

PKL Software

# *Thunder Mountain Snowmobile*

*Narrative Edition*

*Student Manual*

# *An Introduction To Thunder Mountain Snowmobile*

**Thunder Mountain Snowmobile** is a sole proprietorship, snowmobile sales and service operation owned by Zeke Martuski. Located at the base of Thunder Mountain near Lake Tahoe, California, Thunder Mountain Snowmobile is an exclusive dealer for Trail-Tracker Snowmobiles. The business also sells several other brands of snowmobiles and provides excellent service for all snowmobiles, including parts and labor. The business rents storage space to customers who prefer to keep their snowmobile equipment in the mountains and close to the trails.

To complete the on-the-job training requirement for your accounting course, you have been placed in a four-week internship program with Thunder Mountain Snowmobile. You will be responsible for all of the accounting work from December 4 through December 31, including recording the transactions, and auditing your work. Your internship will also require the printing and preparation of the financial statements, analysis of the statements and the business operations, and the closing of the books at the end of the fourth quarter. Since Thunder Mountain Snowmobile uses a computerized accounting system, this opportunity to obtain hands on experience and practice your accounting skills should be very rewarding and exciting.

The first step in operating the computerized system correctly is to review the chart of accounts. **A clear understanding** of how certain accounts are used by Thunder Mountain Snowmobile **is required before you begin the recording process.** A detailed explanation of how several accounts are used in this accounting system are detailed in the following pages.

## *Chart of Accounts*

To properly enter the accounting transactions for **Thunder Mountain Snowmobile**, you will need to become familiar with the chart of accounts for the business.

The business has **four** revenue accounts. **Snowmobile, Accessories & Parts Sales** and **Sales Returns and Allowances** record all transactions involving the sale and return of merchandise items. **Service Fees Earned** accounts for fees earned for servicing customer snowmobiles. **Sales tax (8%)** is charged on all merchandise and service sales. The revenue account **Storage Fees Earned** is adjusted at the end of each accounting period to reflect all of the storage fees **that have been earned.** The liability account **Unearned Storage Fees** is used to record all of the initial cash receipts for storage of customer snowmobiles and equipment. **Sales tax is not charged on storage fees.**

Thunder Mountain Snowmobile accepts both **bank** (Master Card and VISA) credit cards and

**company** credit cards. When a customer purchases merchandise using a bank credit card, the sale is entered as a **cash sale**. The credit card expense **is not** recorded at the time of the sale. For bank card charges, the business is charged a credit card fee (**1-4%**) which is recorded from a bank statement received at the end of the month.

If a customer uses a company credit card, the sale is recorded as a sale on account with **Accounts Receivable, Credit Card Companies** being debited for the charge. This process maintains a record of all of the credit card company charges that are owed to Thunder Mountain Snowmobile until payment arrives from the credit card company. The credit card expense is recorded **when the cash is received from the credit card company**.

**Several accounts which require special attention are listed below:**

- 107     Accounts Receivable, Credit Card Companies** records all **company credit card** sales. The *Western National Credit Card Company* is the credit card company used in this business simulation. (All **bank card sales** (Master Card and VISA) are recorded as **cash sales**.)
- 111     Storage Fees Receivable** is used only for adjusting entries.
- 115     Merchandise Inventory** is the inventory account for all snowmobiles, accessories, and parts. Purchases of merchandise are recorded in the Purchases account.
- 121     Prepaid Insurance** is debited for the purchase of all insurance policies.
- 123     Prepaid Rent** is debited for rent payments made for more than one month in advance.
- 125     Prepaid Advertising** is used only for adjusting entries. All advertising costs are debited directly to the Advertising Expense account.
- 127     Store and Shop Supplies** is debited for all purchases of supplies.
- 205     Sales Tax Payable** records the **8% sales tax** that is charged for all merchandise sales, accessory and parts sales, and service sales. Sales tax is **not** charged on storage fees.
- 221     Unearned Storage Fees** is a liability account and is credited directly for all storage fees received in advance. Sales tax is not charged on storage fees.
- 305     Zeke Martuski, Withdrawals** is the owner's equity account debited for all cash and asset withdrawals from the business made by Zeke Martuski. At the end of each accounting period the account is closed into Zeke Martuski, Capital.
- 411     Service Fees Earned** is credited for all customer service and is billed at a rate of **\$60.00** per hour.
- 421     Storage Fees Earned** is adjusted at the end of the accounting period for all storage fees that **have been earned**. This adjustment is for all of the Unearned Storage Fees that have been earned by the end of the quarter.

