

Student ID No.   -   -     

Name .....

AC201-BE-1-2015

 /20**AC201 Fundamental Accounting  
Quiz #5 - A**

Jon Bon Jovi Company has the following balances in selected accounts on December 31, 2014.

Accounts receivable	\$ 0
Accumulated depreciation - Equipment	0
Equipment	7,000
Interest payable	0
Notes payable	8,000
Prepaid insurance	2,100
Salaries and wages payable	0
Supplies	2,450
Unearned service revenue	30,000
Interest expense	0
Supplies expense	0
Depreciation expense	0
Insurance expense	0
Consulting service revenue	0
Salaries and wages expense	0

All accounts have normal balances. The information below has been gathered at December 31, 2014.

**Require:** Prepare **ANNUAL** adjusting journal entries for the seven items below.

1. Jon Bon Jovi Company borrowed \$8,000 by signing a 10%, one year note on October 1, 2014.

GENERAL JOURNAL				
Date		Account Titles and Explanation	Debit	Credit
Dec	31	Interest expense	200	
		Interest payable		200

2. A count of supplies on December 31, 2014, indicates that supplies of \$780 are on hand. All purchases during the year have been properly recorded.

GENERAL JOURNAL				
Date		Account Titles and Explanation	Debit	Credit
Dec	31	Supplies expense	1,670	
		Supplies		1,670

3. On December 1, 2014, Jon Bon Jovi collected \$30,000 for consulting services to be performed from December 1, 2014, through March 31, 2015. At December 31, 2014, \$8,400 of such services has been performed.

GENERAL JOURNAL				
Date		Account Titles and Explanation	Debit	Credit
Dec	31	Unearned service revenue	8,400	
		Consulting service revenue		8,400

4. Depreciation on the equipment for 2014 is \$1,000.

GENERAL JOURNAL				
Date		Account Titles and Explanation	Debit	Credit
<b>Dec</b>	<b>31</b>	<b>Depreciation expense</b>	<b>1,000</b>	
		<b>Accumulated depreciation - Equipment</b>		<b>1,000</b>

5. Jon Bon Jovi Company paid \$2,100 for 12 months of insurance coverage on June 1, 2014.

GENERAL JOURNAL				
Date		Account Titles and Explanation	Debit	Credit
<b>Dec</b>	<b>31</b>	<b>Insurance expense</b>	<b>1,225</b>	
		<b>Prepaid insurance</b>		<b>1,225</b>

6. Jon Bon Jovi performed consulting services for a client in December 2014. The client will be billed in January 2015 for \$3,900.

GENERAL JOURNAL				
Date		Account Titles and Explanation	Debit	Credit
<b>Dec</b>	<b>31</b>	<b>Accounts receivable</b>	<b>3,900</b>	
		<b>Consulting service revenue</b>		<b>3,900</b>

7. Jon Bon Jovi pays its employees total salaries of \$9,000 every Monday for the preceding 5-day week (Monday through Friday). On Monday, December 29, 2014, employees were paid for the week ending December 26. All employees worked the last 3 days of 2014.

GENERAL JOURNAL				
Date		Account Titles and Explanation	Debit	Credit
<b>Dec</b>	<b>31</b>	<b>Salaries and wages expense</b>	<b>5,400</b>	
		<b>Salaries and wages payable</b>		<b>5,400</b>