

## B-03.06

Stargate Publishing issues the *Weekly Window*. The company's primary sources of revenue are sales of subscriptions to customers and sales of advertising in the *Weekly Window*. Stargate owns its building and has excess office space that it leases to others.

The following transactions involved the receipt of advance payments. Prepare the indicated journal entries for each set of transactions.

- (1) On September 1, 20X5, the company received a \$24,000 payment from an advertising client for a 6-month advertising campaign. The campaign was to run from November, 20X5, through the end of April, 20X6. Prepare the journal entry on September 1, and the December 31 end-of-year adjusting entry.
- (2) The company began 20X5 with \$120,000 in unearned revenue relating to sales of subscriptions for future issues. During 20X5, additional subscriptions were sold for \$1,230,000. Magazines delivered during 20X5 under outstanding subscriptions totaled \$1,020,000. Prepare a summary journal entry to reflect the sales of subscriptions, and the end-of-year adjusting entry to reflect magazines delivered.
- (3) The company received a \$3,000 rental payment on December 16, 20X5, for the period running from mid-December to Mid-January. Prepare the December 16 journal entry, as well as the December 31 end-of-year adjusting entry