- 501 Purchases of Merchandise** is the **Cost Account** debited for each purchase of snowmobiles, accessory items, or parts. No tax is charged on merchandise items that are purchased for resale. When the merchandise is sold to a customer the 8.0% sales tax is added to the retail selling price.
- 505 Transportation-In** is the **Cost Account** debited for all freight and delivery charges incurred in transporting merchandise to the Thunder Mountain Snowmobile receiving dock. **Deliveries to customers are charged to the Delivery Expense account.**
- 602 Store and Shop Supplies Expense** is used only for adjusting entries.
- 604 Advertising Expense** is debited directly for all advertising fees incurred. The account may require adjustment at the end of the quarter.
- 606 Delivery Expense** is debited for the delivery and freight charges incurred in shipping merchandise items to Thunder Mountain Snowmobile customers.
- 607 Credit Card Expense** accounts for the bank and company credit card fees charged to Thunder Mountain Snowmobile for allowing customers to use their credit cards to purchase merchandise and services. These fees will be between 1 and 4 percent of the total amount (including sales tax) of the customer charge. Credit card charges for bank cards will be accounted for at the end of the month when reported on the bank statement. Credit card charges for the use of company credit cards will be recorded when the cash payments are received from the credit card company. **An end-of-the-period adjustment will be made at the end of each quarter to account for accrued credit card charges on credit card company receivables that will be collected during the subsequent quarter.** This adjusting entry will require a **debit to Credit Card Expense and a credit to Accounts Receivable, Credit Card Companies.**
- 608 Tools Expense** is debited for all small purchases of store and shop tools.
- 621 Rent Expense** is adjusted at the end of each quarter. Rental fees paid in advance for a period of more than one month are debited to the Prepaid Rent account.
- 622 Insurance Expense** is adjusted at the end of each accounting period. The payment of insurance premiums is debited to the Prepaid Insurance account.

## ***Customer List of Accounts and Vendor List of Accounts***

Detailed information on customer and vendor account activity and balances will be maintained automatically in the Accounts Receivable and the Accounts Payable ledgers. Information will be recorded in the system by identifying each customer or vendor/creditor by number. When accounts receivable or accounts payable is debited or credited in any transaction, the accounting system will ask for the customer or vendor/creditor number. When the transaction is posted, all of the subsidiary ledger information will be updated.

### **THUNDER MOUNTAIN *KEY DETAILS TO REMEMBER* *AS YOU JOURNALIZE TRANSACTIONS!***

To properly and efficiently operate the computerized accounting system used by Thunder Mountain Snowmobile, you must be familiar with some basic business and account information and computer procedures. These procedures and details are summarized in the list below:

**Sales tax of 8.0%** is charged on all sales and labor. Sales tax is **not charged** on Storage Fees. When calculating sales tax, **round all amounts to the nearest cent** (\$2.5879 = \$2.59).

**Bank Card Sales are recorded the same as a cash sale.**

**Company Credit Card Sales** are recorded in the **Accounts Receivable, Credit Card Companies** account. **Credit Card Fees of 1-4%** will be assessed by banks and credit card companies for customer credit card charges. Bank credit card fees will be accounted for at the end of the month from information received on the bank statement. Credit Card Company fees will be recorded when the cash is received from the credit card company.

**Labor charges** will be billed to customers at a rate of **\$60.00 per hour**. ***Round all calculations to the nearest one cent.***

Thunder Mountain Snowmobile extends 30-day credit to all charge customers. **All balances that are over the 30-day credit period are considered past due.**

You may terminate a journalizing session **at any time**. When you return to **Data Entry** at a later time, the last entry recorded will be displayed on the screen.

