

Walt's manufactures and sells customized work clothes and uniforms. Following is a list of accounts receivable as of December 31, 2010.

Customer	Date of Sale	Amount
Air There Freight	December 11, 2010	12,300
Aurora	November 12, 2010	5,000
Batesville	August 18, 2010	14,805
CarMan	December 9, 2010	21,900
Clinic Quick	August 15, 2009	16,040
Delorres River Guides	September 19, 2010	8,990
Elonzo's Restaurant	December 17, 2010	11,789
Hospital Supply	December 4, 2010	135,100
Inidigo	November 29, 2010	16,500
Meridan Oil	May 20, 2010	11,786
Museum of Art	December 21, 2010	255,000
Novellus	February 16, 2010	18,780
Norman's	December 23, 2010	10,000
Robert Ricketts	December 14, 2010	3,550
Sanchez Systems	October 25, 2010	22,310
Security by the Hour	December 13, 2010	40,900
Stop Shop	December 27, 2010	34,700
Target Time	February 3, 2010	14,440
Uvlade Ranch	December 7, 2010	3,700
Xhi	October 20, 2010	15,100
Zebra Sports	December 3, 2010	144,000

- Sort the receivables list by age category and determine the estimated balance of uncollectible accounts. Walt's believes the following rates of noncollection will occur: 1% of receivables up to 30 days, 3% for 31 to 90 days, 10% for 91 to 180 days, and 40% of accounts over 180 days.
- If the balance of Allowance for Uncollectible Accounts contained \$15,000 (credit), what adjusting entry is needed to reflect the analysis from part (a).
- If the balance of Allowance for Uncollectible Accounts contained \$15,000 (debit), what adjusting entry is needed to reflect the analysis from part (a).
- How is it possible that the allowance account could contain a debit balance, as in part (c)?