

## Lesson 8: Adjusting Entries — Aligning Numbers with Reality

### Part A: Classify the Adjustment

Scenario	Type of Adjustment	Account Debited	Account Credited
\$600 of supplies were used during the month			
Earned \$1,000 of rent revenue not yet received			
\$800 of prepaid insurance expired this month			
Salaries of \$2,500 earned but not yet paid			

### Part B: Write the Adjusting Entry

On Dec 31, the company has \$1,200 of accrued (unpaid) wages. Write the adjusting journal entry:

Date	Account	Debit (\$)	Credit (\$)
Dec 31			

### Part C: Short Answer

1. What would happen to the financial statements if adjusting entries were skipped?

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2. Explain the difference between a deferred revenue adjustment and an accrued revenue adjustment.

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