# ***BEGIN THUNDER MOUNTAIN SNOWMOBILE***

**When you have:**

- (1) Registered as a user of this website,**
- (2) Carefully read the pages so far in this manual,**
- (3) Have an understanding of the accounts used by Thunder Mountain Snowmobile, you are ready to begin the journalizing of transactions process.**

Each transaction narrative/description is displayed on the screen. As you enter the debit and credit amounts or any of the other information (such as dates, check numbers and so on), the Thunder Mountain system checks your entries for complete accuracy. If you choose the wrong account, enter the wrong value for a debit/credit, or pick the wrong customer/vendor, an error message will display on the web page telling you about the error(s) and the pointer is positioned at your error location.

<b>1.</b>	Log on to <b>Thunder Mountain Snowmobile</b>
<b>2.</b>	Enter your <b>User ID</b> and <b>Password</b> and click the <b>Log In</b> button.
<b>3.</b>	Click on <b>OK</b> after reading the first message
<b>4.</b>	Move the pointer over <b>Journal/Ledgers/Statements</b> , select <b>Chart of Accounts</b> and print the Chart of Accounts.
<b>5.</b>	Move the pointer over <b>Journal/Ledgers/Statements</b> , select <b>General Ledger</b> and print a copy of the beginning Trial Balance.
<b>6..</b>	Move the pointer over <b>Journal/Ledgers/Statements</b> , select <b>Subsidiary Ledgers</b> , and select <b>Accounts Receivable</b> and click. <b>Print</b> the Schedule of Accounts Receivable
<b>7.</b>	Move the pointer over <b>Journal/Ledgers/Statements</b> , select <b>Subsidiary Ledgers</b> , and select <b>Accounts Payable</b> and click. <b>Print</b> the Schedule of Accounts Payable.
<b>8.</b>	Move the pointer over <b>Journal Entry</b> and click.

If you would like a list of all the journal entries for the entire project choose the `**View Transactions**` sub menu item off of the `**Support**` main menu item. It may take a minute or so to build the list so have patience. You can also print the entire list by clicking the `**Print**` button after the list is displayed.

**NOTE:** Remember to disable any Pop-up Blocker installed on your computer. Disabling Pop-up Blockers allows you to print documents without complications caused by the Pop-up Blockers.

The first four transactions for your first work week in December (4th through 10th) follow:

## TRANSACTIONS FOR DECEMBER 4-10

### Student Analysis

#### December 4: Record Service Fees

Performed service and adjustment work on a Trail Tracker III Snowmobile and the customer paid cash for the work completed. The bill included **\$90.00** for 1.5 hours of labor (\$60.00 per hour) plus sales tax (8%) of **\$7.20**. The sales invoice number for this transaction is **T4131**. No parts were needed to complete this job.

<b>101</b>	<b>Cash</b>	<b>97.20</b>
<b>411</b>	<b>Service Fees Earned</b>	<b>90.00</b>
<b>205</b>	<b>Sales Taxes Payable</b>	<b>7.20</b>

1. At the date prompt, for December 4, enter **04** for day and press the Tab key. When entering any part of the transaction, you may back up and reenter the information by using the Backspace key. If you have already pressed the Tab key after entering the date and wish to change it, click in the date prompt and backspace or delete the incorrect date, then enter the correct date.
2. To debit Cash, at the account prompt, enter **101** (the Cash account number) and press the Tab key. In the debit amount column type **97.20** without the \$ and press the Tab key. If the account or amount is incorrect, click on the appropriate item and reenter. Tab to the next position.
3. At the account prompt, enter **411** (Service Fees Earned). Tab to the credit column, enter **90.00** as the credit to Service Fees Earned, and press the Tab key.
4. Enter **205** (Sales Tax Payable) to record the credit to Sales Tax Payable. Tab to the credit column and enter **7.20** (do not press the Enter key or the Tab key). Press the **Verify Journal** button. If the date, entry account number, or amounts are not properly entered, you will be given an error message with the appropriate details. If the entry is correct, the pointer will appear in the Invoice Number text box. If any part of the journal entry is incorrect, click on the date, account, or amount location and reenter the correct information.
5. At the invoice number text box, enter **T4131** as the sales invoice number. Document letters may be entered in upper or lower case. Press the **Verify Documents** button.
6. After entering the correct invoice number, press the **Post Entry** button. Your data entry will be automatically recorded in the General Journal and posted to the General Ledger.

