

**Problem 4-6B (30 minutes)**

**2001**

a)	Dec. 31	Insurance Expense.....	6,400	
		Prepaid Insurance .....		6,400
		<i>To record the cost of insurance expired during the year.</i>		
b)	31	Teaching Supplies Expense .....	57,500	
		Teaching Supplies .....		57,500
		<i>To record the cost of supplies used during the year.</i>		
c)	Dec. 31	Amortization Expense, Equipment .....	4,000	
		Accumulated Amortization, Equipment.....		4,000
		<i>To record equipment amortization expense.</i>		
d)	31	Amortization Expense, Prof. Library.....	2,000	
		Accumulated Amortization, Professional Library .....		2,000
		<i>To record professional library amortization expense.</i>		
e)	31	Unearned Extension Fees.....	9,200	
		Extension Fees Earned.....		9,200
		<i>To record extension fees earned that were collected in advance.</i>		

f)	31	Accounts Receivable .....	5,500	
		Tuition Fees Earned .....		5,500
		<i>To record the amount of tuition fees earned.</i>		
g)	31	Salaries Expense.....	540	
		Salaries Payable.....		540
		<i>To accrue salaries expense.</i>		
h)	31	Rent Expense .....	2,600	
		Prepaid Rent.....		2,600
		<i>To record the expiration of prepaid rent.</i>		

**Prestige Rentals  
Work Sheet  
For Year Ended March 31, 2001**

Account Number	Account	Unadjusted Trial Balance		Adjustments		Adjusted Trial Balance		Income Statement		Balance Sheet & Statement of Owner's Equity	
		Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
101	Cash .....	34,000				34,000				34,000	
110	Rent receivable .....	126,000		a) 16,000		142,000				142,000	
124	Office supplies .....	13,600			b) 12,200	1,400				1,400	
141	Investment in ClubLink shares....	286,000				286,000				286,000	
161	Furniture .....	92,000				92,000				92,000	
173	Building.....	1,250,000				1,250,000				1,250,000	
183	Land.....	220,000				220,000				220,000	
201	Accounts payable .....		11,600		f) 5,240		16,840				16,840
252	Long-term note payable .....		750,000				750,000				750,000
301	Chris Jensen, capital .....		999,050				999,050				999,050
302	Chris Jensen, withdrawals.....	56,000				56,000				56,000	
406	Rent earned .....		812,400		a) 16,000		828,400		828,400		
620	Office salaries expense .....	248,000		d) 5,250		253,250		253,250			
633	Interest expense.....	41,250		g) 3,750		45,000		45,000			
655	Advertising expense.....	56,000			e) 800	55,200		55,200			
673	Janitorial expense.....	82,000				82,000		82,000			
690	Utilities expense.....	68,200		f) 5,240		73,440		73,440			
	Totals .....	<u>2,573,050</u>	<u>2,573,050</u>								
650	Office supplies expense.....			b) 12,200		12,200		12,200			
601	Amortization expense, furniture ...			c) 7,000		7,000		7,000			
162	Accumulated amort., furniture..				c) 7,000		7,000				7,000
606	Amort. expense, building.....			c) 50,000		50,000		50,000			
174	Accumulated amort., building...				c) 50,000		50,000				50,000
209	Salaries payable.....				d) 5,250		5,250				5,250
131	Prepaid advertising.....			e) 800		800				800	
203	Interest payable.....				g) 3,750		3,750				3,750
	Totals .....			<u>100,240</u>	<u>100,240</u>	<u>2,660,290</u>	<u>2,660,290</u>	<u>578,090</u>	<u>828,400</u>	<u>2,082,200</u>	<u>1,831,890</u>
	Net income.....							<u>250,310</u>			<u>250,310</u>
	Totals .....							<u>828,400</u>	<u>828,400</u>	<u>2,082,200</u>	<u>2,082,200</u>

