tax Payable								
Dividends Payable						5	40	000
Bonds Payable						10	00	000
Capital Stock—Common						5	00	000
Paid-in Capital in Excess of Par—Common						20	00	000
Capital Stock—Preferred						5	00	000

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

**22-1 WORK TOGETHER (continued)**

Travel Lite Corporation  
 Unadjusted Trial Balance (Concluded)  
 December 31, 20—

ACCOUNT TITLE	DEBIT			CREDIT		
Paid-in Capital in Excess of Par—Preferred						
Retained Earnings				196,207.77		
Dividends	21,600.00					
Income Summary						
Sales				587,934.15		
Sales Discount	1,010.40					
Sales Returns and Allowances	4,173.60					
Purchases	388,732.40					
Purchases Discount				27,418.80		
Purchases Returns and Allowances				13,580.07		
Advertising Expense	79,735.50					
Cash Short and Over			4.58			
Credit Card Fee Expense	5,033.47					
Depreciation Expense—Equipment						
Insurance Expense						
Miscellaneous Expense	4,341.10					
Payroll Taxes Expense	7,483.00					
Rent Expense	14,457.50					
Repairs Expense	1,742.50					
Salary Expense	79,482.00					
Supplies Expense						
Uncollectible Accounts Expense						
Utilities Expense	4,330.50					
Federal Income Tax Expense	6,650.00					
Interest Income					4,472.24	
Rent Income						
Gain on Plant Assets					5,500.00	
Interest Expense	1,093.07					
Loss on Plant Assets	1,240.00					
<b>Totals</b>	<b>696,970.38</b>			<b>696,970.38</b>		

**22-1** WORK TOGETHER (continued)

1., 3.

GENERAL JOURNAL

DATE		ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT				CREDIT				
1													1
2													2
3													3
4													4
5													5
6													6
7													7
8													8
9													9
10													10
11													11
12													12
13													13
14													14
15													15
16													16
17													17
18													18
19													19
20													20

**22-1 WORK TOGETHER (continued)**

2., 4.

Allowance for Uncollectible Accounts

	Bal.	22.32
	Bal.	3,697.32

Income Summary

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Interest Receivable

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Depreciation Expense—Equipment

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Merchandise Inventory

Bal.	32,158.15	
Bal.	45,058.15	

Insurance Expense

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Supplies

Bal.	1,276.04	
Bal.	126.00	

Supplies Expense

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**22-1 WORK TOGETHER (continued)**

Prepaid Insurance	
Bal.	4,535.80
Bal.	1,535.80

Uncollectible Accounts Expense	

Accumulated Depreciation—Equipment	
Bal.	6,546.20
Bal.	8,796.20

Federal Income Tax Expense	
Bal.	6,650.00
Bal.	14,171.44

Interest Payable	

Interest Income	
Bal.	447.24
Bal.	584.74

Unearned Rent Income	
Bal.	4,000.00
Bal.	3,000.00

Rent Income	

Federal Income Tax Payable	

Interest Expense	
Bal.	1,093.07
Bal.	1,370.65

**22-1 WORK TOGETHER (continued)**

5.

## Adjusted Trial Balance

ACCOUNT TITLE	DEBIT				CREDIT			
Cash	45	02	612					
Petty Cash		15	000					
Accounts Receivable	35	04	705					
Allowance for Uncollectible Accounts								
Notes Receivable	5	47	600					
Interest Receivable								
Merchandise Inventory								
Supplies								
Prepaid Insurance								
Equipment	25	06	960					
Accumulated Depreciation—Equipment								
Accounts Payable					16	05	809	
Sales Tax Payable					3	32	630	
Notes Payable					7	20	000	
Interest Payable								
Unearned Rent Income								
Employee Income Tax Payable						8	26	20
Social Security Tax Payable						7	74	60
Medicare Tax Payable						1	78	76
Medical Insurance Payable						3	51	30
Unemployment Tax Payable—State						1	12	86
Unemployment Tax Payable—Federal							1	672
Federal Income Tax Payable								
Dividends Payable						5	40	000
Bonds Payable						10	00	000
Capital Stock—Common						5	00	000
Paid-in Capital in Excess of Par—Common						20	00	000
Capital Stock—Preferred						5	00	000

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

**22-1 WORK TOGETHER (concluded)**

Adjusted Trial Balance (Concluded)