*After you click the Post button you are automatically advanced to the next journal entry.*

**Continue entering the transactions for the first week.** If you discover that a transaction entered into the system at an earlier time needs to be corrected, **simply reverse or back out the error transaction and then enter the data correctly.** More detailed instructions on error correction procedures follow in the next transactions.

## Transactions for December 4 – 10 continued...

### Student Analysis

#### December 4: Record Miscellaneous Expense

Received a **\$48.60** billing for miscellaneous items and paid invoice **M1020** with check number **12111**. Debit the invoice total to Miscellaneous Expense, account number **629**.

1. At the date prompt, for December 4, enter **04** for day and press the Tab key
2. At the account prompt, enter account number **629** (Miscellaneous Expense), and press the Tab key. Enter **48.60** in the debit amount column (no dollar signs or commas) and press the Tab Key.
3. At the account prompt, enter account number **101** (Cash), and tab to the credit column.
4. Verify the date and journal entry by pressing the **Verify Journal** button. Remember, if the date, entry or account numbers, and amounts are not entered or are not in balance, an error message will appear with appropriate error details.
5. When the errors are corrected and the entry is verified, at the check number prompt, enter **12111**.
6. At the invoice prompt, enter **M1020** as the invoice number and press the **Verify Documents** button.
7. Check the entry carefully. If you wish to make a correction to the check number or invoice number, click on the entry box and enter the correct number. If the entry is correct, press the **Post Entry** button.



## Transactions for December 4 – 10 continued...

### Student Analysis

#### December 4: Correcting an Error in Journalizing

The December 4 entry for \$**48.60** has been recorded **in error** to the Miscellaneous Expense account instead of the Advertising Expense account. The date on the original cash transaction entry is **December 4** and the invoice number **M1020**.

1. At the date prompt, for December 4, enter **04** for day and press the Tab key
2. Reverse the incorrectly entered transactions with a debit the Cash account (**101**) and credit the Miscellaneous Expense (**629**) account for **48.60**.
3. At the invoice prompt, enter **M1020** as the invoice number and press the **Verify Documents** button. When all of the data is correct, press the **Post Entry** button.

#### December 4: Correcting an Error in Journalizing

Record the original transaction of **December 4** correctly with a debit to Advertising Expense (**604**) and a credit to Cash for \$**48.60**. The Invoice Number is **M1020**.

1. At the date prompt, for December 4, enter **04** for day and press the Tab key.
2. Enter the transaction correctly with a debit to Advertising Expense (**604**) and a credit to Cash (**101**) for **48.60**.
3. Press the **Verify Journal** button.
4. Verify the transaction and when the check number prompt appears, enter **ERROR** to indicate that this is an error correction entry and a new check is not being issued.
5. Enter the **M1020** invoice number as requested and when the data shown is correct press the **Verify Documents** button then press the **Post Entry** button.

**NOTE:** This error correction procedure leaves a clear audit trail of all corrections.

**NOTE:** If at any time you wish to view the journal entries that you have entered, click on **Journal/Ledgers/Statements** on the Menu Bar. Move the pointer down to **General Journal** and click. The complete general journal will appear on the screen. You may scroll through

the journal entries. When you are ready to enter additional journal entries, move the pointer to **Data Entry** on the Menu Bar and click.

## Transactions for December 4 – 10 continued...

### Student Analysis

#### December 5: Purchase of Store Equipment and Supplies on Credit

Store equipment listed at **\$570.50** and shop supplies listed at **\$38.40** were purchased on account from Ace Business Supply. Sales taxes are included in the listed prices of these assets. The invoice number for this transaction is **A1210** and Ace Business Supply offers net 10 credit terms.

