ABC Accounting Practice Packet

Adjusting Entries & Trial Balances

Fast Eddie's Messenger Service

Fast Eddie owns a delivery company called Fast Eddie's Messenger Service. The March 2018 adjusting entries for Fast Eddie's Messenger Service can be found below. **Use this information to complete the journal entries below and the adjusted trial balance on the next page.**



- (a) Completed inventory and found that the amount of supplies on hand at the end of month was \$800, meaning that \$500 of supplies had been used during the month. Record the adjusting entry for supplies used in March.
- (b) At the beginning of the year, Fast Eddie had paid \$900 in advance for three months' worth of advertising on a local radio station. Record the adjusting entry for advertising used in the month of March.
- (c) Several months ago, Fast Eddie had purchased \$4,800 of equipment with a useful life of 4 years. Record the adjusting entry for depreciation in March (one month) on this equipment.
- (d) At the end of March, Fast Eddie had used \$200 worth of utilities for which he has not yet received a bill. Record the adjusting entry for utilities used but not yet paid for.
- (e) Customers had paid \$1,100 in advance for deliveries earlier in the month. All of these deliveries have been completed by the end of March. Record the related adjusting entry.

PRACTICE B: Adjusting Journal Entries

Adjusting Entry				bit		Cr	edit	Type of	g Entry *	
(a)								- DE	DR AE	AR
(b)								- DE	DR AE	AR
(c)								DE	DR AE	AR
(d)								- DE	DR AE	AR
(e)								DE	DR AE	AR

^{*} Adjusting entries March be either deferred expenses (DE), deferred revenues (DR), accrued expenses (AE), or accrued revenues (AR).

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Adjusting Entries & Trial Balances

PRACTICE C: Adjusted Trial Balance

Fill in the "Adjustments" columns below using the journal entries that you completed on the previous page. Then calculate the adjusted trial balance columns.

				F	ast	T	'RΙ	ΑL	. B	BAL	enge ANC 2018	Έ	erv	vice	•													
			U	JN/	ADJ	UST	Έľ)				Adjustments							ADJUSTED									
		С)ebi	it			С	red	lit			D	ebit	l			Cr	edit			[Deb	it			С	Cred	it
Cash	8	8	0	0	00																							
Accounts Receivable	2	0	0	0	00																							
Supplies	1	3	0	0	00																							
Prepaid Advertising		3	0	0	00																							
Equipment	4	8	0	0	00																							
Accumulated Depreciation – Equip							7	0	0	00																		
Accounts Payable						1	5	0	0	00																		
Unearned Fees						1	1	0	0	00																		
Fast Eddie, Capital						8	0	0	0	00																		
Fast Eddie, Drawing	1	2	0	0	00																							
Fees Earned						8	7	0	0	00																		
Advertising Expense		6	0	0	00																							
Depreciation Expense		2	0	0	00																							
Supplies Expense		2	5	0	00																							
Utilities Expense		5	5	0	00																							
TOTAL	20	0	0	0	00	20	0	0	0	00																		

ABC Accounting Practice Packet

Adjusting Entries & Trial Balances

PRACTICE A: Odie Clips

Odie is a professional dog groomer and owns his own business, Odie Clips. Refer to the Unadjusted and Adjusted Trial Balances to complete the Adjusting Journal Entries below.

	Odie Clips Trial Balance June 30, 2018															J						
		Unadjusted											Adjusted									
Cash	10	0	5	0	00							10	0	5	0	00						
Accounts Receivable		5	0	0	00						(a)	1	5	0	0	00						
Supplies		2	5	0	00						(b)		2	0	0	00						
Prepaid Insurance		4	0	0	00						(c)		3	0	0	00						
Equipment	1	3	0	0	00							1	3	0	0	00						
Accum. Depreciation – Equip.							3	0	0	00	(d)							4	0	0	00	
Accounts Payable							1	5	0	00								1	5	0	00	
Wages Payable									0	00	(e)							3	0	0	00	
Unearned Fees							9	0	0	00								9	0	0	00	
Odie, Capital						8	9	0	0	00							8	9	0	0	00	
Odie, Drawing		7	0	0	00								7	0	0	00						
Fees Earned						4	5	5	0	00	(a)						5	5	5	0	00	
Depreciation Expense		3	0	0	00						(d)		4	0	0	00						
Insurance Expense		8	0	0	00						(c)		9	0	0	00						
Supplies Expense		1	5	0	00						(b)		2	0	0	00						
Wages Expense		3	5	0	00						(e)		6	5	0	00						
TOTAL	14	8	0	0	00	14	8	0	0	00		16	2	0	0	00	16	2	0	0	00	

Adjusting Journal Entries

Examine the unadjusted and adjusted trial balances for Odie Clips for the month of June and record the five adjusting journal entries (a) through (e) in the spaces below.

(a)						
	<u> </u>					
(b)						
(c)						
(d)						
(e)						
(6)						