

Answer each of the following questions:

BE13-2. Upland Company borrowed \$40000 on November 1, 2019, by signing a \$40000, 9%, 3-month note. Prepare the Journal entry at November 1, 2019, the December 31, 2019, annual adjusting entry; and the February 1, 2020, entry.

Nov. 1	Cash	40000	
	Notes payable		40000
Dec.31	Interest expense	600	
	Interest payable (40000×9%× 2÷12)		600
Feb.1	Notes payable	40000	
	Interest payable	600	
	Interest expense (40000×9%× 1÷12)	300	
	Cash		40900

BE133. Takemoto Corporation borrowed 60000 on November 1, 2019, by signing a \$61350, 3-month, zero-interest-bearing note. Prepare Takemoto's November 1, 2019 entry; the December 31, 2019, annual adjusting entry; and the February 1, 2020, entry.

Nov. 1	Cash	60000	
	Discount on Notes Payable	1350	
	Notes payable		61350
Dec.31	Interest expense	900	
	Discount on Notes payable (1350× 2÷3)		900
Feb.1	Interest expense	450	
	Discount on Notes payable (1350× 1÷3)		450
Feb.1	Notes payable	61350	
	Cash		61350

BE13-5. Sport Pro Magazine sold 12000 annual subscriptions on August 1, 2019, for \$18 each. Prepare Sport Pro's August 1, 2019, journal entry and the December 31, 2019, annual adjusting entry, assuming the magazines are published and delivered monthly.

Aug. 1	Cash	216000	
	Unearned Sales Revenue (12000×\$18)		216000
Dec.31	Unearned Sales Revenue	90000	
	Sales Revenue (216000× 5÷12)		90000

BE13-6 Dillons Corporation made credit sales of \$30000 which are subject to 6% sales tax. The corporation also made cash sales which totalled \$20670 including the 6% sales tax. (a) Prepare the entry to record Dillons' credit sales

(b) Prepare the entry to record Dillons' cash sales

	Accounts Receivable	31800	
	Sales Revenue		30000
	Sales Taxes Payable (30000×6%)		1800
	Cash	20670	
	Sales Revenue (20670÷1.06)		19500
	Sales Taxes payable		1170

BE13-7 Lexington Corporation's weekly payroll of \$24000 included taxes 5746, and insurance premiums withheld of \$250. Prepare the journal entry to record Lexington's payroll

	Salaries and wages expense	24000	
	Taxes payable		5746
	Insurance premium payable		250
	Cash		18004

BE13-8 Kasten Inc. provides paid vacations to its employees. At December 31, 2014, 30 employees have each earned 2 weeks of vacation time. The employees' average salary is \$500 per week. Prepare Kasten's December 31, 2014, adjusting entry.

Salaries and Wages Expense	30,000	
Salaries and Wages Payable		
(30 X 2 X \$500)		30,000

BE13-9 Mayaguez Corporation provides its officers with bonuses based on net income. For 2014, the bonuses total \$350,000 and are paid on February 15, 2015. Prepare Mayaguez's December 31, 2014, adjusting entry and the February 15, 2015, entry.

12/31/14	Salaries and Wages Expense	350,000	
	Salaries and Wages Payable		350,000
2/15/15	Salaries and Wages Payable	350,000	
	Cash		350,000

E13-16 Presented below is a list of possible transactions.

Instructions: Set up a table using the format shown below and analyze the effect of the 6 transactions on the financial statement categories indicated.

1. Purchased inventory for \$80000 on account (Perpetual system is used)
2. Issued an \$80000 note payable in payment on account (see item 1 above)
3. Recorded accrued interest on the note from item 2 above.
4. Borrowed \$100000 from the bank by signing a 6 month, \$112000 zero-interest- bearing note
5. Recognized 4 months interest expenses on the note from item 4 above.
6. Recorded cash sales of \$75,260, which includes 6% sales tax

#	Assets	Liabilities	Owners' Equity	Net Income

Use the following code:

I: Increase D: Decrease NE: No net effect

	Assets	Liabilities	Owners' Equity	Net Income
1. Purchase inventory on account	I	I	NE	NE
2. Issued note payable in payment on account	NE	NE	NE	NE
3. Recorded accrued interest	NE	I	D	D
4. Borrowed by signing note	I	I	NE	NE
5. Recognized 4 months interest expenses	NE	I	D	D
6. Recorded Cash sales, includes sales tax	I	I	I	I