1. At the date prompt, enter **05** for December 5.
2. Debit account **131** (Store Equipment and Fixtures). You can select the account to debit rather than enter the account number by clicking on the account location and the pull-down chart of accounts will appear. Click on account 131, press the tab key, and enter **570.50** as the debit amount.
3. You may debit account **127** (Store and Shop Supplies) by clicking on the account location again, and then selecting 127 from the pull-down chart. Tab to the debit amount column and enter **38.40** as the debit amount.
4. Use the pull-down again or manually enter account **201** (Accounts Payable) and press the Tab key.
5. Enter the total amount of the invoice.
6. Press the **Verify Journal** button.
7. At the invoice prompt, enter **A1210** as the invoice number and Tab.
8. At the vendor number prompt, click on the first vendor, Ace Business Supply or enter **20150** as the vendor account number.
9. Press the **Verify Documents** button.
10. Press the **Post Entry** button. The journal entry is transferred to the General Journal, posted to the General ledger, and posted to the Accounts Receivable Subsidiary ledger account of Ace Business Supply.

On future entries involving Accounts Payable or Accounts Receivable, use may use the drop down list box to select the correct vendor or customer or enter the vendor or customer number.



## Transactions for December 4 – 10 continued...

### Student Analysis

#### December 5: Purchase Merchandise Inventory on Account

**Four** Blaze snowmobiles were purchased from Timberline Snowmobile. The **list price** of the snowmobiles is **\$3,525 each** with a **trade discount of 26%**. The invoice number is **X8688**, credit terms are net 30, and the merchandise is shipped FOB destination.

1. Enter December 5 date as **05**.
2. Enter the account number of **501** (Purchases of Merchandise) and Tab to the next column..
3. At to the debit amount column and enter the correct amount and press the Tab key.
4. Enter account **201** (Accounts Payable).
5. Tab to the credit amount column and enter the credit amount.
6. Press the **Verify Journal** button.
7. At the invoice prompt, enter **X8688** as the invoice number and Tab
8. At the vendor number prompt, click on the down arrow, scroll down to **Timberline Snowmobile**, and select this vendor.
9. When all of the data displayed is correct, press the **Verify Documents** button then press **Post Entry** button. The data entry is transferred to the General Journal, posted to the General ledger, and posted to the Accounts Payable Subsidiary ledger account of Timberline Snowmobile.

### End of Week One Procedures:

Using the data entry techniques demonstrated in the previous transactions, complete the remaining journal entries for the December 4-10 accounting period. The narrative describing these entries will be displayed on the screen. As the accountant for Thunder Mountain Snowmobiles, you must determine the correct accounts to be debited and credited to correctly record the transaction.

**Trial Balances:** At the end of each week, Click on **Journal/Ledgers/Statement**, select **General Ledger** and print the current Trial Balance.

**Verifying the Trial Balance:** Move the pointer to **Journal/Ledgers/Statement**. Select **Check It Out** and select **Module 1**. Use the **File/Print** routine and print the “**Check-It-Out**” box for Module 1. Verify your Trial Balance balances with the “Check it Out” balances.

## TRANSACTIONS FOR DECEMBER 11-17

### Student Analysis

#### December 11: Returned Shop Supplies

Shop supplies of **\$43.50** were returned to Dustin Supply. The supplies were purchased on account December 10, and the invoice number was **D2367**.

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#### End of Week Two Procedures:

After completing for **December 11-17**, print the documents listed below.

1. Move the pointer to **Journal/Ledgers/Statements** in the Menu Bar, then down to **General Ledger** and click. **Print** a copy of the Thunder Mountain Snowmobile Trial Balance.
2. Move the pointer to **Journal/Ledgers/Statement**. Select **Check It Out** and select **Module 2**. Use the **File/Print** routine and print the “**Check-It-Out**” box for Module 2. Verify your Trial Balance balances with the “Check it Out” balances.
3. Move the pointer to **Journal/Ledgers/Statements** in the Menu Bar, then down to **General Ledger** and click. Move the pointer to **Ledger Card** and click. Print a copy of the **Cash** ledger card.
4. Using the ledger card pull-down option, select account **105**, Accounts Receivable and click. Click on the **Show Ledger Card** button and then print the **Accounts Receivable** ledger card.
5. Repeat the ledger card selection procedure and print the following ledger cards.

