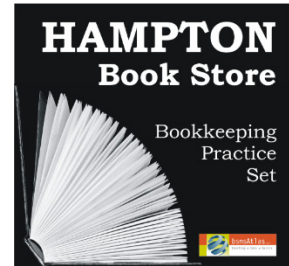


Hampton Book Store





Monthly Adjustments

July 20XX



- Foot and Balance all T-accounts
- Prepare a Pre-Adjustment Trial Balance to ensure you are in balance
 - If not, research all activity working backwards, to find and correct errors.
- Once balanced, use the Pre-Adjustment Trial Balance as the beginning column of your Worksheet.

Monthly Adjustment Entry Transactions

- Enter the July 31, 20XX Adjustment entries into the appropriate columns in the Worksheet:
 1.  - Depreciation - Store Equipment \$266.66
 2.  - Accrued Payroll – July 29 to July 31, 20XX - \$367.36
 3.  - Monthly Inventory is conducted by counting everything that is actually in the store. By using that count and the records for our costs, you determine that the current inventory physically in the store has a value of \$6,848.64. This adjustment needs to account for a replacement textbook that was given away to a customer because of a printing issue in the one they originally bought and returned. The cost of that book (\$137.50) should be considered a Misc Exp.
 4.  - Insurance used a total of \$275.00 which breaks down to \$89.00 for Fire Insurance and \$186.00 for Liability Insurance. (Use a compound entry to record insurance adjustment.)
- After the adjustments are correctly posted, complete the rest of the Worksheet by carrying balances to the Post-Adjustment Trial Balance column. Then prepare a Post-Adjustment Trial Balance.
- Using the Worksheet data (from the last columns), prepare a 20XX Income Statement and a July 31, 20XX Balance Sheet.