




END OF THE MONTH ADJUSTMENT ENTRIES – RECORD ON DECEMBER 31, 20XX

Enter following information as adjusting entries:

- Remember, after you have entered the information verify that you have used the correct debit/credit entries by reviewing your Balance Sheet and Profit and Loss reports.
 - Depreciation – Store Equipment & Fixtures \$266.66
 - Supplies used – \$328.67
 - Insurance used breaks down to \$102 for Fire Insurance and \$298 for Liability Insurance (Use a compound entry to record insurance adjustment.)
 - Accrued Payroll – \$289 (HINT: You'll need to add an account and we're going to number it 26000)

Reconcile and pay the Mastercard account using the following statement from Mastercard. The payment will be made electronically from your Checking account on the Due Date.

- Be sure to use the date of 12/26/20XX for the bank statement date, etc.
- When the reconciliation is complete, print the Detail Reconciliation Report to compare with the Answer Sheet and to keep for your records.

		Statement Date:	12/26/20XX
Opening Balance:			\$500.00
<u>Payments and Credits:</u>			
Elect Payment	12/3/20XX	-\$500.00	
Walmart	12/17/20XX	-\$47.21	
		Total:	-\$547.21
<u>Purchases:</u>			
Walmart	12/15/20XX	\$97.62	
Walmart	12/17/20XX	\$57.38	
US Postmaster	12/23/20XX	\$25.00	
		Total:	\$180.00
Outstanding Balance:			\$132.79
Payment Due by 1/3/20XX+1			



Prepare a bank reconciliation for the Checking account using the following bank statement from First Founded Bank of Missouri.

- NOTE: Check numbers are not included in the bank statement because yours will vary. Work off of amounts and similar dates.
- Be sure to use the date of 12/31/20XX for the bank statement date, and any service charges or interest earned.
- When the reconciliation is complete, print the Detail Reconciliation Report to compare with the Answer Sheet and to keep for your records.

	Statement Date: 12/31/20XX
First Founded Bank of Missouri • 145 First Avenue • St. Louis, MO 63101	
Opening Balance:	\$130,870.25
Bank Deposits:	+ 1,314.87 (4)
Electronic Deposits:	+ 11,088.26 (9)
Checks:	- 6,793.40 (8)
Electronic Withdrawals:	- 4,754.74 (6)
Ending Balance:	\$131,725.24
Bank Deposits:	
<u>12/5/20XX</u> \$584.05	<u>12/17/20XX</u> \$464.49
<u>12/10/20XX</u> \$103.46	<u>12/31/20XX</u> \$162.87
Electronic Deposits:	
<u>12/2/20XX</u> \$632.80	<u>12/14/20XX</u> \$398.00
<u>12/3/20XX</u> \$1,500.00	<u>12/20/20XX</u> \$862.40
<u>12/10/20XX</u> \$1,254.51	<u>12/20/20XX</u> \$589.47
<u>12/11/20XX</u> \$223.38	<u>12/29/20XX</u> \$5,539.27
<u>12/11/20XX</u> \$88.43	
Checks:	
<u>12/6/20XX</u> \$1,000.00	<u>12/20/20XX</u> \$2,254.00
<u>12/7/20XX</u> \$800.00	<u>12/20/20XX</u> \$135.00
<u>12/7/20XX</u> \$500.00	<u>12/31/20XX</u> \$75.00
<u>12/12/20XX</u> \$29.40	<u>12/31/20XX</u> \$2,000.00
Electronic Withdrawals:	
<u>12/3/20XX</u> \$500.00	<u>12/14/20XX</u> \$2,121.80
<u>12/13/20XX</u> \$350.00	<u>12/28/20XX</u> \$1,712.94
<u>12/13/20XX</u> \$25.00	<u>12/31/20XX</u> \$45.00*
*Monthly Service Charge	



After EVERY OTHER ENTRY is done and you're completely ready to close the year, we need to consolidate the Owner's earnings for the year into your equity account, and we need to lock everything down.



CHECK YOUR WORK

Before we take these final two steps, let's check your work to make sure everything is correct.

- Print a *Profit & Loss* report for December 1-31, 20XX and label it "Year End"
- Print a *Balance Sheet* as of December 31, 20XX and label it "Year End"
- Print the *Journal* using the dates from 12/1/20XX to 12/31/20XX and label it "Year End"
- Print the *General Ledger* using dates from 12/1/20XX to 12/31/20XX and label it "Year End"
- The order in which your transactions appear may be different from any answer keys provided but as long as all of the transactions have been entered, the order of entry does not matter.