

SECTION 7 - Question 2 **MERCHANT'S WORKSHEET**

Name : _____ (Adjusting Entries & Inventory) Class : _____

QUESTION
(\$ in thousands)

Complete the month end worksheet as at March 31, with the following data:

A) UNRECORDED invoices RECEIVED for advertising is \$16
 B) UNRECORDED invoices SENT to customers amount to \$120
 C) The BALANCE in PREPAID INSURANCE is for March, April & May
 D) DEPRECIATION on the equipment is \$3
 E) UNEARNED REVENUE EARNED during the month is \$8
 F) Administration WAGES OWED to employees amounts to \$15
 G) The ON HAND amount of SUPPLIES at month end is \$2



Students, click on star to go to the Adjusting Entries solution Map

The closing inventory is \$135

Accounts	Unadjusted Trial Balance		Adjusting Entries		Adjusted Trial Balance		Income Statement	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Cash	4		NO	NO				
Accounts Receivable	120		↑					
Supplies	15			↓				
Prepaid Insurance	24			↓				
Inventory	120					135		
Investments - Shares	35							
Buildings	250							
Accumulated Depreciation		50		↑				
Trademark	10							
Accounts Payable		49		↑				
Wages Payable		0		↑				
Unearned Revenue		11	↓					
Owner - Capital		422						
Owner Withdrawals	20							
Sales		458		↑				
				↑				
Sales Returns & Allowances	11							
Sales Discounts	30							
Purchases	176							
Purchase Returns & Allowances		15						
Purchase Discounts		30						
Transportation In	35							
Advertising Expense	8		↑					
Depreciation Expense - Admin	0		↑					
Insurance Expense - Admin	0		↑					
Repairs Expense - Admin	20							
Supplies Expense - Sales	0		↑					
Travel Expense - Sales	30							
Wage Expense - Admin	27		↑					
Wage Expense - Sales	100							
Totals	1,035	1,035	183	183				
Net Income								
Totals								