

Presented below are  
a number of  
independent  
situations assignment



**ASSIGN  
BUSTER**

Presented below are a number of independent situations. For each individual situation, determine the amount that should be reported as cash. 1.

Checking account balance \$929, 070; certificate of deposit \$1 , 417, 000; cash advance to subsidiary of \$992, 770; utility deposit paid to gas company \$198. 2.

Checking account balance \$503, 630; an overdraft in special checking account at name bank as normal checking account of \$20, 900; cash held in a bond sinking fund \$235, 1 20; petty cash fund \$332; coins and currency on hand \$1, 460. 3. Checking account balance \$606, 360; postdated check from a customer \$11 , 450; cash restricted due to maintaining compensating balance requirement of \$119, 770; certified check from customer \$9, 610; postage stamps on hand \$642. 4. Checking account balance at bank \$46, 660; money market balance at mutual fund (has checking privileges) \$49, 520; NSF check received from customer \$845. . Checking account balance \$703, 110; cash restricted for future plant expansion \$516, 1 20; short-term Treasury bills \$187, 700; cash advance received from customer \$986 (not included in checking account balance); cash advance of \$7, 540 to company executive, payable on demand; refundable deposit of \$29, 900 paid to federal government to guarantee performance on construction contract.

Exercise 7-8 At the end of 2012, Sorter Company has accounts receivable of \$854, 470 and an allowance for doubtful accounts of \$47, 360.

On January 1 6, 2013, Sorter Company determined that its receivable from Redone Company of \$6, 240 will not be collected, and management authorized its write-off. (a) Prepare the journal entry for Sorter Company to write off the Redone receivable. (Credit account titles are automatically

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indented when the amount is entered. Do not indent manually. ) (b) What is the net realizable value of Sorter Company's accounts receivable before the write-off of the Redone receivable? (c) What is the net realizable value of Sorter Company's accounts receivable after the write-off of the Redone receivable?

Exercise 8-5 Worth Company asks you to review its December 31, 2012, inventory values and prepare the necessary adjustments to the books. The following information is given to you. 1. Worth uses the periodic method of recording inventory. A physical count reveals \$348, 107 of inventory on hand at December 31, 2012. 2. Not included in the physical count of inventory is \$15, 442 of merchandise purchased on December 15 from Browser. This merchandise was shipped f. o. B. Shipping point on December 29 and arrived in January. The invoice arrived and as recorded on December 31. . Included in inventory is merchandise sold to Bubby on December 30, f. o. B. Destination. This merchandise was shipped after it was counted. The invoice was prepared and recorded as a sale on account for \$1 8, 970 on December 31 . The merchandise cost \$1 0, 893, and Bubby received it on January 3. 4. Included in inventory was merchandise received from Dudley on December 31 with an invoice price of \$23, 164. The merchandise was shipped f. o. B. Destination. The invoice, which has not yet arrived, has not been recorded.