

### [Accounts Receivable & Bad Debts](#)

#### An example of a question we may be able to assist you with....

The following data is for Jazz World, a company that started operation on January 1, 1995.

<http://www.accountingbase.com/>

<u>Events / Transactions</u>	<u>1995</u>	<u>1996</u>
Total Sales (all on credit)	\$1,755,000	\$2,665,000
Amount of cash collected	\$1,430,000	\$2,535,000
Amount of debt written off	\$5,850	\$13,650
Amounts Jazz World expects to be uncollectible	\$15,600	\$27,300

<http://www.accountingbase.com/>

#### Required:

1. Journalize and post (using T-Accounts) the above transactions.
2. Show clearly the net accounts receivable at the end of 1995 & 1996.

### [Accounts Receivable & Bad Debts](#)

The following data is for R. Ann Bee, a company that started operation on January 1, 1995.

<u>Events / Transactions</u>	<u>1996</u>
Total Sales	\$3,900,000
Accounts Receivable	\$1,300,000
Allowance for Bad Debts (debit balance)	\$6,825
Amount R. Ann Bee expects to be uncollectible	\$55,250

<http://www.accountingbase.com/>

#### Additional info:

- a. The company prepares its accounts on the basis that payment for 2.5% of total sales will not be collected.
- b. Of the Total Accounts Receivable, \$35,000 was converted into a promissory note. No payment was made on the Note in 1996.

#### Required:

1. Prepare all necessary journal entries from the info provided, including for the Promissory Note.

<http://www.accountingbase.com/>

[Click here to request our response to the above questions - Request response to "A/R1".](#)