

# 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.

<b>August 17</b>	<b>Cash</b>	<b>Dr.</b>	<b>Cr.</b>
	<b>Sales</b>	<b>965</b>	<b>957</b>
	<b>Cash over and short</b>		<b>8</b>

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.

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

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.

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

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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