Raintree Cosmetic Company sells its products to customers on a credit basis. An adjusting entry for bad debt expense is recorded only at December 31, the company’s fiscal year-end. The 2010 balance sheet disclosed the following:

Current assets:

Receivables, net of allowance for uncollectable accounts of $30,000 $432,000

During 2011, credit sales were $1,750,000, cash collections from customers $1,830,000 and $35,000 in accounts receivable were write off. In addition, $3,000 was collection from a customer whose account was written off in 2010. An aging of accounts receivable at December 31, 2011, reveals the following:

Age Group Percentage of Year –End Receivable in Group Percentage Uncollectible

0-60 days 65% 4%

61-90 days 20 15

91-120 days 10 25

Over 120 days 5 40

1. Prepare summary journal entries to account for the 2011 write offs and the collection of the receivable previously written off.
2. Prepare the year-end adjusting entry for bad debt according to each of the following situations:
3. Bad debt is estimated to be 3% of credit sales for the year.
4. Bad debt expense is estimated by computing net realized value of receivables. The allowance for uncollectible accounts is estimated to be 10% of the year-end balance in accounts receivable.
5. Bad debt is estimated by computing net realized value of the receivables. The allowance for uncollectible accounts is determined by anaging of accounts receivable.
6. For situations (a)-(c) in requirements 2 above, what would be the amount of accounts receivable reported in the 2011 balance sheet?