**201 Accounts Payable**

**401 Sales**

6. Move the pointer to **Journal/Ledgers/Statements** in the Menu Bar, then down to **Subsidiary Ledgers** and click on **Accounts Receivable**. Print a copy of the Schedule of Accounts Receivable. Then click on close. Click on **All Customers**. Click on **Print** and you will have a complete list of all of the Customer Accounts Receivable ledger cards.
7. Move the Pointer to **Journal/Ledgers/Statement** in the Menu Bar, then down to **Subsidiary Ledgers** and click on **Accounts Payable**. **Print** a copy of the Schedule of Accounts Payable. The click on close. Click on **All Vendors**. Click on **Print** and you will have a complete list of all of the Vendor Accounts Payable ledger cards. Click on close.
8. Move the pointer to **Evaluations**, select **Mid Project Evaluation** and **Print** the evaluation. Move the pointer to **Administration** and click on **Return to Home Page** and from the **Home page** exit the system.
9. Using your printed documents, carefully answer the questions on the Mid-Project Evaluation form.
10. Log On to your program and select **Evaluations**, then select **Mid Project Evaluation** and enter your answers to each question, following the instructions on the screen.

**Your instructor may ask you to e-mail the completed evaluation along with your December 17 trial balance directly to a given e-mail address.**

**PLEASE NOTE: All of the required documents should be printed and the Mid Project Evaluation completed BEFORE continuing to the transactions for December 18 – 24.**

## TRANSACTIONS FOR DECEMBER 18-24

### Student Analysis

The first journal entry for this third week in December, December 18, is shown below. As with the each previous week, the entry description/narrative is displayed on the screen.

#### December 18: Paid for Professional Services

Check 12127 to Louie Santana, the company lawyer, for professional services received. The contracted monthly fee is billed at \$195.00. Invoice number 00412.

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#### End of Week Three Procedures:

After completing the transactions for the December 18-24 accounting period, move the pointer to Journal/Ledgers/Statements in the Menu Bar, move down to the General Ledger selection and click. Print the Trial Balance for December 24.

*Verifying the Trial Balance:* Move the pointer to Journal/Ledgers/Statement. Select **Check It Out** and select **Module 3**. Use the **File/Print** routine and print the “Check-It-Out” box for Module 3. Verify your Trial Balance balances with the “Check it Out” balances.

## TRANSACTIONS FOR DECEMBER 26-31

### Student Analysis

The first journal entry for this fourth week in December, December 26, is shown below. As with the each previous week, the entry description/narrative is displayed on the screen.

#### December 26: Record an owner drawing

Check number 12137 was issued for \$190.60 to the Folsom TV Repair for service work on the television satellite system in Zeke Martuski's home. This is not a business operating expense. At the invoice prompt enter **WDRAW**.

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### BANK RECONCILIATION

After completing the transactions for the December 26 to 31 accounting period, move the pointer to Journal/Ledgers/Statements in the Menu Bar, move down to the General Ledger selection and click. Print the Trial Balance.

**Verifying the Trial Balance:** Move the pointer to **Journal/Ledgers/Statement**. Select **Check It Out** and select **Module 4**. Use the **File/Print** routine and print the “**Check-It-Out**” box for Module 4. Verify your Trial Balance balances with the “Check it Out” balances.

Move the pointer to **Support** and select **Bank Reconciliation Information**. Print the document and complete the bank reconciliation. **Enter the cash balance from the trial balance as the book balance and \$39,170.94 as the bank statement balance.** After completing the bank reconciliation, follow the instructions on the screen for entering the entries required to bring the adjusted book balance equal to the adjusted bank balance. When an invoice number is requested for any bank reconciliation entry (such as NSF check, credit card expense, bank service charges, interest earned), enter **BKREC**.

