

Spreadsheet Guide

Step-by-Step Instructions

Problem 18-5 Completing a Ten-Column Work Sheet

Complete the Spreadsheet

- Step 1** Read the instructions for Problem 18-5 in your textbook. This problem involves completing a ten-column work sheet for InBeat CD Shop.
- Step 2** Launch the Spreadsheet Problem.

PROBLEM 18-5
COMPLETING A TEN-COLUMN WORK SHEET

(name)
(date)

INBEAT CD SHOP WORK SHEET
FOR THE YEAR ENDED AUGUST 31, 20--

ACCOUNT NUMBER	ACCOUNT NAME	TRIAL BALANCE		ADJUSTMENTS		> <	BALANCE SHEET	
		DEBIT	CREDIT	DEBIT	CREDIT		> <	DEBIT
101	Cash in Bank	14,974.00				> <	14,974.00	
115	Accounts Receivable	3,774.00				> <	3,774.00	
130	Merchandise Inventory	86,897.00			AMOUNT	> <	86,897.00	
135	Supplies	2,940.00			AMOUNT	> <	2,940.00	
140	Prepaid Insurance	1,975.00			AMOUNT	> <	1,975.00	
150	Office Equipment	10,819.00				> <	10,819.00	
201	Accounts Payable		7,740.00			> <		7,740.00
207	Federal Corporate Income Tax Payable				AMOUNT	> <		0.00
210	Employees' Federal Income Tax Payable		291.00			> <		291.00
211	Employees' State Income Tax Payable		86.00			> <		86.00
212	Social Security Tax Payable		106.00			> <		106.00
213	Medicare Tax Payable		21.00			> <		21.00
215	Fed. Unemployment Tax Payable		32.00			> <		32.00
216	State Unemployment Tax Payable		106.00			> <		106.00
217	Sales Tax Payable		1,370.00			> <		1,370.00
301	Capital Stock		55,000.00			> <		55,000.00
305	Retained Earnings		30,928.00			> <		30,928.00
310	Income Summary				AMOUNT	> <		
401	Sales		149,136.00			> <		
501	Purchases	93,874.00				> <		
625	Federal Corporate Income Tax	2,200.00			AMOUNT	> <		
630	Insurance Expense				AMOUNT	> <		
647	Payroll Tax Expense	2,170.00				> <		
650	Miscellaneous Expense	3,662.00				> <		
655	Rent Expense	9,225.00				> <		
660	Salaries Expense	12,306.00				> <		
665	Supplies Expense				AMOUNT	> <		
		<u>244,816.00</u>	<u>244,816.00</u>	<u>0.00</u>	<u>0.00</u>	> <	<u>121,379.00</u>	<u>95,680.00</u>
	Net Income					> <		<u>25,699.00</u>
						> <	<u>121,379.00</u>	<u>121,379.00</u>

- Step 3** Type your name and the current date in the cells containing the *(name)* and *(date)* placeholders.

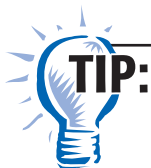
Step 4 The trial balance amounts are given for you. The first adjustment that must be made is to adjust beginning merchandise inventory of \$86,897 to an ending balance of \$77,872. To make this adjustment, you must debit **Income Summary** and credit **Merchandise Inventory** for the difference between the beginning and ending merchandise inventory amounts. Type the **Income Summary** adjustment into cell E29 and the **Merchandise Inventory** adjustment into cell F14.

Notice that, as you enter the adjustments, the balances for the affected accounts in the adjusted trial balance change accordingly.

Step 5 Type the remaining adjustments into the Adjustments section of the spreadsheet template. When you have entered all of the adjustments, move the cell pointer into the Adjusted Trial Balance, Income Statement, and Balance Sheet sections of the spreadsheet template. Notice that the amounts for the Adjusted Trial Balance, Income Statement, and Balance Sheet are automatically entered. The program also calculates the column totals and the net income for InBeat CD Shop.

Step 6 Save the spreadsheet using the **Save** option from the **File** menu. You should accept the default location for the save, as this is handled by the Accounting Management System.

Step 7 Print the completed spreadsheet.



TIP:

If your spreadsheet is too wide to fit on an 8½-inch wide piece of paper, you can change your print settings to print the worksheet *landscape*. Some spreadsheet applications also allow you to choose a “fit to page” option. This function will reduce the width and depth of the worksheet to fit on one page.

Step 8 Exit the spreadsheet program.

Step 9 In the Close Options window, select the location where you would like to save your work.

Step 10 Complete the Analyze activity in your textbook for this problem.

What-If Analysis

If Merchandise Inventory on August 31 were \$80,123, what adjustments would be made? What would be the effect on net income?
