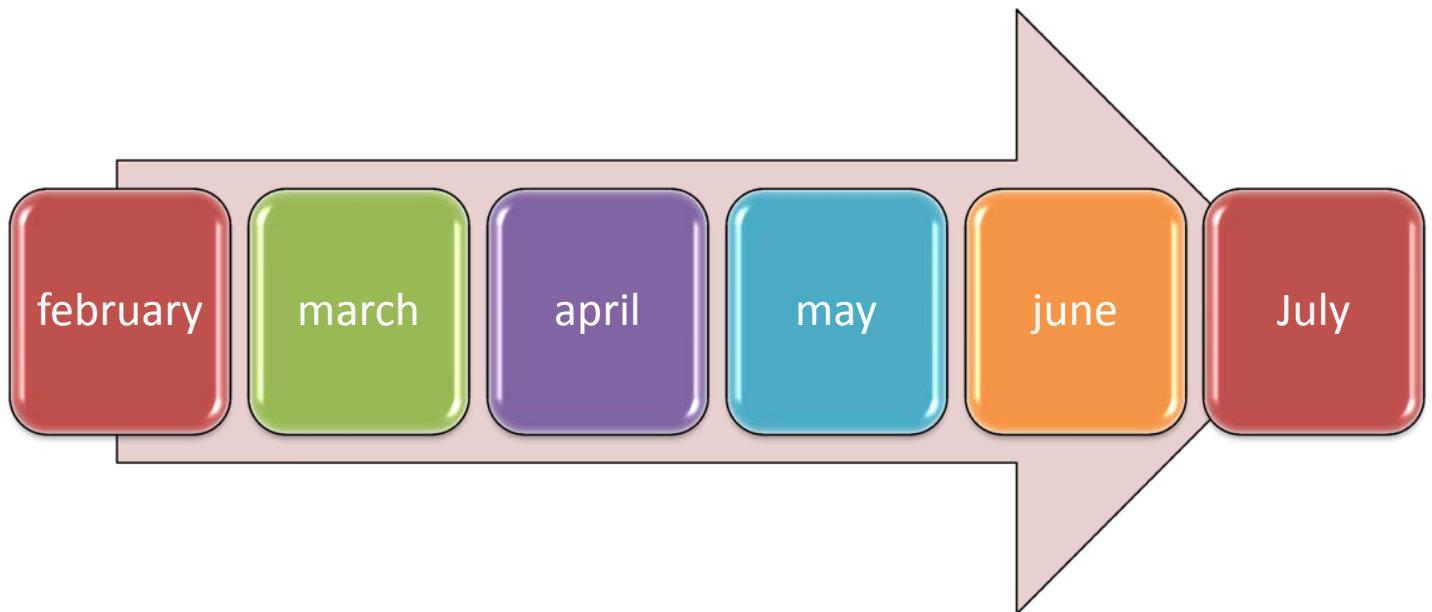


ADJUSTING ENTRIES

Prepaid Rent/Prepaid Insurance

Purchase a 6 month Policy for \$1200 on 2/1

Record purchase then monthly adjustment.



Supplies

Start of Month = \$50. Purchase \$200. EOM= \$150



Depreciation

How Depreciation Works

Useful Life of 4 years
Assume Salvage Value = \$0
Depreciates \$1,000 each year

Start Year 1
\$4,000







End Year 1
\$3,000

End Year 2
\$2,000

End Year 3
\$1,000

End Year 4
\$0

*Assume:
Straight Line Depreciation*



Unearned Revenue

\$100,000 for a statue of ME!

What to record now and when the work is done.



Payroll

MARCH 2016

MON	TUE	WED	THU	FRI
	1	2	3	4
7	8	9	10	11
14	15	16	17	18
✓ 21	✓ 22	✓ 23	✓ 24	✓ 25
✓ 28	✓ 29	✓ 30	✓ 31	1