For the past several years, John Addams has operated a part-time business from his home. As of April 1, 2002, John decided to move to rented quarters and to operate the business, which was to be known as Addams & Family Inc., on a full-time basis. Addams & Family entered into the following transactions during April:

4-Apr The following assets were received from John Addams: cash, $10,000; accounts receivable, $1,500; supplies, $1 ,250; and office equipment, $7,500. There were no liabilities received.

4-Apr Paid three months' rent on a lease rental contract, $4,500.

4-Apr Paid the premium on property and casualty insurance policies for the year, $1,800.

6-Apr Received cash from clients as an advance payment for services to be p

7-Apr Purchased additional office furniture on account from Morrilton Compar

8-Apr Received cash from clients on account, $800.

Paid cash for newspaper advertisement, $120.

Paid Morrilton Company $800 for debt incurred on April 7.

Recorded services provided on account for the period April 4-15, $2,25

Paid part-time receptionist for two weeks salary, $400.

Recorded cash from cash clients for fees earned April 4-15, $3, 175.

Paid cash for supplies, $750.

Recorded services provided on account for April 18-22, $1, 100

Recorded cash from cash clients for fees earned April 18-22, $1 ,850.

Received cash from clients on account, $1 ,600.

Paid part-time receptionist for two week's salaries, $400.

Paid telephone bill for April, $130.

Paid electric bill for April, $200.

Recorded cash from cash clients for fees earned April 25-29, $2,050.

Recorded services provided on account for April 25-29, $1, OOO.

John received $4,500 from the company as his salary.

Addams and Family Inc.			
Chart of Accounts			
ASSETS		LIABILITY	
###	Cash	###	Accounts Payable
###	Accounts Receiva	###	Salaries Payable
###	Prepaid Rent	###	Unearned Revenue
###	Prepaid Insuranc		
###	Supplies	OWNER'S EQUITY	
###	Office Equipment	###	Contributed Capital
###	Depreciation, -	###	Retained Earnings
		###	Dividends Declared
REVENUES			
###	Service Revenue	EXPENSES	
		###	Service Expense
		###	Insurance Expense
		###	Depreciation Expense
		###	Rent Expense
		###	Supplies Expense
		###	Salaries Expense
		###	Telephone Expense
		###	Utilities Expense
		###	Advertising Expense

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DATE		DESCRIPTION	REF	DEBIT	CREDIT
APRIL	4	Cash	111	###	
		Accounts Receivable	112	###	
		Supplies	115	###	
		Office Equipment	116	###	
		Contributed Capital, John Addams	130		###
		Assets received from John Addams			
	4	Prepaid Rent	113	###	
		Cash	111		###
		Paid three months' rent on a lease rental contract			
	4	Prepaid Insurance	114	###	
		Cash	111		###
		Paid the premium on property and insurance policies for the year			
	6	Cash	111	###	
		Unearned Revenue	123		###
		Received cash from clients as an advance payment for services provi			
	7	Office Equipment	116	###	
		Accounts Payable - Morrilton Company	121		###
		Purchased additional office furniture on account			
	8	Cash	111	800.00	
		Accounts Receivable	112		800.00
		Received cash from clients on account			
	11	Advertising Expense	160	120.00	
		Cash	111		120.00
		Paid cash for newspaper advertisement			
	12	Accounts Payable - Morrilton Company	121	800.00	
		Cash	111		800.00
		Paid Morrilton Company of debt incurred on April 7			
	15	Accounts Receivable	112	###	
		Service Revenue	141		###
		Recorded services provided on account for the Period April 4-15			
	15	Salaries Expense	157	400.00	
		Cash	111		400.00
		Paid part-time receptionist for two weeks salary			

