

Supplementary Exercise 3-1 Solution

- a. Examine this trial balance for errors in debits and credits. Make the necessary corrections.
 b. Provide the necessary formulas to calculate the totals of the Debit and Credit columns.

Fortier Enterprises Trial Balance June 30, 20--

		Debit		Credit
101	Bank	13,250.00		
104	Accounts Receivable	1,760.00		
121	Insurance prepaid	1,550.00		
130	Land	65,000.00		
135	Building	480,000.00		
150	Office Equipment	15,300.00		
155	Tools & Equipment	2,400.00		
205	Accounts Payable			6,180.00
210	Bank Loan Payable			6,100.00
215	Mortgage Payable			211,000.00
300	Capital, Alain Fortier			60,000.00
410	Sales Revenue			620,000.00
415	Interest Revenue			1,250.00
420	Other Revenue			290.00
510	Purchases	310,300.00		
530	Rent Expense	12,000.00		
535	Business Tax Expense	990.00		
540	Supplies Expense	670.00		
545	Interest Expense	120.00		
550	Utilities Expense	1,480.00		
		904,820.00		904,820.00

Supplementary Exercise 3-2

- a. Calculate the final balance of each ledger account.
- b. Prepare a trial balance from the final ledger account balances.

Bank #101				
Date	Memo	Debit	Credit	Balance
	Balance Forward			19600 Dr.
Apr 3			4000	15600
Apr 15			2100	13500
Apr 20			450	13050

Accounts Receivable #105				
Date	Memo	Debit	Credit	Balance
	Balance Forward			8400 Dr.
Apr 1		140000		148400

Office Supplies Prepaid #115				
Date	Memo	Debit	Credit	Balance
Apr 15		2100		2100

Office Equipment #120				
Date	Memo	Debit	Credit	Balance
	Balance Forward			2500 Dr.

Building #130				
Date	Memo	Debit	Credit	Balance
	Balance Forward			50000 Dr.

Accounts Payable #205				
Date	Memo	Debit	Credit	Balance
	Balance Forward			7000 Cr.

Bank Loan Payable #215				
Date	Memo	Debit	Credit	Balance
	Balance Forward			20000 Cr.

Apr 3

4000

16000

Capital, R. L. Reechai #310

Date	Memo	Debit	Credit	Balance
	Balance Forward			60000 Cr.

Sales #401

Date	Memo	Debit	Credit	Balance
	Balance Forward			18000 Cr.
Apr 1			140000	158000

Advertising Expense #502

Date	Memo	Debit	Credit	Balance
	Balance Forward			5000 Dr.

Office Supplies Expense #521

Date	Memo	Debit	Credit	Balance
	Balance Forward			1000 Dr.

Rent Expense #533

Date	Memo	Debit	Credit	Balance
	Balance Forward			7500 Dr.

Telephone Expense #540

Date	Memo	Debit	Credit	Balance
	Balance Forward			1100 Dr.
Apr 20		450		1550

Utilities Expense #555

Date	Memo	Debit	Credit	Balance
	Balance Forward			9900 Dr.

Reechai Company
Trial Balance
April 30, 20--

#	Account Name	Debit	Credit
101	Bank	13050	
105	Accounts Receivable	148400	
115	Office Supplies Prepaid	2100	
120	Office Equipment	2500	
130	Building	50000	
205	Accounts Payable		7000
215	Bank Loan Payable		16000
310	Capital		60000
401	Sales		158000
502	Advertising Expense	5000	
521	Office Supplies Expense	1000	
533	Rent Expense	7500	
540	Telephone Expense	1550	
555	Utilities Expense	9900	
		<u>241000</u>	<u>241000</u>