Student ID No. ☐☐-☐☐-☐☐-☐☐☐☐

Name ....

AC201-BE-1-2016

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AC201 Fundamental Accounting
Quiz #9 - A

Jon Bon Jovi Company has the following balances in selected accounts on December 31, 2015.

Accounts receivable	$ 0
Supplies	1,880
Prepaid insurance	5,600
Equipment	62,250
Accumulated depreciation - Equipment	24,900
Accrued salaries expense	0
Unearned service revenue	30,000
Interest payable	400
Notes payable	15,000
Consulting service revenue	0
Interest expense	0
Supplies expense	0
Depreciation expense	0
Insurance expense	0
Salaries expense	0

All accounts have normal balances. The information below has been gathered at December 31, 2015.

Require: Prepare **ANNUAL** adjusting journal entries at December 31, 2015 for the seven items below.

1. Depreciation on the equipment for the year 2015 is $12,450.

GENERAL JOURNAL				
Date		Account Titles and Explanation	Debit	Credit
Aug	31	Depreciation expense (EXP+,E-)	12,450	
		Accumulated depreciation – Equipment (XA+)		12,450

2. On June 1, 2015, Jon Bon Jovi Company paid $5,600 for 12 months of insurance coverage.

GENERAL JOURNAL				
Date		Account Titles and Explanation	Debit	Credit
Aug	31	Insurance expense (EXP+,E-)	3,266.67	
		Prepaid insurance (A-)		3,266.67

3. Jon Bon Jovi performed consulting services of $6,100 for a client in December 2015. The client will be billed in January 2016.

GENERAL JOURNAL				
Date		Account Titles and Explanation	Debit	Credit
Aug	31	Accounts receivable (A+)	6,100	
		Consulting service revenue (REV+,E+)		6,100

4. On October 1, 2015, Jon Bon Jovi Company borrowed $15,000 by signing a 10%, one-year note.

GENERAL JOURNAL				
Date		Account Titles and Explanation	Debit	Credit
Aug	31	Interest expense (EXP+,E-)	375	
		Interest payable (L+)		375

5. On December 1, 2015, Jon Bon Jovi collected $30,000 for consulting services to be performed from December 1, 2015, through March 31, 2016. At December 31, 2015, $6,900 of such services has been performed.

GENERAL JOURNAL				
Date		Account Titles and Explanation	Debit	Credit
Aug	31	Unearned service revenue (L-)	6,900	
		Consulting service revenue (REV+,E+)		6,900

6. A count of supplies on December 31, 2015, indicates that supplies of $780 are on hand. All purchases during the year have already been properly recorded.

GENERAL JOURNAL				
Date		Account Titles and Explanation	Debit	Credit
Aug	31	Supplies expense (EXP+,E-)	1,100	
		Supplies (A-)		1,100

7. Jon Bon Jovi pays its employees total salaries of $5,000 every Monday for the preceding 5-day week (Monday through Friday). On Monday, December 29, 2015, employees were paid for the week ending December 26. All employees worked the last 3 days of December 2015.

GENERAL JOURNAL				
Date		Account Titles and Explanation	Debit	Credit
Aug	31	Salaries expense (EXP+,E-)	3,000	
		Accrued salaries expense (L+)		3,000