

Name _____ Date _____ B

Discussion Section _____ Row _____ Seat _____

PRINCIPLES OF FINANCIAL ACCOUNTING I
Chapter 5 -- Perpetual
Fall 2014

“As a student of ORU, I hereby pledge my full and hearty support to the Honor Code. I agree not only to be honest myself but to report all cases of dishonesty that are observed by me.”

Ken’s Parts Place purchased \$3,000 worth of parts, terms FOB shipping point, 2/10, n/30, from We Have Parts, Inc.; paid \$50 transportation costs; returned \$500 worth of merchandise; and paid for the merchandise within the discount period.

Give the entries in general journal form to record Ken’s (a) purchase, (b) transportation costs, (c) return of the merchandise, (d) payment, and (e) make the journal entry if the payment was made after the discount period.

Please skip a line between each journal entry.

Inventory	3,000	
Accounts Payable		3,000
Inventory	50	
Cash		50
Accounts Payable	500	
Inventory		500
Accounts Payable	2,500	
Inventory		50
Cash		2,450
Accounts Payable	2,500	
Cash		2,500