

Journal Entries (Adjusting entries), T-Accounts, Income Statement, Balance Sheet

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

The following is the unadjusted Trial Balance for Testing Tester Corp. at December 31, 2003:

	<u>Dr.</u>	<u>Cr.</u>
Cash & Cash Equivalents	\$6,800	
Accounts Receivable	\$10,500	
Inventory	\$9,500	
Prepaid Web hosting fee	\$3,900	
Property, Plant & Equipment (Net of depreciation)	\$20,000	
Accounts Payable		\$15,900
Dividends Payable		\$400
Common Stock		\$12,500
Retained Earnings (01/01/03)		\$9,700
Revenue		\$64,500
Cost of goods sold	\$36,000	
Wages	\$9,750	
Other Expenses	\$2,550	
Income Taxes	\$2,400	
Dividends declared	\$1,600	
	\$103,000	\$103,000

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[Additional information available at December 31, 2003](#)

1. \$150 in Wages is owing for services provided during 2003
2. Property, Plant & Equipment was purchased for \$25,000 2 years ago. The asset is being depreciated on a straight line basis for 10 years. \$5,000 of depreciation was reported in prior years. Depreciation for 2003 is \$2,500.
3. Prepaid web hosting fee was \$300 at 12/31/03
4. The company had total tax liability of \$2,700 for the year, of this amount, \$2,400 was paid during the year.

Requirement:

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1. Prepare the necessary adjusting entries (Journal entries) and post to T-Accounts. You may use an Income A/C for all revenue and expenses.
2. Prepare a single-step Income Statement for year ending December 31, 2003.
3. Prepare a classified balance sheet as at December 31, 2003

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