



Adjustment no 1(a)-Deferred Expense

Transaction: Feb 1, 2024

Purchased office supplies for cash Rs.10,000.

General Journal

Date	Account Titles and Explanation	Post Ref.	Debit	Credit
2024 Feb 1	Office Supplies		10,000	
	Cash			10,000
	(Purchased office supplies on cash)			

General Ledger Office Supplies					
2024 Feb 1	Cash	10,000	2024 Dec 31	Adj	8,000
Balance	2,000				

Data for Adjustment(Dec 31,2024)

Office supplies unused/unconsumed/unexpired
Rs.2000
or
Office supplies used/consumed/expired Rs.8,000

General Journal

Date	Account Titles and Explanation	Post Ref.	Debit	Credit
2024 Dec 31	Office Supplies Expense		8,000	
	Office Supplies			8,000
	(To record office supplies expense)			

General Ledger Office Supplies Expense

2024 Dec 31	Adj	8,000
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Operational Level 1

Fundamentals of Financial Accounting

Adjustment no 1(a)-Deferred Expense-Practice no 1

General Ledger Prepaid Rent					
2024 Jan 1	Cash	150,000	2023 Dec 31	Adj	120,000
Balance	30,000				
Rent Expense					
2024 Dec 31	Adj	120,000			
Data for Adjustment:					
Prepaid Rent Rs.30,000					
or					
Rent Expense Rs.120,000					

General Journal

Date	Account Titles and Explanation	Post Ref.	Debit	Credit
2024 Dec 31	Rent Expense		120,000	
	Prepaid Rent			120,000
	(To adjust prepaid rent)			

Adjustment no 1(a)-Deferred Expense-Practice no 2

General Ledger Prepaid Insurance					
2023 Aug 1	Cash	500,000	2023 Dec 31	Adj	300,000
Balance	200,000				
Insurance Expense					
2023 Dec 31	Adj	300,000			
Data for Adjustment:					
Insurance Expired Rs.300,000					

General Journal

Date	Account Titles and Explanation	Post Ref.	Debit	Credit
2023 Dec 31	Insurance Expense		300,000	
	Prepaid Insurance			300,000
	(To record insurance expense)			

Adjustment no 1(a)-Deferred Expense-Practice no 3										
General Ledger Supplies						General Journal				
2024 July 12	Cash	30,000	2024 Dec 31	Adj	25,000	Date	Account Titles and Explanation	Post Ref.	Debit	Credit
						2024 Dec 31	Supplies Expense		25,000	
Balance	5,000						Supplies			25,000
							(To adjust supplies)			
Supplies Expense										
2024 Dec 31	Adj	25,000								
Data for Adjustment:										
Supplies on hand Rs.5,000										