|  |
| --- |
| **Accrual Accounting Concepts** |
|  |  |  |  |
| Dicker Company accumulates the following adjustment data at December 31: |
|  | a). | Supplies of $400 are on hand. Supplies account shows $1,600 balance. |
|  | b). | Service Revenue earned, but unbilled total $700. |
|  | c). | Interest of $300 has accumulated on a note payable. |
|  | d). | Rent collected in advance totaling $1,100 has been earned. |
|  |  |  |  |
| Indicate the type of adjustment (prepaid expense, accrued revenue, and so |
| on) and the status of the accounts before the adjustment (overstated or |
| understated). |  |