**In Class Exercises Cash Student Version Wild 22e**

QS 8-4

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 from the following that cause a Petty Cash account to be credited in a journal entry.
	* a.Fund amount is being reduced
	* b.Fund amount is being increased
	* c.Fund is being eliminated
	* d.Fund is being established

Exercise 8-8

Bank reconciliation and adjusting entries P3

Prepare a table with the following headings for a monthly bank reconciliation dated September 30.



For each item 1 through 12, place an *x* in the appropriate column to indicate whether the item should be added to or deducted from the book or bank balance, or whether it should not appear on the reconciliation. If the book balance is to be adjusted, place a *Dr.* or *Cr.* in the Adjust column to indicate whether the Cash balance should be debited or credited. At the left side of your table, number the items to correspond to the following list.

1. NSF check from customer is returned on September 25 but not yet recorded by this company.
2. Interest earned on the September cash balance in the bank.
3. Deposit made on September 5 and processed by the bank on September 6.
4. Checks written by another depositor but charged against this company's account.
5. Bank service charge for September.
6. Checks outstanding on August 31 that cleared the bank in September.
7. Check written against the company's account and cleared by the bank; erroneously not recorded by the company's recordkeeper.
8. Principal and interest on a note receivable to this company is collected by the bank but not yet recorded by the company.
9. Checks written and mailed to payees on October 2.
10. Checks written by the company and mailed to payees on September 30.
11. Night deposit made on September 30 after the bank closed.
12. Special bank charge for collection of note in part 8 on this company's behalf.

QS 8-6

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, 2015, its Cash account shows a $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.
4. 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.
5. The bank statement included a $23 credit for interest earned on the cash in the bank.

Exercise 8-5

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

Exercise 8-9

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, 2015, its Cash account shows an $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 8-10

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 8-9.