

Evaluate the following items, and determine the correct amount to report on the income statement for each using the accrual basis of accounting for the referenced period of time.

- Revenues A Company had beginning accounts receivable of \$8,000. The company reported cash basis revenues of \$100,000. The ending accounts receivable amounted to \$18,000.
- Supplies B Company purchased \$25,000 of supplies. Supplies on hand decreased by \$5,000 during the period.
- Rent C Company started the year with no prepaid rent, and ended the year with \$1,000 in prepaid rent. Rent expense on a cash basis was \$13,000.
- Equipment At the beginning of the year, D Company purchased and expensed an item of equipment for \$20,000. The equipment has a 4-year life and will be worthless after four years.
- Wages There were no wages payable at the beginning of the year. E Company paid \$145,000 in wages during the year and owed an additional \$12,000 at year's end.