

QUESTION 5

Refer to the following information for Questions 5 and 6.

On January 1, 2017, the following information pertains to the accounts of the company:

Account	Balance
Accounts Payable	10,000
Accounts Receivable	10,000
Allowance for Doubtful Accounts	1,000
Inventory	10,000
Prepaid Insurance	1,000
Retained Earnings	10,000
Supplies	1,000
Wages Payable	1,000

Account	Balance
Accounts Payable	10,000
Accounts Receivable	10,000
Allowance for Doubtful Accounts	1,000
Inventory	10,000
Prepaid Insurance	1,000
Retained Earnings	10,000
Supplies	1,000
Wages Payable	1,000

During the year, the following transactions occurred:

1. Sold inventory on credit for \$10,000.
2. Purchased inventory on credit for \$10,000.
3. Paid wages of \$1,000.
4. Paid insurance of \$1,000.
5. Paid accounts payable of \$10,000.
6. Received cash from accounts receivable of \$10,000.

7. Received cash from accounts receivable of \$10,000.
8. Received cash from accounts receivable of \$10,000.
9. Received cash from accounts receivable of \$10,000.
10. Received cash from accounts receivable of \$10,000.

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