

Accounting 1A
Chapter 10 – Liabilities: Current

Online tutoring site assistance may not be used on this assignment. Students found posting this assignment or relying on online solutions will receive a grade of 0 on the assignment and may be removed from the course.

Book the following transactions from the perspective of the buyer and the seller:

Apr 19 Spoke Co. sold \$80,000 in Merchandise to Bryden Co. on account, n/30
 (Cost of Goods Sold was \$50,000)
 May 19 Bryden signed a \$80,000 90-day, 10% note as an extension of the A/R
 Aug 17 Bryden paid Spoke Co the maturity value

Spoke Co.

	Date	Description	Post ref	Debit	Credit	
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12

Bryden

	Date	Description	Post ref	Debit	Credit	
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11

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The following information about the payroll for the week ended December 30 was obtained from the records of Qualitech Co.:

Salaries:

Sales salaries	\$350,000
Warehouse salaries	180,000
Office salaries	145,000
	<u>\$675,000</u>

Tax rates assumed:

Social security	6%
Medicare	1.5%
State unemployment (employer)	5.4%
Federal unemployment	0.8%

Deductions:

Income tax withheld	\$118,800
U.S. savings bonds	14,850
Group insurance	12,150
	<u>\$196,425</u>

1. Assuming that the payroll for the last week of the year is to be paid on December 31, journalize the following entries
 - a. December 30, to record the payroll. Include the year when enter the date in the journal.
 - b. December 30, to record the employer's payroll taxes on the payroll to be paid on December 31. Of the total payroll for the last week of the year, \$35,000 is subject to unemployment compensation taxes.

	Date	Description	Post	Debit	Credit	
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18