

Operational Level 1

Fundamentals of Financial Accounting

| Adjustment no 1(b): | | | | | | | | | | |
|---|------|--------|----------------|-----|-------|-----------------|-------------------------------------|--------------|-------|--------|
| General Ledger Office Supplies Expense | | | | | | General Journal | | | | |
| 2023 Mar 30 | Cash | 67,000 | 2023 Dec 31 | Adj | 7,000 | Date | Account Titles and Explanation | Post Ref. | Debit | Credit |
| | | | | | | 2023 Dec 31 | Office Supplies | | 7,000 | |
| | | | | | | | Office Supplies Expense | | | 7,000 |
| | | | | | | | (To adjust office supplies expense) | | | |
| Office Supplies | | | | | | | | | | |
| 2023 Dec 31 | Adj | 7,000 | | | | | | | | |
| | | | | | | | | | | |
| Data for Adjustment: | | | | | | | | | | |
| Office supplies expired Rs.60,000 or Office supplies on hand Rs.7,000 | | | | | | | | | | |

| Adjustment no 1(b)-Deferred Expense | | | | | | | | | | |
|---------------------------------------|------|--------|----------------|-----|-------|-----------------|---------------------------------|--------------|-------|--------|
| General Ledger Advertising Expense | | | | | | General Journal | | | | |
| 2023 July 7 | Cash | 70,000 | 2023 Dec 31 | Adj | 8,000 | Date | Account Titles and Explanation | Post Ref. | Debit | Credit |
| | | | | | | 2023 Dec 31 | Prepaid Advertising | | 8,000 | |
| | | | | | | | Advertising Expense | | | 8,000 |
| | | | | | | | (To record prepaid advertising) | | | |
| Prepaid Advertising | | | | | | | | | | |
| 2023 Dec 31 | Adj | 8,000 | | | | | | | | |
| | | | | | | | | | | |
| Data for Adjustment: | | | | | | | | | | |
| Prepaid Advertising Rs.8,000 | | | | | | | | | | |

Operational Level 1

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| Adjustment no 1-Practice no 1 | | | | | | | | | | |
|--|--------|--------|----------------|-----|--------|-----------------|------------------------------------|--------------|--------|--------|
| General Ledger Unexpired Transportation | | | | | | General Journal | | | | |
| 2023 Feb 1 | Cash | 130000 | 2023 Dec 31 | Adj | 80,000 | Date | Account Titles and Explanation | Post Ref. | Debit | Credit |
| | | | | | | 2023 Dec 31 | Transportation Expense | | 80,000 | |
| | | | | | | | Unexpired Transportation | | | 80,000 |
| | | | | | | | (To record transportation expense) | | | |
| Balance | 50,000 | | | | | | | | | |
| Transportation Expense | | | | | | | | | | |
| 2023 Dec 31 | Adj | 80,000 | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Data for Adjustment: | | | | | | | | | | |
| Transportation expired Rs.80,000 | | | | | | | | | | |

| Adjustment no 1-Practice no 2 | | | | | | | | | | |
|----------------------------------|-------|--------|----------------|-----|--------|-----------------|--------------------------------|--------------|--------|--------|
| General Ledger Repair Expense | | | | | | General Journal | | | | |
| 2023 Oct 7 | Cash | 50000 | 2023 Dec 31 | Adj | 40,000 | Date | Account Titles and Explanation | Post Ref. | Debit | Credit |
| | | | | | | 2023 Dec 31 | Prepaid Repair | | 40,000 | |
| | | | | | | | Repair Expense | | | 40,000 |
| | | | | | | | (To record prepaid repair) | | | |
| Balance | 10000 | | | | | | | | | |
| Prepaid Repair | | | | | | | | | | |
| 2023 Dec 31 | Adj | 40,000 | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Data for Adjustment: | | | | | | | | | | |
| Repair Expense Rs.10,000 | | | | | | | | | | |

