

Yellow Jacket Realty

Completing the Accounting Cycle



Instructions

Three years ago, B. Sting organized Yellow Jacket Realty. The trial balance for Yellow Jacket Realty at December 31, 2018, the end of the current fiscal year, is shown to the right.

1. Enter the trial balance data on part I of the work sheet. Determine the adjusting entries from the information below and calculate the adjusted trial balance.
 - a. Supplies used during the year are \$1,300.
 - b. Insurance premiums used during the year are \$640.
 - c. Depreciation of equipment during the year is \$9,600.
 - d. Wages accrued but not paid at December 31, 2018, are \$670.
 - e. Record fees earned but not yet received at December 31, 2018 of \$2,000.
 - f. Record cash received for unearned fees on December 31, 2018 of \$1,500.
2. Complete the worksheet by (a) carrying over your adjusted trial balance from part I of the worksheet and (b) filling in the appropriate financial statement columns.
3. Prepare an income statement.
4. Prepare a statement of owner's equity (assume no additional investments were made during the year).
5. Prepare a balance sheet.
6. On the basis of the data in the worksheet, journalize the closing entries.

Cash	6	3	5	0	00						
Accounts Receivable	13	5	0	0	00						
Supplies	2	0	4	0	00						
Prepaid Insurance	1	2	4	0	00						
Office Equipment	102	3	0	0	00						
Accumulated Depreciation						18	4	0	0	00	
Accounts Payable						1	8	5	0	00	
Wages Payable									0	00	
Unearned Fees						2	5	0	0	00	
B. Sting, Capital						57	0	0	0	00	
B. Sting, Drawing	9	9	0	0	00						
Fees Earned						115	2	5	0	00	
Depreciation Expense				0	00						
Insurance Expense				0	00						
Rent Expense	7	9	0	0	00						
Supplies Expense				0	00						
Utilities Expense	4	9	3	0	00						
Wages Expense	44	3	3	0	00						
Miscellaneous Expense	2	5	1	0	00						
TOTAL	195	0	0	0	00	195	0	0	0	00	

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2. Work Sheet: Part II

Carry over your adjusted trial balance from Part I above and complete the work sheet.

	Yellow Jacket Realty Work Sheet: Part II For the Year Ended December 31, 2018													
	ADJUSTED TRIAL BALANCE				INCOME STATEMENT				BALANCE SHEET					
	Debit		Credit		Debit		Credit		Debit			Credit		
Cash														
Accounts Receivable														
Supplies														
Prepaid Insurance														
Office Equipment														
Accumulated Depreciation														
Accounts Payable														
Wages Payable														
Unearned Fees														
B. Sting, Capital														
B. Sting, Drawing														
Fees Earned														
Depreciation Expense														
Insurance Expense														
Rent Expense														
Supplies Expense														
Utilities Expense														
Wages Expense														
Miscellaneous Expense														
TOTAL														

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Completing the Accounting Cycle



6. Journalize Closing Entries

Based on the information in the work sheet you prepared, enter the CLOSING journal entries.

Dates for closing entries are December 31.

You do not need to include post references for this problem.

Journal						Page 6					
Date	Description	Post. Ref.	Debit			Credit					
A											
B											
C											
D											

A

CLOSING PROCESS

- A. Fees Earned transferred to Income Summary.
- B. Expenses transferred to Income Summary.
- C. Income Summary (net income) transferred to Capital.
- D. Drawing transferred to Capital.

B

C

D