

Year 12 Accounting Worksheet 8

Balance Day Adjustment

(*Note: Answer the following questions in your activity book.*)

The following represents the trial balance extract of Nawanawa Enterprise.

Nawanawa Enterprise

Trial Balance (extract) as at 31 March 2021

	\$		\$
Accounts receivables	6 000	Provision for doubtful debts	200
Furniture	18 000	Rent received	200
Bad debts	200	Mortgage	10 000
Interest on mortgage	300	Accounts payable	
Wages	1 500		
Discount allowed	150		
Advertising	500		

At 10% on cost

The balance day adjustments:

- Interest on mortgage owing \$100.
- Wages unexpired \$100.
- Rent received in advance \$200.
- Provide depreciation on furniture at 10% on cost.
- Wrote off additional Bad Debts \$150.
- Provision for doubtful debts to be provided at a rate of 2% per annum.

Required:

Prepare the general journal entries for the above adjustments,

(6 marks)