

Handout 4

Using the following trial balance, record closing entries for (1) a periodic inventory system and (2) a perpetual inventory system (ending inventory is \$30,000).

Cash	\$ 26,000	
Accounts receivable	88,000	
Supplies	9,000	
Inventory	40,000	
Equipment	250,000	
Accumulated depreciation		\$ 100,000
Accounts payable		12,000
Salaries payable		14,000
Rent payable		5,000
Utilities payable		2,000
Unearned sales revenue		17,000
Common stock		120,000
Retained earnings		106,000
Dividends	11,000	
Sales		449,000
Sales returns and allowances	4,000	
Sales discounts	5,000	
Purchases	105,000	
Purchase returns and allowances		9,000
Purchase discounts		6,000
Rent expense	70,000	
Salaries expense	150,000	
Utilities expense	60,000	
Depreciation expense	10,000	
Income tax expense	12,000	
	840,000	840,000