

You started the year with a beginning balance in Rent Payable of \$2,000.
 You paid 13 months of rent of \$13,000. Record the journal entry.

Rent Expense	12,000		<u>Rent Payable</u>		
Cash		13,000	<u>1,000</u>	<u>2,000</u>	BB
Rent Payable	1,000		1,000		
To record rent			-		
			<u>Rent Expense</u>		
				12,000	

You started the year with a beginning balance in Prepaid Rent of \$2,000.
 You paid 8 months rent of \$16,000. Record the journal entry.

Rent Expense	24,000		<u>Prepaid Rent</u>		
Prepaid Rent		2,000	BB	<u>2,000</u>	
Rent Payable		6,000			
Cash		16,000			
To record rent				0	
				-	
			<u>Rent Payable</u>		
				6,000	
			<u>Rent Expense</u>		
				24,000	

You started the year with \$3,000 in Wages Payable. You paid \$40,000 to your worker.
 You owed her \$7,000 at the end of the year. Record the journal entries.

1 Wage Expense	37,000		OR	Wages Payable	3,000
Wages Payable	3,000			Wages Expense	44,000
Cash		40,000		Cash	40,000
To record wages				Wages Payable	7,000
				To record wages	
2 Wage Expense	7,000				
Wages Payable		7,000			
To record wages					

You paid \$2,400 for a one-year policy on July 1st. Record the journal entries.

Insurance Expense	1,200		OR	Prepaid Insurance	2,400
Prepaid Insurance	1,200			Cash	2,400
Cash		2,400		purchase policy	
To record Insurance				Insurance Expense	1200
				Prepaid Insurance	1200
				record insurance exp for year	

insurance per month = \$2,400 / 12 = \$200
 insurance exp = \$200 X 6 months = \$1,200