Pb 4.5 A

Qst a:

        31 Dec2011      Accounts Receivable              1,500

                            Revenue              1,500

        31 Dec2011     Unearned Revenue              2,500

                            Revenue             2,500

        31 Dec2011     Insurance Expense              300

                            Unexpired Insurance          300

        31 Dec2011     Rent Expense                  1,000

                               Prepaid Rent               1,000

        31 Dec2011     Office Supplies Expense          200

                                  Office Supplies              200

        31 Dec2011     Depreciation Expense: Equipment      500

                               Accum Depctn: Eqpmt          500

        31 Dec2011     Interest Expense              80

                               Interest Payable          80

        31 Dec2011      Salaries Expense              2,700

                            Salaries Payable             2,700

        31 Dec2011      Income Taxes Expense          3,000

                        Income Taxes Payable              3,000

Qst b :

    Fees earned                  75,000

    Travel expense                 5,000

    Insurance expense            3,280

    Rent expense                10,900

    Office supplies expense            980

    Utilities expense            4,800

    Equipment depreciation expense    6,000

    Interest expense            400

    Salaries expense             32,700

    Income taxes expense            15,000

Qst c : That doesn’t necessarily mean that they have been paid

Pb 4.1 B :

a/ 1. Salaries Expenses 13600

Salaries Payable 13600

2. Accounts Receivable 3200

Police Fee Revenue 3200

3. Unearned Membership Dues 140000

Membership Dues Earned 140000

4. Depreciation Expense: Furniture and Fixtures 1250

Accumulated Depreciation: Furn. & fixtures 1250

5. Interest Expense 400

Interest Payable 400

6. Insurance Expense 900

Unexpired Insurance 900

7. No adjustment, according to the accrual principle

8. Income Taxes Expense 12,600

Income Taxes Payable 12,600

b/

1. accruing unpaid expenses

2. accruing uncollected revenues

3. convert liabilities into revenue

4. converting asset into expense

5. accruing unpaid expenses

6. converting asset into expense

8. accruing unpaid expense

c/ the value in the balance sheet does not necessarily reflect the market value of an asset, in this case is an example, even though the building is fully depreciated, its real value is not reflected fairly in the financial statmnts