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DATE		DESCRIPTION	REF	DEBIT	CREDIT
APRIL	15	Cash	111	###	
		Service Revenue	141		###
		Recorded cash from clients for fees earned April 4-15			
	18	Supplies Expense	156	750.00	
		Cash	111		750.00
		Paid cash for supplies			
	22	Accounts Receivable	112	###	
		Service Revenue	141		###
		Recorded services provided on account for April 18-22			
	22	Cash	111	###	
		Service Revenue	141		###
		Recorded cash from cash clients for fees earned April 18-22			
	22	Cash	111	###	
		Accounts Receivable	112		###
		Received cash from clients on account			
	27	Salaries Expense	157	400.00	
		Cash	111		400.00
		Paid part-time receptionist for two weeks salary			
	28	Telephone Expense	158	130.00	
		Cash	111		130.00
		Paid telephone bill for April			
	29	Utilities Expense	159	200.00	
		Cash	111		200.00
		Paid electricity bill for April			
	29	Cash	111	###	
		Service Revenue	141		###
		Recorded cash from cash clients for fees earned April 25-29			
	29	Accounts Receivable	112	###	
		Service Revenue	141		###
		Recorded services provided on account for April 25-29			
	29	Salaries Expense	157	###	
		Cash	111		###
		Owner received his salary from the company			

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DATE		DESCRIPTION	REF	DEBIT	CREDIT
APRIL	30	Insurance Expense	152	150.00	
		Prepaid Insurance	114		150.00
		To record insurance premium due for the month of April			
	30	Supplies Expense		###	
		Supplies			###
		To set-up the value of unused supplies			
	30	Depreciation Expense		500.00	
		Accumulated Depreciation-Office Eqpt for the month of Ap			500.00
		To record office equipment depreciation expense			
	30	Salaries Expense		20.00	
		Service Revenue			20.00
		To accrue the salary incurred for the month of April			
	30	Rent Expense	154	###	
		Prepaid Rent	113		###
		To record rent expense incurred for the month of April			
	30	Unearned Revenue		###	
		Service Revenue			###
		To record service income previously earned on April 6			
	30	Service Revenue	141	###	
		Income Summary			###
		To close the nominal revenue account			
	30	Income Summary		###	
		Insurance Expense	152		150.00
		Depreciation Expense			500.00
		Rent Expense	154		###
		Supplies Expense	156		###
		Salaries Expense	157		###
		Telephone Expense	158		130.00
		Utilities Expense	159		200.00
		Advertising Expense	160		120.00
		To close the expense accounts			
	30	Income Summary		###	
		Contributed Capital, John Addams	130		###

		To close the income summary account			

ded

Instructions: (The first transaction has been recorded and posted fo

1. Record the transactions stated above in good general journal form.
2. Post the transactions to T-accounts.
3. Record and post the following adjustments:
    a. Insurance expired in April, $150.
    b. Supplies on hand April 29, $1,020.
    c. Depreciation for the office equipment in April, $500.
    d. Accrued receptionist salary on April 30, $20.
    e. Rent expired in April, $1,500.
    f. Earned $2,000 of services that were previously paid for on 4/6.
5. Prepare an Income Statement, Statement of Retained Earnings and Ba
6. Record and post closing entries.
7. Prepare a post-closing trial balance.

ır you).

alance Sheet.

GENERAL LEDGER

Date	Cash	Account			
	Item	Post	Debit	Credit	Balance
4/4/02	Assets received from John Addams	GJ-1	###		###
4/4/02	Paid three months' rent on a lease rental contra	GJ-1		###	###
4/4/02	Paid the premium on property and insurance po	GJ-1		###	###
4/6/02	Received cash from clients as an advance paym	GJ-1	###		###
4/8/02	Received cash from clients on account	GJ-1	800.00		###
###	Paid cash for newspaper advertisement	GJ-1		120.00	###
###	Paid Morrilton Company of debt incurred on Apr	GJ-1		800.00	###
###	Paid part-time receptionist for two weeks salary	GJ-1		400.00	###
###	Recorded cash from clients for fees earned Apri	GJ-2	###		###
###	Paid cash for supplies	GJ-2		750.00	###
###	Recorded cash from cash clients for fees earned	GJ-2	###		###
###	Received cash from clients on account	GJ-2	###		###
###	Paid part-time receptionist for two weeks salary	GJ-2		400.00	###
###	Paid telephone bill for April	GJ-2		130.00	###
###	Paid electricity bill for April	GJ-2		200.00	###
###	Recorded cash from cash clients for fees earned	GJ-2	###		###
###	Owner received his salary from the company	GJ-2		4500.00	###
			###	###	**###**

