Part Three—Completing a Work Sheet

The general ledger accounts and balances for Ingram Health Systems on December 31 of the current year are given below. The business uses a monthly fiscal period.

Account Titles	Account Balances Debit	Account Balances Credit
Cash	7,200.00	
Petty Cash	200.00	
Accts. Rec.—Healthy Bodies	100.00	
Accts. Rec.—Fremin's Accounting Services	150.00	
Supplies	4,500.00	
Prepaid Insurance	2,500.00	
Accts. Pay.—David's Supplies		1,260.00
Accts. Pay.—Smith's Office Supplies		180.00
Martha Ingram, Capital		10,500.00
Martha Ingram, Drawing	500.00	
Income Summary	—	—
Sales		5,000.00
Advertising Expense	240.00	
Insurance Expense	—	—
Miscellaneous Expense	50.00	
Rent Expense	900.00	
Supplies Expense	—	—
Utilities Expense	600.00	

Directions:

1. Prepare the heading and trial balance on the work sheet. Total and rule the Trial Balance columns. Use the work sheet on the next page.
2. Analyze the following adjustment information into debit and credit parts. Record the adjustments on the work sheet.

Adjustment Information, December 31

Supplies on hand	$2,230.00
Value of prepaid insurance	2,000.00

*tip: end of month balance

3. Complete the work sheet.