ACCOUNT TITLE	DEBIT				CREDIT			
Paid-in Capital in Excess of Par—Preferred								
Retained Earnings					19	6	2	077
Dividends	21	6	0	000				
Income Summary								
Sales					587	9	3	415
Sales Discount	1	0	1	040				
Sales Returns and Allowances	4	1	7	360				
Purchases	388	7	3	240				
Purchases Discount					27	4	1	80
Purchases Returns and Allowances					13	5	8	07
Advertising Expense	7	9	7	350				
Cash Short and Over				458				
Credit Card Fee Expense	5	0	3	347				
Depreciation Expense—Equipment								
Insurance Expense								
Miscellaneous Expense	4	3	4	110				
Payroll Taxes Expense	7	4	8	300				
Rent Expense	14	4	5	750				
Repairs Expense	1	7	4	250				
Salary Expense	7	9	4	8200				
Supplies Expense								
Uncollectible Accounts Expense								
Utilities Expense	4	3	3	050				
Federal Income Tax Expense								
Interest Income								
Rent Income								
Gain on Plant Assets							5	500
Interest Expense								
Loss on Plant Assets	1	2	4	00				

**22-1 ON YOUR OWN, p. 684**

**Recording adjusting entries and preparing an adjusted trial balance**

Williams Corporation  
Unadjusted Trial Balance  
December 31, 20--

ACCOUNT TITLE	DEBIT				CREDIT			
Cash	8	4	2	7	0	5		
Petty Cash	1	5	0	0	0	0		
Accounts Receivable	4	1	2	4	1	6		
Allowance for Uncollectible Accounts							1	4
Notes Receivable	4	0	0	0	0	0		
Interest Receivable								
Merchandise Inventory	9	7	9	4	2	1		
Supplies	4	6	0	9	1	2		
Prepaid Insurance	7	9	0	0	0	0		
Equipment	4	9	5	3	6	3		
Accumulated Depreciation—Equipment							1	9
Accounts Payable							9	2
Sales Tax Payable							2	9
Notes Payable							4	5
Interest Payable								
Unearned Rent Income							8	0
Employee Income Tax Payable							1	1
Social Security Tax Payable							1	0
Medicare Tax Payable							2	5
Medical Insurance Payable							3	3
Unemployment Tax Payable—State							1	4
Unemployment Tax Payable—Federal								2
Federal Income Tax Payable								
Dividends Payable							2	5
Bonds Payable							1	5
Capital Stock—Common							1	5
Paid-in Capital in Excess of Par—Common							5	0
Capital Stock—Preferred							1	0

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

**22-1 ON YOUR OWN (continued)**

Williams Corporation  
Unadjusted Trial Balance (Concluded)  
December 31, 20--

ACCOUNT TITLE	DEBIT			CREDIT		
Paid-in Capital in Excess of Par—Preferred						
Retained Earnings				2007108		
Dividends	1000000					
Income Summary						
Sales				128224165		
Sales Discount	624264					
Sales Returns and Allowances	1144705					
Purchases	81940857					
Purchases Discount				394559		
Purchases Returns and Allowances				307410		
Advertising Expense	1905710					
Cash Short and Over			766			
Credit Card Fee Expense	906105					
Depreciation Expense—Equipment						
Insurance Expense						
Miscellaneous Expense	1474263					
Payroll Taxes Expense	1607412					
Rent Expense	2700000					
Repairs Expense	624396					
Salary Expense	21079250					
Supplies Expense						
Uncollectible Accounts Expense						
Utilities Expense	1159995					
Federal Income Tax Expense	2800000					
Interest Income					31550	
Rent Income						
Gain on Plant Assets					122900	
Interest Expense		89000				
Loss on Plant Assets	100950					
<b>Totals</b>	<b>140538302</b>			<b>140538302</b>		

**22-1 ON YOUR OWN (continued)**

1., 3.

GENERAL JOURNAL

DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT				CREDIT				
1												1
2												2
3												3
4												4
5												5
6												6
7												7
8												8
9												9
10												10
11												11
12												12
13												13
14												14
15												15
16												16
17												17
18												18
19												19
20												20

**22-1 ON YOUR OWN (continued)**

2., 4.

Allowance for Uncollectible Accounts

	Bal.	140.00
	Bal.	3,796.00

Income Summary

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Interest Receivable

--	--

Depreciation Expense—Equipment

--	--

Merchandise Inventory

Bal.	97,942.13
Bal.	98,996.13

Insurance Expense

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Supplies

Bal.	4,609.12
Bal.	401.25

Supplies Expense

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**22-1 ON YOUR OWN (continued)**

Prepaid Insurance	
Bal.	7,900.00
Bal.	600.00

Uncollectible Accounts Expense	

Accumulated Depreciation—Equipment	
Bal.	19,183.25
Bal.	26,528.25

Federal Income Tax Expense	
Bal.	28,000.00
Bal.	29,154.65

Interest Payable	

Interest Income	
Bal.	315.50
Bal.	395.50

Unearned Rent Income	
Bal.	8,000.00
Bal.	6,000.00

Rent Income	

Federal Income Tax Payable	

Interest Expense	
Bal.	890.00
Bal.	1,040.00

**22-1 ON YOUR OWN (continued)**

5.

