On September 1, 2008, the account balances of Rand Equipment Repair, Inc. were as follows.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **No.** |  | **Debits** | |  | **No.** |  | **Credits** | |
| 101 |  | Cash | $4,880 |  | 154 |  | Accumulated Depreciation | $1,500 |
| 112 |  | Accounts Receivable | 3,520 |  | 201 |  | Accounts Payable | 3,400 |
| 126 |  | Supplies | 2,000 |  | 209 |  | Unearned Service Revenue | 1,400 |
| 153 |  | Store Equipment | 15,000 |  | 212 |  | Salaries Payable | 500 |
|  |  |  |  |  | 311 |  | Common Stock | 15,000 |
|  |  |  |  |  | 320 |  | Retained Earnings | 3,600 |
|  |  |  | $25,400 |  |  |  |  | $25,400 |

During September the following summary transactions were completed.

|  |  |  |
| --- | --- | --- |
| Sept. 8 |  | Paid $1,400 for salaries due employees, of which $900 is for September. |
| 10 |  | Received $1,200 cash from customers on account. |
| 12 |  | Received $3,400 cash for services performed in September. |
| 15 |  | Purchased store equipment on account $3,000. |
| 17 |  | Purchased supplies on account $1,200. |
| 20 |  | Paid creditors $4,500 on account. |
| 22 |  | Paid September rent $500. |
| 25 |  | Paid salaries $1,250. |
| 27 |  | Performed services on account and billed customers for services provided $1,500. |
| 29 |  | Received $650 from customers for future service. |

Adjustment data consist of:

1. Supplies on hand $1,200.
2. Accrued salaries payable $400.
3. Depreciation is $100 per month.
4. Unearned service revenue of $1,450 is earned.

***Instructions***

|  |  |  |  |
| --- | --- | --- | --- |
| **(a)** | Journalize the September transactions. Post to ledger accounts. | | |
| **(b)** | Prepare a trial balance at September 30. | | |
| **(c)** | Journalize and post adjusting entries. | | |
| **(d)** | Prepare an adjusted trial balance. | | |
| **(e)** | Prepare an income statement and a retained earnings statement for September and a balance sheet at September 30. | | |
| Date | | Account/Description | Debit | Credit |
| Sept 8 | |  |  |  |
|  | |  |  |  |
|  | |  |  |  |
| Sept 10 | |  |  |  |
|  | |  |  |  |
| Sept 12 | |  |  |  |
|  | |  |  |  |
| Sept 15 | |  |  |  |
|  | |  |  |  |
| Sept 17 | |  |  |  |
|  | |  |  |  |
| Sept 20 | |  |  |  |
|  | |  |  |  |
| Sept 22 | |  |  |  |
|  | |  |  |  |
| Sept 25 | |  |  |  |
|  | |  |  |  |
| Sept 27 | |  |  |  |
|  | |  |  |  |
| Sept 29 | |  |  |  |
|  | |  |  |  |