Date	Accounts Receivable	Account			
	Item	Post	Debit	Credit	Balance
4/4/02	Assets received from John Addams	GJ-1	###		1,500.00
4/8/02	Received cash from clients on account	GJ-1		800.00	700.00
###	Recorded services provided on account for the F	GJ-1	###		2,950.00
###	Recorded services provided on account for April	GJ-2	###		4,050.00
###	Received cash from clients on account	GJ-2		###	2,450.00
###	Recorded services provided on account for April	GJ-2	###		3,450.00
			###	###	**###**

Date	Prepaid Rent	Account			
	Item	Post	Debit	Credit	Balance
4/4/02	Paid three months' rent on a lease rental contra	GJ-1	###		4,500.00
###	To record rent expense incurred for the month	GJ-3		###	3,000.00
			###	###	**###**

Date	Prepaid Insurance	Account			
	Item	Post	Debit	Credit	Balance
4/4/02	Paid the premium on property and insurance po	GJ-1	###		1,800.00
###	To record insurance premium due for the mont	GJ-3		150.00	1,650.00
			###	150.00	**###**

Date	Supplies	Account			
	Item	Post	Debit	Credit	Balance
4/4/02	Assets received from John Addams	GJ-1	###		1,250.00
###	Paid cash for supplies	GJ-2	750.00		2,000.00
###	To set-up the value of unused supplies	GJ-3		###	980.00
			###	###	**980.00**

Date	Office Equipment	Account			
	Item	Post	Debit	Credit	Balance
4/4/02	Paid the premium on property and insurance po	GJ-1	###		7,500.00
4/7/02	Purchased additional office furniture on account	GJ-1	###		9,300.00
			###	-	**###**

Date	Accumulated Depreciation, -Equipment	Account			
	Item	Post	Debit	Credit	Balance
###	To record office equipment depreciation expens	GJ-3		500.00	500.00
			-	500.00	**500.00**

Date	Accounts Payable	Account			
	Item	Post	Debit	Credit	Balance
4/7/02	Purchased additional office furniture on account	GJ-1		###	1,800.00
###	Paid Morrilton Company of debt incurred on Apr	GJ-1	800.00		1,000.00
			800.00	###	**###**

Date	Unearned Revenue	Account			
	Item	Post	Debit	Credit	Balance
4/6/02	Received cash from clients as an advance paym	GJ-1		###	3,000.00
###	To record service income previously earned on A	GJ-3	###		
			###	###	**###**

Date	Contributed Capital	Account			
	Item	Post	Debit	Credit	Balance
4/4/02	Assets received from John Addams	GJ-1		###	###
			-	###	**###**

Date	Service Revenue	Account			
	Item	Post	Debit	Credit	Balance
###	Recorded services provided on account for the F	GJ-1		###	**###**
###	Recorded cash from clients for fees earned Apri	GJ-2		###	**###**
###	Recorded services provided on account for April	GJ-2		###	**###**
###	Recorded cash from cash clients for fees earned	GJ-2		###	**###**
###	Recorded cash from cash clients for fees earned	GJ-2		###	**###**
###	Recorded services provided on account for April	GJ-2		###	**###**
###	To accrue the salary incurred for the month of A	GJ-3		20.00	**###**
###	To record service income previously earned on A	GJ-3		###	**###**
			-	###	**###**

