

# MuZic Center

MuZic Center is a music store organized as a corporation. The business sells a complete line of musical equipment and supplies. Use the info below to complete a worksheet for MuZic Center, including a trial balance, adjustments, and adjusted trial balance.

## INSTRUCTIONS

1. Complete the trial balance on the next page using the accounts and balances listed below. All accounts have normal balances. You can leave zero balances blank in the numbers columns. Add the debits and credits to make sure they balance.
2. Enter the adjusting entries below into the adjustments columns.
3. Add across each row and place the totals in the adjusted trial balance columns. Add the debits and credits to make sure they balance.
4. Record the adjusting entries in the general journal.



## TRIAL BALANCE DATA (as of March 31, 2018)

Cash.....	29,080.28	Sales Discount.....	258.48
Petty Cash.....	300.00	Sales Returns and Allowances.....	3,127.28
Accounts Receivable.....	14,698.40	Purchases.....	209,960.00
Allow. For Uncoll. Accts.....	127.52	Purchases Discount.....	1,648.15
Merchandise Inventory.....	140,480.00	Purch. Returns and Allowances.....	3,484.95
Supplies – Office.....	3,480.00	Advertising Expense.....	3,600.00
Supplies – Store.....	3,944.00	Cash Short.....	19.25
Prepaid Insurance.....	5,800.00	Credit Card Fee Expense.....	3,385.00
Office Equipment.....	35,864.50	Depr. Exp. – Office Equipment.....	0.00
Acc. Depr. – Office Equip. ....	6,497.00	Depr. Exp. – Store Equipment.....	0.00
Store Equipment.....	40,849.50	Insurance Expense.....	0.00
Acc. Depr. – Store Equipment.....	5,069.00	Misc. Expense.....	2,564.90
Accounts Payable.....	11,583.03	Payroll Tax Expense.....	9,105.00
Federal Income Tax Payable.....	0.00	Rent Expense.....	18,000.00
Dividends Payable.....	5,000.00	Salary Expense.....	104,525.00
Capital Stock.....	125,000.00	Supplies Expense – Office.....	0.00
Retained Earnings.....	10,761.29	Supplies Expense – Store.....	0.00
Dividends.....	20,000.00	Uncollectible Accounts Expense.....	0.00
Income Summary.....	0.00	Utilities Expense.....	3,820.00
Sales.....	501,690.65	Federal Income Tax Expense.....	18,000.00

## ADJUSTING ENTRIES (for the month of March 2018)

- March 31 Completed inventory and found that the amount of office supplies on hand at the end of month was \$750.00, meaning that \$2,730.00 of office supplies had been used during the period. M1.
- 31 Completed inventory and found that the amount of store supplies on hand at the end of month was \$1,034.00, meaning that \$2,910.00 of store supplies had been used during the period. M2.
- 31 Recorded the adjusting entry for the one month of the insurance policy, \$3,170.00, that has been used in March. M3.
- 31 Recorded the adjusting entry for office equipment depreciation in March (one month), \$6,540.00. M4.
- 31 Recorded the adjusting entry for store equipment depreciation in March (one month), \$5,250.00. M5.



