

Name _____ Date _____ A

Discussion Section _____ Row _____ Seat _____

PRINCIPLES OF FINANCIAL ACCOUNTING I
Chapter 5–Week 2
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.”

- 1-4. Purchased \$2,500 worth of merchandise, FOB shipping point, 2/10, n/30, using the periodic inventory method; shipping charges were \$75. Make journal entries for (a) the purchase and (b) the shipping charges. Please skip a line between each entry.

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- 5-8. At the end of the year, the merchandise inventory was \$74,000; during the year, Purchases was \$106,000, Purchases Returns and Allowances was \$3,000, and Purchases Discount was \$2,000; transportation charges (FOB Shipping Point) were \$1,000; the inventory of merchandise at the beginning of the year was \$50,000. Determine COST OF GOODS SOLD, showing and labeling your computations in good form.

- 9-10. For the fiscal year, there was \$300,000 in Sales; \$20,000 in Sales Returns and Allowances; \$6,000 in Sales Discounts; and Cost of Goods Sold was \$140,000. Determine GROSS PROFIT, showing and labeling your computations in good form.

When you have finished, please put your paper face down at the end of your row to your left.

Name _____ Date _____ B

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PRINCIPLES OF FINANCIAL ACCOUNTING I
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“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.”

- 1-4. Purchased \$4,000 worth of merchandise, FOB shipping point, 2/10, n/30, using the periodic inventory method; shipping charges were \$90. Make journal entries for (a) the purchase and (b) the shipping charges. Please skip a line between each entry.

- 5-8. At the end of the year, Merchandise Inventory was \$53,000; during the year, Purchases was \$182,000, Purchases Returns and Allowances was \$5,000; Purchases Discount was \$2,000; transportation charges (FOB Shipping Point) were \$5,000; the inventory of merchandise at the beginning of the year was \$41,000. Determine COST OF GOODS SOLD, showing and labeling your computations in good form.

- 9-10. For the fiscal year, there was \$150,000 in Sales; \$10,000 in Sales Returns and Allowances; \$3,000 in Sales Discounts; Cost of Goods Sold was \$80,000. Determine GROSS PROFIT, showing and labeling your computations in good form.

When you have finished, please put your paper face down at the end of your row.