Zacks Bike Hut

Transactions For June 24-30

and the

Bank Reconciliation

TRANSACTIONS FOR JUNE 24-30

Student Analysis

June 24

Zacks Bike Hut has a policy of maintaining a **$25,000.00** cash balance. Preparing for the vendor account balances, dividends payable, and a long-term note of **$12,000.00** that are coming due on the first of the subsequent quarter, Zacks Bike Hut borrowed **$15,000.00** cash on the business credit line by issuing a 9%, 90-day, short-term note payable to a private lender. At the invoice prompt enter **NTPAY** for note payable.

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June 26

Sold accessory items on account to customer Sugar Folley (invoice **Z1611**). All accessory items carry a markup of 50% on cost (33.1/3% on selling price). Calculate the total selling price and be sure to include the **7%** sales tax (rounded to the nearest cent if necessary).

Merchandise listed on the sales invoice:

Stock Number	Item	Quantity	Net Cost Per Unit
A0300	CASCADE PEAK	1	$900.00
B1180	LEATHER SEAT	1	$41.50
C2355	HELMET DELUXE	1	$65.00

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June 28

A customer paid **$99.51** (sales tax included) for 1.5 hours of straightening and adjustment work on her bicycle, at $62.00 per hour. The customer paid in full with a **Bank Credit Card**. The sales invoice for this transaction is **Z1612**.

Transactions for June 24-30 continued…

June 29

Issued check number **02623** to Jurassic Bikes for the purchase invoice **J9888** of June 19, less the purchase return of June 21.
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June 29

Shipped merchandise under FOB destination shipping terms to customer Sugar Folley. Charged the **$173.00** freight costs to our account with Noreen's Freight Lines (**N5380**).

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June 29

Issued check **02624** for **$6,500.00** to the California State Bank. This check is for the dividends declared by the corporation board of directors on June 9. California Bank will issue the cash dividends to the June 20 stockholders of record. At the invoice prompt enter **DIVPD** for dividends paid.

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June 30

Issued check number **02625** to Louis Manich, part-time repairman and salesman for the business. Louis is paid **$15.25** per hour and worked **31.00** hours during the past two-week period ending June 28. At the invoice prompt enter **PAYRL.**

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June 30

Issued check **02626** for **$48.00** to replenish the $50.00 Petty Cash Fund. A total of **$2.00** in change **is all that remains** in the petty cash box at this time. Be sure to account for the cash overage or shortage. At the invoice prompt enter **PCASH**. All of the receipts have been accounted for and the summary below shows the following expenditures made from the fund:

Store & Shop Supplies	**$32.50**
Tools Expense	14.50

Transactions for June 24-30 continued…

June 30

Issued the following checks as payment in full for miscellaneous billings:

Check **02627** for $412.54 to the Dobbins Electric and Gas Company for the June utility bill received today (invoice number **52233**).

Check **02628** for $575.00 to Higby Accountancy, Inc., for accounting services received (invoice **HA301**).

Check **02629** for $1,425.00 to the Reed Insurance Company for increased liability insurance coverage (invoice number **88899**).

Check **02630** to Jacob's Truck Service for delivery van service and repairs totaling $258.80 (invoice **56788**).

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This concludes the daily transactions for the period of June 24-30.

Now that you have completed entering the transactions for the fourth week of the internship program, June 24-30, excluding the bank reconciliation, it is time to check the accuracy of your work.

Move the pointer to **Check Figures** and click. The 'check figures' for Week Four will appear in the text box. Scroll down through the accounts to verify the correctness of your ledger account balances. **Print** a copy of the Check Figures.

Should you have any incorrect balances, go to **Error Correction Procedures** at the end of Module One.

For **accuracy, efficiency,** and **a clear audit trail,** use **ONLY** the correction system designed for the Zacks Bike Hut accounting system. Read **ERROR CORRECTION PROCEDURES** at the end of **Module 1**.

Should you wish to exit the program before completing the bank reconciliation, remember to **Back Up Your Data Files.**

BANK RECONCILIATION

Before entering the adjusting entries, complete the bank reconciliation (page 7) for June 30, the statement date and the last workday of the month. **Enter the cash balance from the trial balance as the book balance and $30,877.51 as the bank statement balance**. Additional information needed to complete the reconciliation is:

1. The last cash sale on June 28 was not deposited in the bank. All other deposits required were made in a timely manner in June and were properly reported on the bank statement.

2. Accrued interest earned on the checking account totals **$114.12**.

3. The debit memo from the bank for miscellaneous account services (charged to Bank Service Charges) totals **$34.50**.

4. During the month of June, customers purchased **$10,138.79** worth of merchandise and services using their **bank credit cards**. A debit memo with the bank statement charges Zacks Bike Hut **3.5%** of the total of these sales receipts as a credit card fee (Credit Card Expense). For all calculations remember to round your answer to the nearest cent.

5. Checks **02628**, **02629**, and **02630** were not returned with the bank statement.

6. The bank statement shows a balance of **$30,877.51** in Zacks Bike Hut checking account.

Using the **Journalize Daily Entries (Daily JE)** option, record the required transactions resulting from the bank reconciliation. Since the entries are **updating** the balance of the cash account and **no check is being issued**, when the system asks for a check number, enter **BKR06**. When an invoice number is requested for the interest earned, or bank service charge, also enter **BKR06** (Bank Reconciliation for June).

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Use this space to write down the journal entries you must record for the bank reconciliation.

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Now that you have completed entering the transactions for the bank reconciliation of the internship program, it is time to check the accuracy of your work.

Move the pointer to **Check Figures** and click. The 'check figures' for After Bank Reconciliation will appear in the text box. Scroll down through the accounts to verify the correctness of your ledger

account balances. **Print** a copy of the Check Figures.

Should you have any incorrect balances, go to **Error Correction Procedures** at the end of Module One.

For **accuracy, efficiency,** and **a clear audit trail,** use **ONLY** the correction system designed for the Zacks Bike Hut accounting system. Read **ERROR CORRECTION PROCEDURES** at the end of **Module 1**.

Print a copy of the After Bank Reconciliation Trial Balance! **THIS IS THE TRIAL BALANCE THAT WILL BE USED WHEN RECORDING THE ADJUSTING ENTRIES FOR THE BUSINESS!**

Backup your data files. Go to Administration on the Menu Bar, scroll down Files: Reset and Backup, and select Backup Data Files. You now have a copy of all of your work to the end of Module 4.

Move the pointer to Support on the Menu Bar and select Download Student Manual. Select Module 5: **Adjusting and Closing Entries**.

Zacks Bike Hut, Level II – Module 4
Last Revised: December 7, 2021

BANK RECONCILIATION
ZACKS BIKE HUT
June 30

Book Balance: $_____

         Add:_____   _____

                                   Total $_____

Deduct: _____ $_____

                 _____ $_____ $_____

Reconciled Book Balance: $_____
                                           =============

Bank Balance: $_____

         Add: Deposit in Transit: $_____

                                   Total $_____

         Deduct: Outstanding Checks:

         Check No._____ $_____

         Check No._____ $_____

         Check No._____ $_____ $_____

Reconciled Bank Balance: $_____
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