| Adjustment no 2(a)-Deferred Income | | | | | | | | | | |
|------------------------------------|-----|---------|----------------|--------|---------|-----------------|--------------------------------|--------------|---------|---------|
| General Ledger | | | | | | General Journal | | | | |
| Unearned Commission | | | | | | | | | | |
| 2023 Dec 31 | Adj | 400,000 | 2023 Mar 3 | Cash | 450,000 | Date | Account Titles and Explanation | Post Ref. | Debit | Credit |
| | | | | | | 2023 Dec 31 | Unearned Commission | | 400,000 | |
| | | | | | | | Commission Income | | | 400,000 |
| | | | | | | | (To record commission income) | | | |
| | | | Balance | 50,000 | | | | | | |
| Commission Income | | | | | | | | | | |
| | | | 2023 Dec 31 | Adj | 400000 | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Data for Adjustment(Dec 31): | | | | | | | | | | |
| Commission earned Rs.400,000 | | | | | | | | | | |
| or | | | | | | | | | | |
| Unearned Commssion Rs.50,000 | | | | | | | | | | |

| Adjustment no 2(a)-Deferred Income-Practice no 1 | | | | | | | | | | |
|--|-----|---------|----------------|---------|---------|-----------------|--------------------------------|--------------|---------|---------|
| General Ledger | | | | | | General Journal | | | | |
| Unearned Rent | | | | | | | | | | |
| 2023 Dec 31 | Adj | 120,000 | 2023 Jan 1 | Cash | 360,000 | Date | Account Titles and Explanation | Post Ref. | Debit | Credit |
| | | | | | | 2023 Dec 31 | Unearned Rent | | 120,000 | |
| | | | | | | | Rent Income | | | 120,000 |
| | | | | | | | (To adjust unearned rent) | | | |
| | | | Balance | 240,000 | | | | | | |
| Rent Income | | | | | | | | | | |
| | | | 2023 Dec 31 | Adj | 120000 | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Data for Adjustment(Dec 31): | | | | | | | | | | |
| Rent Income Rs.120,000 | | | | | | | | | | |

| Adjustment no 2(a)-Deferred Income-Practice no 2 | | | | | | General Journal | | | | |
|--|-----|--------|-----------------|-------|---------|-----------------|--------------------------------|--------------|--------|--------|
| General Ledger Unearned Fee | | | | | | | | | | |
| 2023 Dec 31 | Adj | 99,000 | 2023 April 3 | Cash | 102,000 | Date | Account Titles and Explanation | Post Ref. | Debit | Credit |
| | | | | | | 2023 Dec 31 | Unearned Fee | | 99,000 | |
| | | | | | | | Fee Income | | | 99,000 |
| | | | | | | | (To record fee income) | | | |
| | | | Balance | 3,000 | | | | | | |
| Fee Income | | | | | | | | | | |
| | | | 2023 Dec 31 | Adj | 99000 | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Data for Adjustment(Dec 31): | | | | | | | | | | |
| Unearned Fee Rs.3,000 | | | | | | | | | | |

| Adjustment no 2(b)-Deferred Income | | | | | | General Journal | | | | |
|---------------------------------------|-----|--------|----------------|---------|---------|-----------------|-----------------------------------|--------------|--------|--------|
| General Ledger Consultation Income | | | | | | | | | | |
| 2023 Dec 31 | Adj | 10,000 | 2023 Jan 1 | Cash | 200,000 | Date | Account Titles and Explanation | Post Ref. | Debit | Credit |
| | | | | | | 2023 Dec 31 | Consultation Income | | 10,000 | |
| | | | | | | | Unearned Consultation | | | 10,000 |
| | | | | | | | (To record unearned consultation) | | | |
| | | | Balance | 190,000 | | | | | | |
| Unearned Consultation | | | | | | | | | | |
| | | | 2023 Dec 31 | Adj | 10000 | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Data for Adjustment(Dec 31): | | | | | | | | | | |
| Unearned Consultation Rs.10,000 | | | | | | | | | | |

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Adjustment no 2(b)-Deferred Income-Practice no 1

| General Ledger Service Income | | | | | |
|-------------------------------------|-----|--------|---------------------|----------------|----------------|
| 2023 Dec 31 | Adj | 15,000 | 2023 April 10 | Cash | 300,000 |
| | | | | | |
| | | | | Balance | 285,000 |
| Unearned Service | | | | | |
| | | | 2023 Dec 31 | Adj | 15000 |
| | | | | | |
| Data for Adjustment(Dec 31): | | | | | |
| Service Income Rs.285,000 | | | | | |

