

P4-2A The adjusted trial balance columns of the worksheet for Porter Company are as follows.

PORTER COMPANY

Worksheet

For the Year Ended December 31, 2008

Adjusted

Account Trial Balance

No. Account Titles Dr. Cr.

101 Cash 18,800
112 Accounts Receivable 16,200
126 Supplies 2,300

Prepare worksheet, financial statements, and adjusting and closing entries.

(SO 1, 2, 6)

(a) Adjusted trial balance

\$57,800

(b) Net income \$6,680

Total assets \$48,730

Account Trial Balance

No. Account Titles Dr. Cr.

130 Prepaid Insurance 4,400
151 Office Equipment 44,000
152 Accumulated Depreciation—Office Equipment 20,000
200 Notes Payable 20,000
201 Accounts Payable 8,000
212 Salaries Payable 2,600
230 Interest Payable 1,000
311 Common Stock 30,000
320 Retained Earnings 6,000
332 Dividends 12,000
400 Service Revenue 77,800
610 Advertising Expense 12,000
631 Supplies Expense 3,700
711 Depreciation Expense 8,000
722 Insurance Expense 4,000
726 Salaries Expense 39,000
905 Interest Expense 1,000
Totals 165,400 165,400

Instructions

(a) Complete the worksheet by extending the balances to the financial statement columns.

(b) Prepare an income statement, a retained earnings statement, and a classified balance sheet. \$10,000 of the notes payable become due in 2009. No additional issuance of common stock occurred during 2008.

(c) Prepare the closing entries. Use J14 for the journal page.

(d) Post the closing entries. Use the three-column form of account. Income Summary is account No. 350.

(e) Prepare a post-closing trial balance.