

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 2021 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.**

- 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.
- 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.
- 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.
- 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.
- 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		Debit				Credit				Type of Adjusting 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).

ABC Accounting Practice Packet

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.

Fast Eddie's Messenger Service													
TRIAL BALANCE													
March 31, 2021													
	UNADJUSTED				Adjustments				ADJUSTED				
	Debit		Credit		Debit		Credit		Debit		Credit		
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	00						
Unearned Fees				1	1	0	00						
Fast Eddie, Capital				8	0	0	00						
Fast Eddie, Drawing	1	2	0	0	00								
Fees Earned				8	7	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			