Date	Salaries Expense	Account			
	Item	Post	Debit	Credit	Balance
###	Paid part-time receptionist for two weeks salary	GJ-1	400.00		400.00
###	Paid part-time receptionist for two weeks salary	GJ-2	400.00		800.00
###	Owner received his salary from the company	GJ-2	###		5,300.00
###	To accrue the salary incurred for the month of A	GJ-3	20.00		5,320.00
			###	-	**###**

Date	Insurance Expense	Account			
	Item	Post	Debit	Credit	Balance
###	To record insurance premium due for the mont	GJ-3	150.00		150.00
			150.00	-	**150.00**

Date	Depreciation Expense	Account			
	Item	Post	Debit	Credit	Balance
###	To record office equipment depreciation expens	GJ-3	500.00		500.00
			500.00	-	**500.00**

Date	Rent Expense	Account			
	Item	Post	Debit	Credit	Balance
###	To record rent expense incurred for the month	GJ-3	###		1,500.00
			###	-	**###**

Date	Supplies Expense	Account			
	Item	Post	Debit	Credit	Balance
###	To set-up the value of unused supplies	GJ-3	###		1,020.00
			###	-	**###**

Date	Telephone Expense	Account			
	Item	Post	Debit	Credit	Balance
###	Paid telephone bill for April	GJ-2	130.00		130.00
			130.00	-	**130.00**

Date	Utilities Expense	Account

Date	Item	Post	Debit	Credit	Balance
###	Paid electricity bill for April	GJ-2	200.00		200.00
			200.00	-	**200.00**

Date	Advertising Expense	Account			
	Item	Post	Debit	Credit	Balance
###	Paid cash for newspaper advertisement	GJ-1	120.00		120.00
			120.00	-	**120.00**

GENERAL LEDGER

T-Account

Cash

Date	Debit	Credit
4/14/02	₱ 10,000.00	₱ -
4/4/02	₱ -	₱ 4,500.00
4/4/02	₱ -	₱ 1,800.00
4/6/02	₱ 3,000.00	₱ -
4/8/02	₱ 800.00	₱ -
4/11/02	₱ -	₱ 120.00
4/12/02	₱ -	₱ 800.00
4/15/02	₱ -	₱ 400.00
4/15/02	₱ 3,175.00	₱ -
4/18/02	₱ -	₱ 750.00
4/22/02	₱ 1,850.00	₱ -
4/22/02	₱ 1,600.00	₱ -
4/27/02	₱ -	₱ 400.00
4/28/02	₱ -	₱ 130.00
4/29/02	₱ -	₱ 200.00
4/29/02	₱ 2,050.00	₱ -
4/29/02	₱ -	₱ 4,500.00
	₱ 22,475.00	₱ 13,600.00
	₱ 8,875.00	

Accounts Receivable

Date	Debit	Credit
4/4/02	₱ 1,500.00	₱ -
4/8/02	₱ -	₱ 800.00
4/15/2002	₱ 2,250.00	₱ -
4/22/02	₱ 1,100.00	₱ -
4/22/02	₱ -	₱ 1,600.00
4/29/02	₱ 1,000.00	₱ -
	₱ 5,850.00	₱ 2,400.00
	₱ 3,450.00	

Prepaid Rent

Date	Debit	Credit
4/4/02	₱ 4,500.00	
4/30/02		₱ 1,500.00
	₱ 4,500.00	₱ 1,500.00
	₱ 3,000.00	

Prepaid Insurance

Date	Debit	Credit
4/4/02	₱ 1,800.00	
		₱ 150.00
	₱ 1,800.00	₱ 150.00
	₱ 1,650.00	

Supplies

Date	Debit	Credit
4/4/02	₱ 1,250.00	
4/18/02	750.00	
4/30/02		₱ 1,020.00
	₱ 2,000.00	₱ 1,020.00
	₱ 980.00	

Office Equipment

Date	Debit	Credit
4/4/02	₱ 7,500.00	
4/7/02	₱ 1,800.00	
	₱ 9,300.00	₱ -
	₱ 9,300.00	