When the bank reconciliation has been completed and the required daily journal entries from the bank reconciliation have been recorded and posted, the new, after bank reconciliation, December 31, Trial Balance check figures are as follows:

**The balance of the Trial Balance after the Bank Reconciliation is \$614,178.99.**

**The new balance of the Cash account is \$31,153.18.**

**The new balance of the Bank Service Charges account is \$73.00.**

**The Credit Card Expense account balance is \$1,537.48.**

**The Interest Earned account balance is \$494.47.**

### **End of Week Four Procedures:**

**After completing the transactions for the December 26 to 31 and the Bank Reconciliation, move the pointer to Journal/Ledgers/Statements in the Menu Bar, move down to the General Ledger selection and click. Print the Trial Balance.**

The balances in this trial balance will be used as the bases for analyzing and recording the adjusting entries for the business!



## ***ADJUSTING ENTRIES FOR THE QUARTER***

Using a copy of the December 31, Trial Balance (printed after the bank reconciliation entries) and the information and financial data shown below, record the adjusting entries for Thunder Mountain Snowmobile. Information for the adjusting entries will appear on the screen. Use your printed copy of the December 31 Trial Balance as a guide. Adjusting entries do not require documentation. When calculating adjusting entry amounts, where necessary in round all totals to the nearest cent. **ALL ENTRIES MUST BE RECORDED AS OF DECEMBER 31, THE END OF THE FOURTH QUARTER!**

There were no accrued Storage Fees Earned for this quarter. A second adjustment to Storage Fees Earned will not be required and the Storage Fees Receivable account will continue to have a zero balance.

When all of the adjusting entries have been correctly entered, move the pointer to **Journal/Ledger/Statements**, then down to **General Ledger** and click. The total for the **Adjusted Trial** balance displayed on the monitor screen should be **\$619,799.29**. Print a copy of the Adjusted Trial Balance.

**You are ready to complete the final evaluation of the Thunder Mountain Snowmobile operations. To gather the necessary information to complete the final evaluation questions, PRINT ALL of the documents listed in instructions 1-6 below.**

1. From the **Journal/Ledger/Statements** option, click on **Financial Statements** and select and print a copy of the **Income Statement**, the **Statement of Changes in Owner's Equity**, and the **Balance Sheet**. The correct Net Income is between **\$75,000.00 AND \$75,100.00**.
2. From the **Journal/Ledger/Statement** option, click on **Subsidiary Ledgers** and print the Schedule of **Accounts Receivable**. Click on the **All Customers** button and print the Accounts Receivable Subsidiary Ledger.
3. From the **Journal/Ledger/Statements** option, click on **Subsidiary Ledgers** and print the Schedule of Accounts Payable. Click on the **All Vendors** button and print the Accounts Payable Subsidiary Ledger.

**NOTE: The financial statements cannot be printed after the closing entries have been recorded.**

## RECORD THE CLOSING ENTRIES FOR THUNDER MOUNTAIN SNOWMOBILE.

4. *The closing entry process is an automatic function.* Move the pointer to the **Close General Ledger** button on the Menu Bar and click. *The program will close all of the temporary accounts* and the balance of the Retained Earnings account will be updated for the total of net income or loss minus the amount of the dividends paid.
5. Move the pointer to **Journal/Ledgers/Statements** and select **General Journal**. With the pull-down arrow, select **Closing Entries**. Click on **Show Portion**. **Print** the Closing Entries.
5. From the **Journal/Ledger/Statements** option, select **General Ledger** and **Print** a copy of the **Post-Closing Trial Balance**.
6. Print each of the following general ledger cards:  
  
    **101 Cash**  
    **401 Sales**  
    **411 Service Fees Earned**  
    **501 Purchases**  
    **601 Salaries and Wages Expense**

## Completing Thunder Mountain Snowmobiles

When you have completed the printing of all of the required documents, carefully answer the **Final Evaluation** questions.

- 1) Move the pointer to **Evaluations**, select **Final Evaluation** and **Print** the evaluation. Move the pointer to **Administration** and click on **Return to Home Page** and from the Home page **exit** the system.
- 2) Using your printed documents, carefully answer the questions on the Final Evaluations form.
- 3) Log on to your program, select **Evaluations**, select **Final Evaluation**, and enter your answers to each question. Follow the instructions on the screen.

**The Final Evaluation and several of the end-of-the-quarter required documents may be collected by your instructor.**

**You have completed the Thunder Mountain Snowmobiles project!**