

Chapter 8 In Class Homework

Student: _____

1. The following information is available for Holland Company at December 31:

Money market fund balance	\$ 2,790
Certificate of deposit maturing June 30 of next year	\$ 15,000
Postdated checks from customers	\$ 1,475
Cash in bank account	\$ 22,431
NSF checks from customers returned by bank	\$ 650
Cash in petty cash fund	\$ 200
Inventory of postage stamps	\$ 18
U.S. Treasury bill purchased on December 15 and maturing on February 28 of following year	\$ 10,000

Based on this information, Holland Company should report Cash and Cash Equivalents on December 31 of:

\$35,421

2. The following information is available for Johnson Manufacturing Company at June 30:

Cash in bank account	\$ 6,455
Inventory of postage stamps	\$ 74
Money market fund balance	\$12,400
Petty cash balance	\$ 350
NSF checks from customers returned by bank	\$ 867
Postdated checks received from customers	\$ 391
Money orders	\$ 257
A nine-month certificate of deposit maturing on December 31 of current year	\$ 8,000

Based on this information, Johnson Manufacturing Company should report Cash and Cash Equivalents on June 30 of:

\$19,462

3. At the end of the current period, a company reported \$475,000 in net credit sales and \$75,000 in ending accounts receivable. Calculate this company's days' sales uncollected at the end of the current period.

57.63 days

4. On August 17, at the end of the day, the cash register's record shows \$957, but the count of cash in the register is \$965. Prepare the general journal entry to record the day's cash sales.

August 17	Cash	Dr.	Cr.
	Sales	965	957
	Cash over and short		8

5. A company established a petty cash fund of \$100 on September 1. On September 10, the petty cash fund was replenished when there was \$16 remaining and there were petty cash receipts for: office supplies, \$27; transportation-in on inventory purchased, \$32; and postage, \$22. On September 15, the petty cash fund was increased to \$125 in total. Record the above transactions in general journal form.

		Dr.	Cr.
September 1	Petty Cash	100	
	Cash		100
10	Office Supplies Expense	27	
	Merchandise Inventory	32	
	Postage Expense	22	
	Cash over and short	3	
	Cash		84
15	Petty Cash	25	
	Cash		25

6. A petty cash fund was originally established with a check for \$150. In the petty cash fund on December 31 (the period-end), you find the following:

Petty cash receipts: Postage	\$43.50
Office supplies	51.85
Office equipment repair	49.00
Cash.....	4.25

Prepare the general journal entry to record the replenishment of the petty cash fund on December 31.

		Dr.	Cr.
December 31	Postage Expense	43.50	
	Office Supplies Expense	51.85	
	Office Equipment Repair Expense	49.00	
	Cash over and short	1.40	
	Cash		145.75

7. Following are seven items a through g that would cause Xavier Company's book balance of cash (\$2,451) to differ from its bank statement balance of cash. (\$2,000)

- a. A service charge imposed by the bank.\$20
- b. A check listed as outstanding on the previous period's reconciliation and still outstanding at the end of this month.\$100
- c. A customer's check returned by the bank is marked "Not Sufficient Funds(NSF)".\$200
- d. A deposit that was mailed to the bank on the last day of the current month and is unrecorded on this month's bank statement.\$700
- e. A check paid by the bank at its correct \$190 amount was recorded in error in the company's Check Register at \$109.
- f. An unrecorded credit memorandum indicated that bank had collected a note receivable for Xavier Company and deposited the proceeds in the company's account.\$300
- g. A check was written in the current period that is not yet paid or returned by the bank.\$150

Indicate where each item a through g would appear on Xavier Company's bank reconciliation by placing its identifying letter in the parentheses in the proper section of the form below.

<p>\$2,000.00</p> <p>Bank statement cash balance</p> <p>Add: (d)</p> <p> ()</p> <p> ()</p> <p> ()</p> <p>Deduct: (b)</p> <p> (g)</p> <p> ()</p> <p> ()</p> <p>Reconciled balance.....</p>	<p>\$2,451</p> <p>Book balance of cash</p> <p>Add: (f)</p> <p> ()</p> <p> ()</p> <p> ()</p> <p>Deduct: (a)</p> <p> (c)</p> <p> (e)</p> <p> ()</p> <p>Reconciled balance.....</p>
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