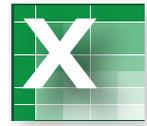


Walt's manufactures and sells customized work clothes and uniforms. Following is a list of accounts receivable as of December 31, 2019.



**SPREADSHEET
TOOL:**
*Using the sort
routine*

Customer	Date of Sale	Amount
Air There Freight	December 11, 2019	12,300
Aurora	November 12, 2019	5,000
Batesville	August 18, 2019	14,805
CarMan	December 9, 2019	21,900
Clinic Quick	August 15, 2018	16,040
Delorres River Guides	September 19, 2019	8,990
Elonzo's Restaurant	December 17, 2019	11,789
Hospital Supply	December 4, 2019	135,100
Inidigo	November 29, 2019	16,500
Meridan Oil	May 20, 2019	11,786
Museum of Art	December 21, 2019	255,000
Novellus	February 16, 2019	18,780
Norman's	December 23, 2019	10,000
Robert Ricketts	December 14, 2019	3,550
Sanchez Systems	October 25, 2019	22,310
Security by the Hour	December 13, 2019	40,900
Stop Shop	December 27, 2019	34,700
Target Time	February 3, 2019	14,440
Uvlade Ranch	December 7, 2019	3,700
Xhi	October 20, 2019	15,100
Zebra Sports	December 3, 2019	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)?