Adjusted Trial Balance

ACCOUNT TITLE	DEBIT				CREDIT			
Cash	84	27	05					
Petty Cash	1	50	00					
Accounts Receivable	41	24	161					
Allowance for Uncollectible Accounts								
Notes Receivable	4	00	00					
Interest Receivable								
Merchandise Inventory								
Supplies								
Prepaid Insurance								
Equipment	49	53	638					
Accumulated Depreciation—Equipment								
Accounts Payable					9	24	465	
Sales Tax Payable					2	98	800	
Notes Payable					4	50	000	
Interest Payable								
Unearned Rent Income								
Employee Income Tax Payable					1	12	800	
Social Security Tax Payable					1	06	067	
Medicare Tax Payable					2	56	33	
Medical Insurance Payable					3	36	00	
Unemployment Tax Payable—State					1	46	40	
Unemployment Tax Payable—Federal					2	28	00	
Federal Income Tax Payable								
Dividends Payable					2	50	000	
Bonds Payable					1	50	000	
Capital Stock—Common					1	50	000	
Paid-in Capital in Excess of Par—Common					5	00	000	
Capital Stock—Preferred					1	00	000	

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

**22-1 ON YOUR OWN (concluded)**

## Adjusted Trial Balance (Concluded)

ACCOUNT TITLE	DEBIT				CREDIT			
Paid-in Capital in Excess of Par—Preferred								
Retained Earnings					20	07	10	8
Dividends	10	00	00	00				
Income Summary								
Sales					128	22	41	65
Sales Discount	6	2	4	2				
Sales Returns and Allowances	11	4	4	7				
Purchases	819	4	0	8				
Purchases Discount					3	9	4	5
Purchases Returns and Allowances					3	0	7	4
Advertising Expense	19	0	5	7				
Cash Short and Over				7				
Credit Card Fee Expense	9	0	6	1				
Depreciation Expense—Equipment								
Insurance Expense								
Miscellaneous Expense	14	7	4	2				
Payroll Taxes Expense	16	0	7	4				
Rent Expense	27	0	0	0				
Repairs Expense	6	2	4	3				
Salary Expense	210	7	9	2				
Supplies Expense								
Uncollectible Accounts Expense								
Utilities Expense	11	5	9	9				
Federal Income Tax Expense								
Interest Income								
Rent Income								
Gain on Plant Assets					12	2	9	0
Interest Expense								
Loss on Plant Assets	1	0	0	9				

**22-1 APPLICATION PROBLEM (LO1), p. 710**

**Recording adjusting entries and preparing an adjusted trial balance**

Handy Hardware Corporation

Unadjusted Trial Balance

December 31, 20--

ACCOUNT TITLE	DEBIT				CREDIT				
Cash	37	6	9	7	16				
Petty Cash		2	0	0	00				
Accounts Receivable	114	3	7	5	60				
Allowance for Uncollectible Accounts						1	3	2	96
Notes Receivable	11	6	9	7	60				
Interest Receivable									
Merchandise Inventory	157	7	1	6	00				
Supplies		9	7	5	40				
Prepaid Insurance	17	8	9	6	00				
Equipment	88	3	7	1	20				
Accumulated Depreciation—Equipment						26	7	1	800
Accounts Payable						16	7	4	560
Sales Tax Payable							5	6	9400
Notes Payable						60	0	0	000
Interest Payable									
Unearned Rent Income						12	0	0	000
Employee Income Tax Payable							2	9	7260
Social Security Tax Payable							2	4	1962
Medicare Tax Payable								5	5838
Medical Insurance Payable								6	9760
Unemployment Tax Payable—State								3	9000
Unemployment Tax Payable—Federal									5850
Federal Income Tax Payable									
Dividends Payable						10	0	0	000
Bonds Payable						18	0	0	000
Capital Stock—Common						20	0	0	000
Paid-in Capital in Excess of Par—Common						50	0	0	000
Capital Stock—Preferred						30	0	0	000

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

**22-1 APPLICATION PROBLEM (continued)**

Handy Hardware Corporation  
 Unadjusted Trial Balance (Concluded)  
 December 31, 20--

