

Chapter 5 – Question 11 – page 239
Purchaser's Point of View

PERPETUAL

7/10	Inventory	900	
	A/Pay		900
12	A/Pay	100	
	Inventory		100
19	A/Pay	800	
	Inventory		16
	Cash		784

PERIODIC

7/10	Purchases	900	
	A/Pay		900
12	A/Pay	100	
	Pur R & A		100
19	A/Pay	800	
	Pur Disc		16
	Cash		784

Chapter 5 – Question 11 – page 239
Seller's Point of View

PERPETUAL

7/10	Accts Rec	900	
	Sales		900
	COGS	540	
	Inventory		540
12	Sales R & A	100	
	Accts Rec		100
	Inventory	60	
	COGS		60
19	Cash	784	
	Sales Disc	16	
	Accts Rec		800

PERIODIC

7/10	Accts Rec	900	
	Sales		900
12	Sales R & A	100	
	Accts Rec		100
19	Cash	784	
	Sales Disc	16	
	A/Rec		800

Chapter 5 – Question 11 – page 223 (amplified!)

Sample Company

Income Statement

For the Month Ended July 31, 20x2

Sales			\$900
Less: Sales Ret & Allow		\$ 100	
Sales Discounts		16	116
Net Sales			\$784
Cost of Goods Sold:			
Inventory, 7/1/20x2 (assumed)		\$ 300	
Purchases	\$800		
Less: Pur R & A	\$60		
Pur_Disc	24	84	
Net Purchases	\$716		
Add: Freight-In	93		
Cost of Goods Purchased		809	
Cost of Goods Available for Sale		\$1,109	
Less: Inventory, 7/31/20x2		769	
Cost of Goods Sold			340
Gross Profit			\$444

Chapter 5 – Question 22 – page 239
Purchaser's Point of View

PERPETUAL

7/15	Inventory	3,000	
	A/Pay		3,000
18	A/Pay	200	
	Inventory		200
24	A/Pay	2,800	
	Inventory		56
	Cash		2,744

PERIODIC

7/15	Purchases	3,000	
	A/Pay		3,000
18	A/Pay	200	
	Pur R & A		200
24	A/Pay	2,800	
	Pur Disc		56
	Cash		2,744

Chapter 5 – Question 22 – page 239
Seller's Point of View

PERPETUAL

7/15	Accts Rec	3,000	
	Sales		3,000
	COGS	2,100	
	Inventory		2,100
18	Sales R & A	200	
	Accts Rec		200
	Inventory	140	
	COGS		140
24	Cash	2,744	
	Sales Disc	56	
	Accts Rec		2,800

PERIODIC

7/15	Accts Rec	3,000	
	Sales		3,000
18	Sales R & A	200	
	Accts Rec		200
24	Cash	2,744	
	Sales Disc	56	
	A/Rec		2,800

Merchandising Account Classifications

	CLASSIF- ICATION?	NORM. BAL.?	INCREASE SIDE?	FINANCIAL STATEMENT?	REAL OR NOMINAL?	CLOSED?	STEP?	PCTB?
MI	A	dr.	dr.	BS	R	-	-	Y
P	E	dr.	dr.	IS	N	Y	2	N
FI	"S" P	dr.	dr.	IS	N	Y	2	N
S	R	cr.	cr.	IS	N	Y	1	N
PRA	<E>	cr.	cr.	IS	N	Y	1	N
PD	<E>	cr.	cr.	IS	N	Y	1	N
SRA	<R>	dr.	dr.	IS	N	Y	2	N
SD	<R>	dr.	dr.	IS	N	Y	2	N
FO	E	dr.	dr.	IS	N	Y	2	N
COGS	E	dr.	dr.	IS	N	Y	2	N