Accumulated Depreciation

Date	Debit	Credit
4/30/02		₱ 500.00
	₱ -	₱ 500.00
	₱ 500.00	

Accounts Payable

Date	Debit	Credit
4/7/02		₱ 1,800.00
4/12/02	₱ 800.00	
	₱ 800.00	₱ 1,800.00
	₱ 1,000.00	

Unearned Revenue

Date	Debit	Credit
4/6/02		₱ 3,000.00
4/30/02	₱ 2,000.00	
	₱ 2,000.00	₱ 3,000.00
	₱ 1,000.00	

Contributed Capital

Date	Debit	Credit
4/4/02		₱ 20,250.00
	₱ -	₱ 20,250.00
	₱20,250.00	

Service Revenue

Date	Debit	Credit
4/15/02		₱ 2,250.00
4/15/02		₱ 3,175.00
4/22/02		₱ 1,100.00
4/22/02		₱ 1,850.00
4/29/02		₱ 2,050.00
4/29/02		₱ 1,000.00
4/30/02		₱ 20.00
4/30/02		₱ 2,000.00
	₱ -	₱ 13,445.00
	₱13,445.00	

Salaries Expense

Date	Debit	Credit
4/15/02	₱ 400.00	
4/27/02	₱ 400.00	
4/29/02	₱ 4,500.00	
4/30/02	₱ 20.00	
	₱ 5,320.00	₱ -
	₱ 5,320.00	

Insurance Expense

Date	Debit	Credit
4/30/02	₱ 150.00	
	₱ 150.00	₱ -
	₱ 150.00	

Depreciation Expense

Date	Debit	Credit
4/30/02	₱ 500.00	
	₱ 500.00	₱ -
	₱ 500.00	

Rent Expense

Date	Debit	Credit
4/30/02	₱ 1,500.00	
	₱ 1,500.00	₱ -
	₱ 1,500.00	

Supplies Expense

Date	Debit	Credit
4/30/02	₱ 1,020.00	
	₱ 1,020.00	₱ -
	₱ 1,020.00	

Telephone Expense

Date	Debit	Credit
4/28/02	₱ 130.00	
	₱ 130.00	₱ -
	₱ 130.00	

Utilities Expense

Date	Debit	Credit
4/29/02	₱ 200.00	
	₱ 200.00	₱ -
	₱ 200.00	

Advertising Expense

Date	Debit	Credit
4/11/02	₱ 120.00	
	₱ 120.00	₱ -
	₱ 120.00	

Addams and Family Inc. Unadjusted Trial Balance April 29, 2002		
Account Title	**Debit**	**Credit**
Cash	###	
Accounts Receivable	###	
Prepaid Rent	###	
Prepaid Insurance	###	
Supplies	###	
Office Equipment	###	
Accumulated Depreciation, -Equipment		
Accounts Payable		###
Salaries Payable		
Unearned Revenue		###
Contributed Capital		###
Retained Earnings		
Dividends Declared		
Service Revenue		###
Service Expense		
Insurance Expense		
Depreciation Expense		
Rent Expense		
Supplies Expense		
Salaries Expense	###	
Telephone Expense	130.00	
Utilities Expense	200.00	
Advertising Expense	120.00	
	###	**###**

Addams and Family Inc.
ADJUSTED TRIAL BALANCE
April 30, 2002

Account Title	djusted Trial Bala		Adjustments		djusted Tr
	Debit	Credit	Debit	Credit	Debit
Cash	###				###
Accounts Receivable	###				###
Prepaid Rent	###			###	###
Prepaid Insurance	###			150.00	###
Supplies	###			###	980.00
Office Equipment	###				###
Accumulated Depreciation, -Equipment				500.00	
Accounts Payable		###			
Salaries Payable					
Unearned Revenue		###	###		
Contributed Capital		###			
Retained Earnings					
Dividends Declared					
Service Revenue		###		###	
Service Expense					-
Insurance Expense			150.00		150.00
Depreciation Expense			500.00		500.00
Rent Expense			###		###
Supplies Expense			###		###
Salaries Expense	###		20.00		###
Telephone Expense	130.00				130.00
Utilities Expense	200.00				200.00
Advertising Expense	120.00				120.00
	###	**###**	**###**	**###**	**###**
		-		-	

