

Problem 1

(Transactions) Quisp Co. had the following transactions in the last two months of 2017.

Nov.	1	Paid \$1,500 cash for future newspaper advertising.
	1	Paid \$2,160 cash for 12 months of insurance through October 31 of the next year.
	30	Received \$3,300 cash for future services to be provided to a customer.
Dec.	1	Paid \$2,700 cash for a consultant's services to be received over the next three months.
	15	Received \$7,650 cash for future services to be provided to a customer.
	31	Of the advertising paid for on November 1, \$900 worth is not yet used.
	31	A portion of the insurance paid for on November 1 has expired.
	31	Services worth \$1,200 are not yet provided to the customer who paid on November 30.
	31	One-third of the consulting services paid for on December 1 have been received.
	31	The company has performed \$3,000 of services that the customer paid for on December 15.

- Prepare journal entries for the preceding transactions and any necessary adjustments.
- Post the journal entries to T-accounts.
- Prepare the Nov 1 – Dec 31 income statement for Quisp.

Problem 2

(Reverse transactions) Carlos Beltran started an engineering firm called Beltran Engineering (BE). He began operations and completed seven transactions in May, which included his initial investment of \$17,000. BE's accountant performed adjustments for two accounts at the end of May. After these transactions and adjustments, the ledger included the following accounts.

Cash	\$26,460
Office Supplies	\$660
Prepaid Insurance	\$3,200
Office Equipment	\$16,500
Accounts Payable	\$17,000
Common Stock	\$17,000
Dividends	\$3,740
Engineering Fees Earned	\$24,000
Rent Expense	\$6,740
Amortization Expense	\$200
Depreciation Expense	\$500

Analyze the accounts and their balances and prepare journal entries for the most likely seven transactions and two adjustments that BE had in May.