

Prob2-11

Accounts Receivable decreased by 7,000 (3,000 – 10,000); Cash collected from customers, \$80,000; all sales on credit

<u>Accounts Receivable</u>		<u>Sales</u>	
Nov 30 10,000	80,000 Collected		73,000 Sales
<b>Sales 73,000</b>			
<hr/>		<hr/>	
Dec 31 3,000			73,000
<hr/>		<hr/>	
<u>Cash</u>			
Collected 80,000			
<hr/>			

© Dr. Chua King  
All Rights Reserved

---

---

---

---

---

---

---

---

---

---

Inventory decreased by 1,000 (6,000 – 7,000); Cash paid to suppliers, \$60,000; Accounts Payable increased by 3,000 (15,000 – 12,000); Entire Accounts Payable for Inventory

<u>Inventory</u>		<u>Accounts Payable</u>	
Nov 30 7,000	64,000 Used	Paid 60,000	12,000 Nov 30
<b>Purch 63,000</b>			<b>63,000 Purch</b>
<hr/>		<hr/>	
Dec 31 6,000			15,000 Dec 31
<hr/>		<hr/>	
<u>Cash</u>		<u>COGS</u>	
	60,000 Paid	Used 64,000	
<hr/>		<hr/>	
		<b>64,000</b>	

© Dr. Chua King  
All Rights Reserved

---

---

---

---

---

---

---

---

---

---

Prepaid Insurance increased by 2,500 (7,500 – 5,000); Cash paid for insurance was 5,000

<u>Prepaid Insurance</u>		<u>Insurance Expense</u>	
Nov 30 5,000		Paid 5,000	<b>2,500 AE</b>
<b>AE 2,500</b>			
<hr/>		<hr/>	
Dec 31 7,500		Dec 31 2,500	
<hr/>		<hr/>	
<u>Cash</u>			
	5,000 Paid		
<hr/>			

© Dr. Chua King  
All Rights Reserved

---

---

---

---

---

---

---

---

---

---

Wages payable decreased by 2,000 (3,000 – 5,000); \$10,000 was paid to employees during December for wages

Salaries Expense		Salaries Payable	
Paid 10,000	2,000 Dec AE	Dec AE 2,000	5,000 Nov 30
<b>Dec 31 8,000</b>			<b>3,000 Dec 31</b>
Cash			
	10,000 Paid		

© Dr. Chula King  
All Rights Reserved

---

---

---

---

---

---

---

---

Part 2

Accounts Receivable	73,000
Sales	73000
Cost of Goods Sold	64,000
Inventory	64,000

© Dr. Chula King  
All Rights Reserved

---

---

---

---

---

---

---

---