Traditions is an upscale university housing complex providing all the amenities of private townhouse living, and a full service 24-hour cafeteria for busy students. Prior to recording any adjusting entries for 20X4, Traditions has incurred and recorded total salary expense of $875,000 and total rental revenue of $4,800,000.

As of December 31, 20X4, the company owes $15,000 of additional salaries to employees, and accrued rent due from residents amounts to $100,000.

On January 10, 20X5, Traditions paid salaries of $40,000 covering the amount due as of December 31, as well as additional amounts relating to 20X5.

On January 15, 20X5, Traditions received rental payments for $250,000 covering the rents due as of December 31, 20X4, and additional amounts relating to the first half of January, 20X5.

(a) Prepare the necessary year-end adjusting entries for salaries and rent.

(b) Determine the total salaries expense and total rent revenue for 20X4.

(c) Assuming the company uses reversing entries, prepare necessary reversals for early 20X5.

(d) Assuming the company used reversing entries, prepare entries for January 10 and 15, 20X5.

(e) Assuming the company does not use reversing entries, prepare entries for January 10 and 15, 20X5.

(f) Show how 20X5 salaries expense and rent revenue will be the same, whether reversing entries are used or not.