|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  | Insurance Exp Dr  Prepaid Insurance Cr  Supplies Exp Dr  Supplies Cr  Depreciation Exp Cottage Dr  Accumulated Depreciation Cottage Cr  Depreciation Exp Furniture Dr  Accumulated Depreciation Furniture  Cr  Unearned rent revenue Dr  Rent revenue Cr  Salary Exp Dr  Salary Payable Cr  A/R Dr  Rent Revenue Cr  Interest Exp Dr  Interest Payable Cr  (80000\*9%=7200/12=600) |  | 1200  2700  1500  600  4100  400  1000  600 | 1200  2700  1500  600  4100  400  1000  600 |

Prob 2

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Prob 1 |  |  |  |
| 1.  2.  3  4.  5.  6.  7. | Supplies Exp Dr  Supplies Cr  Utility Exp Dr  Utility Payable Cr  Insurance Exp Dr  Prepaid Insurance Cr  Unearned service revenue Dr  Service revenue Cr  Salary Exp Dr  Salary Payable Cr  Depreciation Exp Office Equipment Dr  Accumulated Depreciation O/E Cr  A/R Dr  Service Revenue Cr |  | 1400  150  250  2500  2000  250  1000 | 1400  150  250  2500  2000  250  1000 |
|  |  |  |  |  |

Adjusted trial balance (Problem 2)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
|  | Cash  Supplies (3300-2700)  Prepaid Insurance (6000-1200)  Land  Cottage  Furniture  A/P  Unearned rent revenue(7400-4100)  Mortgage payable  Capital  Drawing  Rent revenue(80000+4100+1000)  Repair exp  Salary exp(51000+400)  Utility exp  Insurance Exp  Supplies Exp  Depreciation Exp Cottage  Accumulated Depreciation Cottage  Depreciation Exp Furniture  Accumulated Depreciation Furniture  Salary Payable  A/R  Interest Exp  Interest Payable |  | 19600  600  4800  25000  125000  26000  5000  3600  51400  9400  1200  2700  1500  600  1000  600 | 6500  3300  80000  100000  85100  1500  600  400  600 |

Problem 3

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |
| 1.  2.  3.  4.  5.  6.  7. | A/R Dr  Advertising Revenue Cr  Unearned advertising revenue Dr  Advertising Revenue Cr  Art supplies exp Dr  Art supplies Cr  Insurance Exp Dr  Prepaid Insurance Cr  Depreciation Exp Dr  Accumulated Depreciation Cr  Interest Exp Dr  Interest Payable Cr  Salary Exp Dr  Salary Payable Cr  22500-20000=2500  62700-58600=4100  7200-5600=1600  2500+1600=4 |  | 2500  1600  3600  850  6000  150  1300 | 2500  1600  3600  850  6000  150  1300 |

Income Statement

|  |  |  |
| --- | --- | --- |
|  |  |  |
| Advertising Revenue  \_ Salary Exp  Insurance  Interest  Depreciation  Art supplies  Rent  Total exp  Net income | 11300  850  500  6000  3600  4000 | 62700  26250  36450 |

|  |  |  |
| --- | --- | --- |
|  |  |  |
| Beg cap  + N/I  -Drawings | 25500  36450  12000 | 49950 |

|  |  |  |
| --- | --- | --- |
|  |  |  |
| Asset:  Cash  A/R  Prepaid insurance  Supplies  Printing Equipment 60000   * Accumulated depreciation 34000   Total asset  Liability:  A/P  Interest Payable  N/P  Unearned advertising rev  Salary payable  Total liability  Capital  Total liability & capital | 11000  22500  2500  5000  26000  5000  150  5000  5600  1300 | 67000  17050  49950  67000 |

Req: c(1)

Interest for 6 months 150 tk

Interest for 12 months 150\*2=300 Tk

Rate of interest = Annual interest/Amount of Note payable \*100

= 300/5000\*100=6%

Req: c(2)

Salary paid in 2010 12500 Tk

Salary exp paid for 2010 10000 Tk

Salary payable in 2009 2500 Tk

Prob 5

Sep 8: Salary exp Dr 900

Salary payable Dr 500

Cash Cr 1400

Sep 10: Cash Dr 1200

A/R Cr 1200

Sep 20: A/P Dr 4500

Cash Cr 4500

Adjusting Journal

1.Supplies exp Dr 2000

Supplies Cr 2000

4.Unearned service rev Dr 1450

Service Rev Cr 1450

Prob set B

Prob no 1:

4. Unearned service rev Dr 1600

Service rev Cr 1600

5. Salary exp Dr 800\*2 1600

Salary payable Cr 1600