

1. Use the following data for all six questions.

Shown below are five coded transactions from the data base of Fox Computer Store, along with headings indicating the content of each data field:

Trans- action	Sales Dept. No.	Product No.	Units Sold	Per- Unit Sales Price	Per- Unit Cost	Customer Account No.
1	2	221	2	300.00	200.00	2309
2	1	197	1	150.00	100.00	0000
3	3	377	2	210.00	140.00	0059
4	3	345	1	120.00	060.00	0000
5	1	197	2	150.00	100.00	2455

Four zeros in the customer account no. field indicate a cash sale.

1 Refer to the above data. Total sales revenue amounts to:

\$ _____.

2 Refer to the above data. The total amount of gross profit earned in Department no. 3 is:

\$ _____.

3 Refer to the above data. The best-selling product in terms of the number of units sold is:

Product no. _____.

4 Refer to the above data. The product which has produced the greatest total dollar amount of gross profit is:

Product no. _____.

5 Refer to the above data. The product with the highest gross profit rate is:

Product no. _____.

6 Refer to the above data. Total cash sales made by the business amount to:

\$ _____.

2. Net sales and gross profit

Office Supply Corp. had gross sales revenue of \$1,460,000, cost of goods sold of \$784,000, sales returns and allowances of \$38,000, and allowed sales discounts of \$22,000.

Instructions Compute for the year:

- a. Net sales. \$ _____
- b. Gross profit. \$ _____
- c. Gross profit rate. _____ %

3. Periodic inventory system

Volante's Candle Shop uses a periodic inventory system. During the current year, the company purchased merchandise at a cost of \$200,000. You are to compute the cost of goods sold under each of the following alternative assumptions:

	Cost of Goods Sold
a. No beginning inventory; ending inventory \$14,000.....	\$ _____
b. Beginning inventory \$10,000; no ending inventory.....	\$ _____
c. Beginning inventory \$23,000; ending inventory \$10,500.....	\$ _____
d. Beginning inventory \$10,500; ending inventory \$23,000.....	\$ _____

4. The Income Summary account of a corporation has a credit balance of \$250,000 after all the nominal (Income Statement) accounts are closed to it and just before it is closed to the appropriate equity account in a corporation. Give the journal entry that will reflect the closing of the Income summary Account.

5. Details of a purchase invoice and related credit memorandum are summarized as follows:

Invoice: Cost of merchandise listed on purchase invoice.....	\$8,500
Prepaid transportation charge added to invoice.....	200
Terms, FOB shipping point, 1/10, n/eom	
Credit memo: Cost of merchandise returned.....	\$2,500

Assume that the credit memorandum was received prior to payment and that the invoice is paid within the discount period. Determine the following:

- (a) Amount of the cash discount allowed.
- (b) Amount to be paid by the purchaser if the discount is taken.
- (c) Cost of the merchandise to the purchase if the discount is NOT taken.

6. Forrester Company purchased \$700 of merchandise on account and payment was made within the discount period. The credit terms were 2/10, n/30. Journalize Forrester's purchase and payment.

7. Listed below are selected transactions completed by Garner Company during May of the current year.

- May 5 Rendered services on account to Pile Co., Invoice No. 92, \$4,100.
- 10 Rendered services on account to Morris Inc., Invoice No. 93, \$8,500.
- 13 Received \$5,150 in payment of monthly rent, which was due on May 1.
- 15 Received payment from Pile Co. for invoice of May 5.
- 19 Received payment from Morris Inc. for balance due on invoice of May 10.
- 20 Received amount due from Zion Co. on sale made in April, \$2,500.
- 31 Recorded cash from services rendered for cash during the month, \$16,100.

(a) Record the transactions, using the accompanying revenue journal and cash receipts journal.

(b) Total and rule the revenue and cash receipts journals.

(c) Indicate the method of posting the individual items and the columnar totals of the revenue and cash receipts journals in the following manner:

- (1) For individual items and totals to be posted to the subsidiary ledger or not to be posted, insert a check mark in the Posting Reference column or below the totals.
- (2) For individual items and totals to be posted to the general ledger, insert the letter "G" (as a substitute for specific account numbers) in the Posting Reference column or below the totals.

REVENUE JOURNAL

<u>Date</u>	<u>Invoice No.</u>	<u>Account Debited</u>	<u>Post. Ref.</u>	<u>Accts. Rec.</u>	<u>Dr. Services</u>	<u>Dr. Revenue</u>	<u>Dr. Cr.</u>
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CASH RECEIPTS JOURNAL

<u>Date</u>	<u>Account Credited</u>	<u>Post. Ref.</u>	<u>Other Accounts</u>	<u>Cr.</u>	<u>Accts. Rec.</u>	<u>Cr.</u>	<u>Cash</u>	<u>Dr.</u>
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8. Journalize the entries for the following selected transactions:

- (a) Sold merchandise on account, for \$12,000. The cost of the merchandise sold was \$6,000.
- (b) Sold merchandise to customers who used MasterCard and VISA, \$10,000. The cost of the merchandise sold was \$3,950.
- (c) Sold merchandise to customers who used American Express, \$4,200. The cost of the merchandise sold was \$3,100.
- (d) Paid an invoice from First National Bank for \$610, representing a service fee for processing MasterCard and VISA sales.
- (e) Received \$3,950 from American Express Company after a \$250 collection fee had been deducted.

9. The following selected transactions relate to cash collections for a firm that maintains a \$200 change fund at all times. Present entries to record the transactions for each of the two days of cash receipts from sales.

- (a) Actual cash in cash register, \$3,112.22; cash receipts per cash register tally, \$2,913.20.
- (b) Actual cash in cash register, \$3,012.96; cash receipts per cash register tally, \$2,812.20.

