

Problem 3-5B
Preparing financial
statements from the
adjusted trial balance
and calculating profit
margin

P3 A1 A2

The adjusted trial balance for Speedy Courier as of December 31, 2015, follows.

	Debit	Credit
Cash	\$ 58,000	
Accounts receivable	120,000	
Interest receivable	7,000	
Notes receivable (due in 90 days)	210,000	
Office supplies	22,000	
Trucks	134,000	
Accumulated depreciation—Trucks		\$ 58,000
Equipment	270,000	
Accumulated depreciation—Equipment		200,000
Land	100,000	
Accounts payable		134,000
Interest payable		20,000
Salaries payable		28,000
Unearned delivery fees		120,000
Long-term notes payable		200,000
L. Horace, Capital		125,000
L. Horace, Withdrawals	50,000	
Delivery fees earned		611,800
Interest earned		34,000
Depreciation expense—Trucks	29,000	
Depreciation expense—Equipment	48,000	
Salaries expense	74,000	
Wages expense	300,000	
Interest expense	15,000	
Office supplies expense	31,000	
Advertising expense	27,200	
Repairs expense—Trucks	35,600	
Totals	<u>\$1,530,800</u>	<u>\$1,530,800</u>

Required

check (1) Total assets,
663,000

1. Use the information in the adjusted trial balance to prepare (a) the income statement for the year ended December 31, 2015, (b) the statement of owner's equity for the year ended December 31, 2015, and (c) the balance sheet as of December 31, 2015.
2. Calculate the profit margin for year 2015.