

**ISLANDER'S GIFT SHOP**  
**Trial Balance**  
**December 31, 2008**

Cash	26,300.00	
Accounts Receivable	124,600.00	
Notes Receivable	35,000.00	
Merchandise Inventory, Dec. 01	112,600.00	
Store and Office Supplies	1,200.00	
Land	50,000.00	
Building	150,000.00	
Furniture and Fixtures	12,500.00	
Accounts Payable		46,300.00
Notes Payable		34,500.00
Mortgage Payable		50,000.00
Drew Sicat, Capital		370,600.00
Sales		409,300.00
Sales Returns and Allowances	8,600.00	
Sales Discounts	4,300.00	
Purchases	324,700.00	
Purchase Returns and Allowances		3,300.00
Purchase Discounts		6,000.00
Freight In	7,600.00	
Salaries Expense	48,000.00	
Advertising	7,400.00	
Utilities Expense	4,500.00	
Telephone and Telegraph	1,300.00	
Miscellaneous Office Expense	1,400.00	
	<u>920,000.00</u>	<u>920,000.00</u>
<b>Total</b>	<b><u>920,000.00</u></b>	<b><u>920,000.00</u></b>

These are the following adjustments

1. Estimated allowance for bad debts P1,970.00.
2. Depreciation for building P3,000.00.
3. Depreciation for furniture and fixtures P1,250.00.
4. Interest of P3,000.00 is due for the month on the mortgage payable.
5. Merchandise Inventory, Dec. 31, 2008, P129,000.00.

Required:

- a. 2-column journal for adjusting entries
- b. 10-column worksheet
- c. Income statement
- d. Balance sheet