Ch 6 Cash and Petty Cash In Class Assignments Student Version Wild 7e

**QS 6-6**

Bank reconciliation P3

Nolan Company deposits all cash receipts on the day when they are received and it makes all cash payments by check. At the close of business on June 30, 2013, its Cash account shows an $22,352 debit balance. Nolan's June 30 bank statement shows $21,332 on deposit in the bank. Prepare a bank reconciliation for the company using the following information.

1. Outstanding checks as of June 30 total $3,713.
2. The June 30 bank statement included a $41 debit memorandum for bank services; the company has not yet recorded the cost of these services.
3. In reviewing the bank statement, a $90 check written by the company was mistakenly recorded in the company's books at $99.

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1. June 30 cash receipts of $4,724 were placed in the bank's night depository after banking hours and were not recorded on the June 30 bank statement.
2. The bank statement included a $23 credit for interest earned on the cash in the bank.

**Exercise 6-9**

Bank reconciliation P3

Wright Company deposits all cash receipts on the day when they are received and it makes all cash payments by check. At the close of business on May 31, 2013, its Cash account shows a $27,500 debit balance. The company's May 31 bank statement shows $25,800 on deposit in the bank. Prepare a bank reconciliation for the company using the following information.

1. The May 31 bank statement included a $100 debit memorandum for bank services; the company has not yet recorded the cost of these services.

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1. Outstanding checks as of May 31 total $5,600.
2. May 31 cash receipts of $6,200 were placed in the bank's night depository after banking hours and were not recorded on the May 31 bank statement.
3. In reviewing the bank statement, a $400 check written by Smith Company was mistakenly drawn against Wright's account.
4. A debit memorandum for $600 refers to a $600 NSF check from a customer; the company has not yet recorded this NSF check.

**Exercise 6-10**

Bank reconciliation P3

Del Gato Clinic deposits all cash receipts on the day when they are received and it makes all cash payments by check. At the close of business on June 30, 2013, its Cash account shows a $11,589 debit balance. Del Gato Clinic's June 30 bank statement shows $10,555 on deposit in the bank. Prepare a bank reconciliation for Del Gato Clinic using the following information:

1. Outstanding checks as of June 30 total $1,829.
2. The June 30 bank statement included a $16 debit memorandum for bank services.
3. Check No. 919, listed with the canceled checks, was correctly drawn for $467 in payment of a utility bill on June 15. Del Gato Clinic mistakenly recorded it with a debit to Utilities Expense and a credit to Cash in the amount of $476.
4. The June 30 cash receipts of $2,856 were placed in the bank's night depository after banking hours and were not recorded on the June 30 bank statement.

**Check**

Reconciled bal., $11,582

**Exercise 6-11**

Adjusting entries from bank reconciliation P3

Prepare the adjusting journal entries that Del Gato Clinic must record as a result of preparing the bank reconciliation in Exercise 6-10.

**QS 6-5**

Petty cash accounting P2

1. The petty cash fund of the Brooks Agency is established at $150. At the end of the current period, the fund contained $28 and had the following receipts: film rentals, $24, refreshments for meetings, $46 (both expenditures to be classified as Entertainment Expense); postage, $30; and printing, $22. Prepare journal entries to record (*a*) establishment of the fund and (*b*) reimbursement of the fund at the end of the current period.
2. Identify the two events that cause a Petty Cash account to be credited in a journal entry.

**Exercise 6-6**

Petty cash fund with a shortage P2

Waupaca Company establishes a $350 petty cash fund on September 9. On September 30, the fund shows $104 in cash along with receipts for the following expenditures: transportation-in, $40; postage expenses, $123; and miscellaneous expenses, $80. The petty cashier could not account for a $3 shortage in the fund. The company uses the perpetual system in accounting for merchandise inventory. Prepare (1) the September 9 entry to establish the fund, (2) the September 30 entry to reimburse the fund, and (3) an October 1 entry to increase the fund to $400.

**Check**

(2) Cr. Cash $246 and (3) Cr. Cash $50