Work4Me

Algorithmic Version

1
1st Web-Based Edition

Problem Five

Closing Entries
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Closing Entries
Duckworth Legal Services, Incorporated
Closing Entries for the Quarter Ended, September 30

1. Go to www.pklsoftware.com, select Work4Me, and log in.
2. From the Menu Bar of the Data Entry page, select Problem 5, Closing Entries and click.
3. Move the pointer to Journal/Ledgers/Statements, select General Ledger.
4. Print a copy of the September 30 Adjusted Trial Balance.
5. Move the pointer to Data Entry.
6. Click on the Closing Entries button (Closing JE).

The closing entries will automatically be journalized and posted for you.

This automatic closing feature is a common part of most commercial accounting systems and is really a clerical function. It is important that you understand the purpose and process of this step in the accounting cycle and be able to recognize when it has been completed correctly.

With the completion of the closing entries for Duckworth Legal Services, Incorporated, it is time to check the accuracy of your work.

1. Move the pointer to Journal/Ledgers/Statements in the Menu Bar, move down to the General Ledger selection and click. Since you have, in a single stroke, journalized and posted the closing entries and closed the books, the Post-Closing Trial Balance will appear on the screen.
2. Print a copy of the Post-Closing Trial Balance.
3. Move the pointer to Check Figures in the Menu Bar. Select Problem Check Figures and Print the Check Figures for Problem Five – Closing Entries

If ‘Your Balances’ do not match the “Correct Balances” of the selected account totals in the Check Figures for Problem 5, you must correct the unmatched balances before answering the evaluation questions.
If “Your Balances” match the “Correct Balances” for the selected account totals in the Check Figures for Problem 5, then complete the instructions below, and answer the questions on the examination on the last page of this manual.


5. When all of the required documents have been printed, you have completed your computer work for Problem 5. To exit this problem, click on Log Out. From the PKL software Home Page you may make another selection or click on File and exit the website.

6. Using your printed documents, answer the questions to the examination on the next page. After you have filled in the answers, log in to Problem 5: Closing Entries, move the pointer to Evaluations and complete Exam 5: Closing Entries. You may print the examination to hand in to your professor or, if required, email your examination to your professor.
1. The last account on a corporation Post-Closing Trial Balance will be the Retained Earnings account.
   A) True
   B) False

2. Asset and Liability accounts are included in the closing entry process.
   A) True
   B) False

3. If the Income Summary account has a credit balance after the revenue and expenses have been closed, the business had a net loss.
   A) True
   B) False

4. If the business had a net loss for the period, the third closing entry would debit the Retained Earnings account and credit the Income Summary account.
   A) True
   B) False

5. The second entry when closing the General Ledger is a credit to the Income Summary account for the total of all the expense accounts.
   A) True
   B) False

6. Dividends Payable is closed into the Retained Earnings account.
   A) True
   B) False

7. The Cash Dividends Declared account is closed by being credited.
   A) True
   B) False

8. All Expense accounts are closed by being credited.
   A) True
   B) False
9. Some revenue accounts are never closed.
   A) True
   B) False

10. The final step in the accounting cycle is the preparation of the Post-
    Closing Trial Balance.
    A) True
    B) False