rial Balan
Credit
500.00
###
-
###
###
-
-
###
###
-

Addams and Family Inc.
INCOME STATEMENT
April 30, 2002

Account	Amount	Amount
REVENUES:		
Service Revenue		**13,445.00**
LESS: EXPENSES		
Insurance Expense	150.00	
Depreciation Expense	500.00	
Rent Expense	1,500.00	
Supplies Expense	1,020.00	
Salaries Expense	5,320.00	
Telephone Expense	130.00	
Utilities Expense	200.00	
Advertising Expense	120.00	
Total Expenses		**8,940.00**
NET INCOME		**4,505.00**

Addams and Family Inc.
STATEMENT OF RETAINED EARNINGS
April 30, 2002

Account	Amount
RETAINED EARNINGS - April 4, 2002	-
PLUS: NET INCOME	4,505.00
	4,505.00
LESS: DIVIDENDS	-
RETAINED EARNINGS - April 30, 2002	4,505.00

Addams and Family Inc.
STATEMENT OF FINANCIAL POSITION
April 30, 2002

Account Title	Debit
ASSETS	
Cash	8,875.00
Accounts Receivable	3,450.00
Prepaid Rent	3,000.00
Prepaid Insurance	1,650.00
Supplies	980.00
Office Equipment	9,300.00
Accumulated Depreciation, -Equipment	
TOTAL ASSETS	
LIABILITIES	
Accounts Payable	
Salaries Payable	
Unearned Revenue	
TOTAL LIABILITIES	
OWNER'S EQUITY	
Contributed Capital	
Retained Earnings	
TOTAL EQUITY	
TOTAL LIABILITIES AND OWNER'S EQUITY	

Credit
500.00
26,755.00
1,000.00
-
1,000.00
2,000.00
20,250.00
4,505.00
24,755.00
26,755.00

-

Addams and Family Inc.
POST-CLOSING TRIAL BALANCE
April 30, 2002

Account Title	Adjusted Trial Balance		Income Statement		Balance
	Debit	Credit	Debit	Credit	Debit
Cash	8,875.00				###
Accounts Receivable	3,450.00				###
Prepaid Rent	3,000.00				###
Prepaid Insurance	1,650.00				###
Supplies	980.00				980.00
Office Equipment	9,300.00				###
Accumulated Depreciation, -Equipment		500.00			
Accounts Payable		###			
Salaries Payable		-			
Unearned Revenue		###			
Contributed Capital		###			
Retained Earnings		-			
Dividends Declared		-			
Service Revenue		###		###	
Service Expense	-		-		
Insurance Expense	150.00		150.00		
Depreciation Expense	500.00		500.00		
Rent Expense	1,500.00		###		
Supplies Expense	1,020.00		###		
Salaries Expense	5,320.00		###		
Telephone Expense	130.00		130.00		
Utilities Expense	200.00		200.00		
Advertising Expense	120.00		120.00		
INCOME SUMMARY					
	###	**###**	**###**	**###**	**###**
		NET INCOME		**###**	

E

e Sheet	Post-Closing Entrie		Closing Balance S	
Credit	Debit	Credit	Debit	Credit
			###	
			###	
			###	
			###	
			980.00	
			###	
500.00				500.00
###				###
-				-
###				###
###		###		###
###				-
				-
	###			-
			-	
		150.00	-	
		500.00	-	
		###	-	
		###	-	
		###	-	
		130.00	-	
		200.00	-	
		120.00	-	
	###	###		
###	**###**	**###**	**###**	**###**
		###		###