



Principals of Accounting – ١١١

Chapter 6 & 7: Adjusting the Accounts and Preparing Worksheet

Use following trial balance to prepare the adjusting entries for Sayed Company at October 31, 2023.

Sayed Company Trial Balance October 31, 2023		
	Debit	Credit
Cash	BD 15,200	
Supplies	2,500	
Prepaid Insurance	600	
Equipment	5,000	
Notes Payable		BD 5,000
Accounts Payable		2,500
Unearned Service Revenue		1,200
Owner's Capital		10,000
Owner's Drawings	500	
Service Revenue		10,000
Salaries and Wages Expense	4,000	
Rent Expense	900	
Total	BD 28,700	BD 28,700

- 1) Sayed Company purchased supplies costing BD2,500 on October 5. This account shows a balance of BD2,500 in the October 31 trial balance. An inventory count at the close of business on October 31 reveals that BD1,000 of supplies are still on hand.

Date	Account Titles	Debit	Credit

- 2) On October 4, Sayed Company paid BD600 for a one-year fire insurance policy. Coverage began on October 1. This account shows a balance of BD600 in the October 31 trial balance.

Date	Account Titles	Debit	Credit

3) Sayed Company , assume that depreciation on the equipment is BD480 a year.

Date	Account Titles	Debit	Credit

4) Sayed Company received BD1,200 on October 2 from Rabab for advertising services expected to be completed by December 31. Analysis reveals that the company performed BD400 of services in October.

Date	Account Titles	Debit	Credit

5) Sayed Company signed a three-month note payable in the amount of BD5,000 on October 1. The note requires the company to pay interest at an annual rate of 12%.

Date	Account Titles	Debit	Credit

6) Sayed Company had a salaries expense of BD1,200 not paid yet (**Accrued Salaries**).

Date	Account Titles	Debit	Credit

7) In October Sayed Company performed services worth BD200 that were not billed to clients on or before October 31.

Date	Account Titles	Debit	Credit

Example (1) Page (43): **Same Data as Example (1) Page (130) in Chapter 6:**

Hassan started his business on Jan, 1 2020.The trail balance at Jan, 31 2020 is shown below.

Hassan Company
Trial Balance
As at Jan, 31 2020

Account Title	Debit BD	Credit BD
Cash	8,500	
Account Receivable	5,000	
Supplies	2,500	
Prepaid Insurance	4,200	
Equipment	25,000	
Account Payable		5,000
Unearned Service Revenues		6,000
Capital		33,700
Drawings	1,000	
Services Revenues		10,500
Rent Expenses	2,000	
Salaries Expenses	7,000	
Total	55,200	55,200

Other Data:

- A) Supplies on hand at Jan, 31 are BD1,500.
- B) The insurance policy is for a year.
- C) BD500 of unearned services revenues has been earned at the end of the month.
- D) Accrued salaries BD1,600 at Jan, 31.
- E) The equipment has a 5 year - life with salvage value BD1,000.
- F) Performed services for BD3,500 during the month have not been recorded as of Jan, 31.

Required: Prepare the adjusting entries for the month ended on Jan, 31 2020.

Date	Account Titles	Debit	Credit

Complete the worksheet for the month ended on Jan, 31 2020. (NEXT PAGE)

