

Practice Set

ACCOUNTING SYSTEMS

Instruction: Record the following transactions, which were originally recorded in the General Journal on page A32 of **Quick Notes**, using the journals provided, post and prove your Debits and Credits with a Trial Balance.

- 1/3 Purchased merchandise for \$5,000 on credit from A. Company, invoice dated 1/1, terms 2/10,n30.
- 1/7 Return \$400 defective merchandise purchased 1/1 from A. Company.
- 1/11 Paid A. Company for purchase of 1/1 less return and discount.
- 1/12 Recorded Cash Sales of \$3,000.
- 1/14 Sold \$6,000 of merchandise to B. Company terms 2/10,n30.
- 1/18 B. Company returned \$200 of merchandise purchased 1/14.
- 1/24 B. Company paid for sale of 1/14 less return and discount.

PURCHASES JOURNAL

Page 1

| DATE | ACCOUNT | TERMS | POST REF. | AMOUNT |
|------|------------|----------|-----------|--------------|
| 1/13 | A. Company | 2/10,n30 | ✓ | 5,000 |
| 2/2 | Z. Company | 1/10,n30 | ✓ | <u>3,960</u> |
| | | | | 8,960 |
| | | | | (51) (31) |

CASH PAYMENTS JOURNAL

Page 1

| DATE | EXPLANATION | CHECK NO. | CREDITS | | POST REF. | DEBITS | | | | | | |
|------|-------------|-----------|------------|--------------------|-----------|------------------|-----------|----------------|--------------|------------------------|--------|-----------|
| | | | CASH | PURCHASE DISCOUNTS | | ACCOUNTS PAYABLE | PURCHASES | TRAVEL EXPENSE | OTHER DEBITS | POST REF. | AMOUNT | |
| 1/11 | Paid A. Co. | 1 | 4,508 | 92 | ✓ | 4,600 | | | | | | |
| 2/28 | Paid Z. Co. | 2 | 4,000 | | ✓ | 3,960 | | | | Purchase Discount Lost | 70 | 40 |
| 2/28 | Paid Trans. | 3 | 30 | | | | | | | Trans-In | 55 | 30 |
| 3/5 | Paid Travel | 4 | <u>300</u> | | | | | | <u>300</u> | | | |
| | | | 8,838 | 92 | | <u>8,560</u> | | | 300 | | | <u>70</u> |
| | | | (1) | (53) | | (31) | | | (68) | | | |

GENERAL LEDGER

| | | | |
|-----------------|--------|--------------------------------|--------|
| <u>CASH (1)</u> | | <u>ACCOUNTS RECEIVABLE (3)</u> | |
| 36,684 | 8,838 | 14,000 | 200 |
| 8,838 | | | 13,800 |
| Bal. | 27,846 | | |

| ACCOUNTS RECEIVABLE SUBSIDIARY LEDGER | | | |
|--|-------|-------------------|-------|
| <u>B. Company</u> | | <u>A. Company</u> | |
| 6,000 | 200 | 8,000 | 8,000 |
| | 5,800 | | |

| | |
|------------------------------------|-------|
| <u>PURCHASES (51)</u> | 8,960 |
| <u>PURCHASE RETURNS (52)</u> | 400 |
| <u>PURCHASE DISCOUNTS (53)</u> | 92 |
| <u>TRANSPORTATION-IN (55)</u> | 30 |
| <u>TRAVEL EXPENSES (68)</u> | 300 |
| <u>PURCHASE DISCOUNT LOST (70)</u> | 40 |

- 2/2 Purchase \$4,000 of merchandise from Z. Company, terms 1/10,n30 - Net Method used.
- 2/28 Paid Z. Company for purchase of 2/2 plus purchase discount lost.
- 2/28 Paid transportation charges of \$30 for merchandise purchased 2/2.

Additional Transactions

- 3/1 Signed a \$20,000 Note Payable with First Bank Corporation, cash deposited today.
- 3/2 Sold \$8,000 of merchandise to A. Company terms 2/10,n30.
- 3/5 Paid Travel Expense of \$300.
- 3/30 A. Company paid today.

GENERAL JOURNAL

Page 1

| DATE | EXPLANATION | PR | DR | CR |
|------|---------------------------------|----|-----|-----|
| 1/7 | Accounts Payable - A. Co. | ✓ | 400 | |
| | Purchase Returns and Allowances | ✓ | | 400 |
| 1/18 | Sales Returns and Allowances | ✓ | 200 | |
| | Accounts Receivable - B. Co. | ✓ | | 200 |
| | | | 600 | 600 |

SALES JOURNAL

Page 1

| DATE | ACCOUNT | INVOICE NUMBER | POST REF. | AMOUNT |
|------|------------|----------------|-----------|----------|
| 1/14 | B. Company | 1 | ✓ | 6,000 |
| 3/2 | A. Company | 2 | ✓ | 8,000 |
| | | | | 14,000 |
| | | | | (3) (41) |

CASH RECEIPTS JOURNAL

Page 1

| DATE | EXPLANATION | DEBITS | | POST REF. | ACCOUNTS RECEIVABLE | CREDITS | | POST REF. | AMOUNT |
|------|---------------|--------|-----------------|-----------|---------------------|------------|---------------|-----------|--------|
| | | CASH | SALES DISCOUNTS | | | CASH SALES | OTHER CREDITS | | |
| 1/12 | Cash Sales | 3,000 | | | | 3,000 | | | |
| 1/24 | B. Company | 5,684 | 116 | ✓ | 5,800 | | | | |
| 3/1 | Loan Proceeds | 20,000 | | | | | Notes Payable | | 20,000 |
| 3/10 | A. Company | 8,000 | | ✓ | 8,000 | | | (32) | |
| | | 36,684 | 116 | | 13,800 | 3,000 | | | 20,000 |
| | | (1) | (43) | | (3) | (40) | | | |

CASH SALES (40)
3,000

ACCOUNTS PAYABLE (31)
8,560 8,960
400

CREDIT SALES (41)
14,000

NOTES PAYABLE (32)
20,000

SALES RETURNS AND ALLOWANCES (42)
200

SALES DISCOUNT (43)
116

| ACCOUNTS PAYABLE SUBSIDIARY LEDGER | | | |
|---------------------------------------|-------|------------|-------|
| A. Company | | Z. Company | |
| 400 | 5,000 | 3,960 | 3,960 |
| 4,600 | | | |

| Linda's Video Showcase Trial Balance March 31, 1996 | |
|---|-----------------|
| Cash | \$27,846 |
| Purchases | 8,960 |
| Purchase Returns and Allowances | \$400 |
| Purchase Discounts | 92 |
| Transportation-In | 30 |
| Travel Expense | 300 |
| Purchase Discount Lost | 40 |
| Notes Payable | 20,000 |
| Cash Sales | 3,000 |
| Credit Sales | 14,000 |
| Sales Returns and Allowances | 200 |
| Sales Discounts | 116 |
| | <u>\$37,492</u> |
| | <u>\$37,492</u> |