ACCOUNT TITLE	DEBIT				CREDIT			
Paid-in Capital in Excess of Par—Preferred								
Retained Earnings					61	64	63	66
Dividends	40	00	00	00				
Income Summary								
Sales					1967	67	44	00
Sales Discount	3	78	90	00				
Sales Returns and Allowances	9	16	70	00				
Purchases	1394	63	70	00				
Purchases Discount					84	31	00	00
Purchases Returns and Allowances					36	96	94	00
Advertising Expense	189	67	60	00				
Cash Short and Over		2	04	00				
Credit Card Fee Expense	169	65	80	00				
Depreciation Expense—Equipment								
Insurance Expense								
Miscellaneous Expense	183	69	60	00				
Payroll Taxes Expense	25	69	60	00				
Rent Expense	30	00	00	00				
Repairs Expense	82	09	60	00				
Salary Expense	250	96	64	00				
Supplies Expense								
Uncollectible Accounts Expense								
Utilities Expense	143	17	80	00				
Federal Income Tax Expense	24	00	00	00				
Interest Income					45	40	00	00
Rent Income								
Gain on Plant Assets					143	00	00	00
Interest Expense	63	16	80	00				
Loss on Plant Assets	3	68	00	00				
Totals	2299	71	996	00	2299	71	996	00

**22-1 APPLICATION PROBLEM (continued)**

1., 3.

GENERAL JOURNAL

DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT				CREDIT				
1												1
2												2
3												3
4												4
5												5
6												6
7												7
8												8
9												9
10												10
11												11
12												12
13												13
14												14
15												15
16												16
17												17
18												18
19												19
20												20

**22-1 APPLICATION PROBLEM (continued)**

2., 4.

Allowance for Uncollectible Accounts	
Bal.	132.96
Bal.	13,832.96

Income Summary	

Interest Receivable	

Depreciation Expense—Equipment	

Merchandise Inventory	
Bal.	157,716.00
Bal.	162,569.00

Insurance Expense	

Supplies	
Bal.	9,975.40
Bal.	3,695.00

Supplies Expense	

**22-1 APPLICATION PROBLEM (continued)**

Prepaid Insurance	
Bal.	17,896.00
Bal.	8,360.00

Uncollectible Accounts Expense	

Accumulated Depreciation—Equipment	
Bal.	26,718.00
Bal.	39,752.00

Federal Income Tax Expense	
Bal.	24,000.00
Bal.	41,838.90

Interest Payable	

Interest Income	
Bal.	454.00
Bal.	1,084.00

Unearned Rent Income	
Bal.	12,000.00
Bal.	8,000.00

Rent Income	

Federal Income Tax Payable	

Interest Expense	
Bal.	6,316.80
Bal.	6,916.80

**22-1 APPLICATION PROBLEM (continued)**

5.

## Adjusted Trial Balance

ACCOUNT TITLE	DEBIT				CREDIT				
Cash	37	6	9	7	16				
Petty Cash		2	0	0	00				
Accounts Receivable	114	3	7	5	60				
Allowance for Uncollectible Accounts									
Notes Receivable	11	6	9	7	60				
Interest Receivable									
Merchandise Inventory									
Supplies									
Prepaid Insurance									
Equipment	88	3	7	1	20				
Accumulated Depreciation—Equipment									
Accounts Payable						167	4	5	60
Sales Tax Payable						5	6	9	4
Notes Payable						60	0	0	0
Interest Payable									
Unearned Rent Income									
Employee Income Tax Payable						29	7	2	60
Social Security Tax Payable						24	1	9	62
Medicare Tax Payable						5	5	8	38
Medical Insurance Payable						6	9	7	60
Unemployment Tax Payable—State						3	9	0	00
Unemployment Tax Payable—Federal							5	8	50
Federal Income Tax Payable									
Dividends Payable						10	0	0	0
Bonds Payable						18	0	0	0
Capital Stock—Common						20	0	0	0
Paid-in Capital in Excess of Par—Common						50	0	0	0
Capital Stock—Preferred						30	0	0	0

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

**22-1 APPLICATION PROBLEM (concluded)**

Adjusted Trial Balance (Concluded)

ACCOUNT TITLE	DEBIT				CREDIT			
Paid-in Capital in Excess of Par—Preferred								
Retained Earnings					61	6	4	636
Dividends	40	0	0	00				
Income Summary								
Sales					1967	6	7	440
Sales Discount	3	7	8	900				
Sales Returns and Allowances	9	1	6	700				
Purchases	1394	6	3	700				
Purchases Discount					8	4	3	100
Purchases Returns and Allowances					3	6	9	694
Advertising Expense	18	9	6	760				
Cash Short and Over			2	040				
Credit Card Fee Expense	16	9	6	580				
Depreciation Expense—Equipment								
Insurance Expense								
Miscellaneous Expense	18	3	6	960				
Payroll Taxes Expense	25	6	9	600				
Rent Expense	30	0	0	000				
Repairs Expense	8	2	0	960				
Salary Expense	250	9	6	640				
Supplies Expense								
Uncollectible Accounts Expense								
Utilities Expense	14	3	1	780				
Federal Income Tax Expense								
Interest Income								
Rent Income								
Gain on Plant Assets					14	3	0	00
Interest Expense								
Loss on Plant Assets	3	6	8	00				

