Zimmerman Company's annual accounting year ends on December 31. It is December 31, 2014, and all of the 2014 entries **except the following adjusting entries** have been made:

a. On September 1, 2014, Zimmerman collected six months' rent of $8,760 on storage space. At that date, Zimmerman debited Cash and credited Unearned Rent Revenue for $8,760.

b. On October 1, 2014, the company borrowed $14,400 from a local bank and signed a 15 percent note for that amount. The principal and interest are payable on the maturity date, September 30, 2015.

c. Depreciation of $2,900 must be recognized on a service truck purchased on July 1, 2014, at a cost of $17,000.

d. Cash of $5,400 was collected on November 1, 2014, for services to be rendered evenly over the next year beginning on November 1. Unearned Service Revenue was credited when the cash was received.

e. On November 1, 2014, Zimmerman paid a one-year premium for property insurance, $9,120, for coverage starting on that date. Cash was credited and Prepaid Insurance was debited for this amount.

f. The company earned service revenue of $3,400 on a special job that was completed December 29, 2014. Collection will be made during January 2015. No entry has been recorded.

g. At December 31, 2014, wages earned by employees totaled $14,300. The employees will be paid on the next payroll date, January 15, 2015.

h. On December 31, 2014, the company estimated it owed $580 for 2014 property taxes on land. The tax will be paid when the bill is received in January 2015.

Transaction	General Journal	Debit	Credit
a.	Unearned rent revenue	5,840	
	Rent revenue		5,840
b.	Interest expense	540	
	Interest payable		540
c.	Depreciation expense	2,900	
	Accumulated depreciation		2,900
d.	Unearned service revenue	900	
	Service revenue		900
e.	Insurance expense	1,520	
	Prepaid insurance		1,520
f.	Accounts receivable	3,400	
	Service revenue		3,400
g.	Wage expense	14,300	
	Wages payable		14,300
h.	Property tax expense	580	
	Property tax payable		580

2. Explanation:

a. \$8,760 ÷ 6 months = \$1,460 per month × 4 months = \$5,840
b. \$14,400 × 0.15 × 3/12 = \$540
d. \$5,400 × 2/12 = \$900
e. \$9,120 ÷ 12 months = \$760 per month × 2 months of coverage = \$1,520