

Mead Bay's computer system generated the following trial balance on December 31, 2009. The company's manager knows something is wrong with the trial balance because it does not show any balance for Goods in Process Inventory but does show balances for the Factory Payroll and Factory Overhead accounts.

	Debit	Credit
Cash	\$44,000	
Accounts receivable	38,000	
Raw materials inventory	24,000	
Goods in process inventory	0	
Finished goods inventory	6,000	
Prepaid rent	2,000	
Accounts payable		\$10,400
Notes payable		13,400
Common stock		20,000
Retained earnings		89,000
Sales		199,200
Cost of goods sold	118,000	
Factory payroll	15,000	
Factory overhead	31,000	
Operating expenses	54,000	
Totals	<u>\$332,000</u>	<u>\$332,000</u>

After examining various files, the manager identifies the following six source documents that need to be processed to bring the accounting records up to date.

Materials requisition 21-3010:	\$4,900 direct materials to Job 402
Materials requisition 21-3011:	\$7,900 direct materials to Job 404
Materials requisition 21-3012:	\$2,200 indirect materials
Labor time ticket 6052:	\$2,000 direct labor to Job 402
Labor time ticket 6053:	\$11,000 direct labor to Job 404
Labor time ticket 6054:	\$2,000 indirect labor

Jobs 402 and 404 are the only units in process at year-end. The predetermined overhead rate is 100% of direct labor cost.

Use information on the six source documents to prepare journal entries to assign the following costs. (Omit the "\$" sign in your response.)

(a) Direct materials costs to Goods in Process Inventory.

Date	General Journal	Debit	Credit
Dec. 31	(Click to select) ▼		
	(Click to select) ▼		

(b) Direct labor costs to Goods in Process Inventory.

Date	General Journal	Debit	Credit
Dec. 31	(Click to select) ▼		
	(Click to select) ▼		

(c) Overhead costs to Goods in Process Inventory.

Date	General Journal	Debit	Credit
Dec. 31	(Click to select) ▼		
	(Click to select) ▼		

(d) Indirect materials costs to the Factory Overhead account.

Date	General Journal	Debit	Credit
Dec. 31	(Click to select) ▼		
	(Click to select) ▼		

(e) Indirect labor costs to the Factory Overhead account.

Date	General Journal	Debit	Credit
Dec. 31	(Click to select) ▼		
	(Click to select) ▼		

Determine the revised balance of the Factory Overhead account after making the entries in part 1. Determine whether there is any under- or overapplied overhead for the year. (Amounts in parentheses do not require a minus sign in front of them. Omit the "\$" sign in your response.)

Revised Factory Overhead account	
Ending balance from trial balance	\$ 31000
Applied to jobs 402 and 404	( 25800 )
Additional indirect materials	2200
Additional indirect labor	2000
Underapplied ▼	\$ 9400

Prepare the adjusting entry to allocate any over- or underapplied overhead to Cost of Goods Sold, assuming the amount is not material. (Omit the "\$" sign in your response.)

Date	General Journal	Debit	Credit
Dec. 31	(Click to select) ▼		
	(Click to select) ▼		

Prepare a revised trial balance. (Leave no cells blank - be certain to enter "0" wherever required. Omit the "\$" sign in your response.)

MEAD BAY COMPANY Trial Balance December 31, 2009			Debit	Credit
(Click to select)	▼		\$	
(Click to select)	▼			
(Click to select)	▼			
(Click to select)	▼			
(Click to select)	▼			
(Click to select)	▼			
(Click to select)	▼			\$
(Click to select)	▼			
(Click to select)	▼			
(Click to select)	▼			
(Click to select)	▼			
(Click to select)	▼			
(Click to select)	▼			
(Click to select)	▼			
(Click to select)	▼			
Totals			\$	\$

Prepare an income statement for year 2009. (Amounts in parentheses do not require a minus sign in front of them. Omit the "\$" sign in your response.)

MEAD BAY COMPANY Income Statement For Year Ended December 31, 2009		
Sales		\$
Cost of goods sold	( )	
(Click to select) ▼		
Operating expenses	( )	
(Click to select) ▼		\$

Prepare a balance sheet as of December 31, 2009. (Omit the "\$" sign in your response.)

MEAD BAY COMPANY Balance Sheet December 31, 2009			
<b>Assets</b>		<b>Liabilities</b>	
<i>Current Assets</i>		<i>Current Liabilities</i>	
(Click to select) ▼	\$	(Click to select) ▼	\$
(Click to select) ▼		Notes payable	
		<i>Total liabilities</i>	\$
<b>Inventories</b>		<b>Equity</b>	
Raw material inventory		(Click to select) ▼	\$
Goods in process inventory		(Click to select) ▼	
Finished goods inventory	\$	<i>Total stockholders' equity</i>	
(Click to select) ▼			
<b>Total assets</b>	\$	<b>Total Liabilities and Equity</b>	\$