General Journal

| Date | Account Titles and Explanation | Post Ref. | Debit | Credit |
|----------------|--------------------------------|-----------|--------|--------|
| 2023 Dec 31 | Service Income | | 15,000 | |
| | Unearned Service | | | 15,000 |
| | (To record unearned service) | | | |

Adjustment no 2(b)-Deferred Income-Practice no 2

| General Ledger Cleaning Income | | | | | |
|-------------------------------------|-----|--------|----------------|----------------|----------------|
| 2023 Dec 31 | Adj | 10,000 | 2023 Oct 1 | Cash | 400,000 |
| | | | | | |
| | | | | Balance | 390,000 |
| Unearned Cleaning | | | | | |
| | | | 2023 Dec 31 | Adj | 10000 |
| | | | | | |
| Data for Adjustment(Dec 31): | | | | | |
| Cleaning Income Rs.390,000 | | | | | |

General Journal

| Date | Account Titles and Explanation | Post Ref. | Debit | Credit |
|----------------|--------------------------------|-----------|--------|--------|
| 2023 Dec 31 | Cleaning Income | | 10,000 | |
| | Unearned Cleaning | | | 10,000 |
| | (To adjust cleaning income) | | | |

| Adjustment no 3:Accrued Expense | | | | | | | | | | |
|---|-----------|-----------|----------------|-----|--------|-----------------|--------------------------------|--------------|---------|---------|
| General Ledger Salaries Expense | | | | | | General Journal | | | | |
| 2023 Dec 31 | Balance | 1,100,000 | | | | Date | Account Titles and Explanation | Post Ref. | Debit | Credit |
| 31 | Adj | 100000 | | | | 2023 Dec 31 | Salaries Expense | | 100,000 | |
| Balance | 1,200,000 | | | | | | Salaries Payable | | | 100,000 |
| | | | | | | | (To record salaries payable) | | | |
| Salaries Payable | | | | | | | | | | |
| | | | 2023 Dec 31 | Adj | 100000 | | | | | |
| Data for Adjustment(Dec 31): | | | | | | | | | | |
| Salaries Expense Rs.1,200,000 | | | | | | | | | | |
| Salaries Payable Rs.100,000 or | | | | | | | | | | |
| Unpaid Salaries Rs.100,000 or | | | | | | | | | | |
| Accrued Salaries Rs.100,000 or | | | | | | | | | | |
| Salaries Outstanding Rs.100,000 or | | | | | | | | | | |
| Salaries incurred but not paid Rs.100,000 | | | | | | | | | | |

| Adjustment no 3:Accrued Expense (Practice no 1) | | | | | | | | | | |
|---|-----------|---------|----------------|-----|--------|-----------------|--------------------------------|--------------|---------|---------|
| General Ledger Taxes Expense | | | | | | General Journal | | | | |
| 2023 Dec 31 | Balance | 750,000 | | | | Date | Account Titles and Explanation | Post Ref. | Debit | Credit |
| 31 | Adj | 300000 | | | | 2023 Dec 31 | Taxes Expense | | 300,000 | |
| Balance | 1,050,000 | | | | | | Taxes Payable | | | 300,000 |
| | | | | | | | (To record taxes payable) | | | |
| Taxes Payable | | | | | | | | | | |
| | | | 2023 Dec 31 | Adj | 300000 | | | | | |
| Data for Adjustment(Dec 31): | | | | | | | | | | |
| Taxes Payable Rs.300,000 | | | | | | | | | | |

| Adjustment no 3:Accrued Expense (Practice no 2) | | | | | | | | | | |
|---|---------|---------|----------------|-----|-------|-----------------|--------------------------------|--------------|--------|--------|
| General Ledger Utilities Expense | | | | | | General Journal | | | | |
| 2023 Dec 31 | Balance | 382,345 | | | | Date | Account Titles and Explanation | Post Ref. | Debit | Credit |
| 31 | Adj | 45200 | | | | 2023 Dec 31 | Utilities Expense | | 45,200 | |
| Balance | 427,545 | | | | | | Utilities Payable | | | 45,200 |
| | | | | | | | (To record utilities payable) | | | |
| Utilities Payable | | | | | | | | | | |
| | | | 2023 Dec 31 | Adj | 45200 | | | | | |
| Data for Adjustment(Dec 31): | | | | | | | | | | |
| Outstanding Utilities Rs.45200 | | | | | | | | | | |