ABC Company buys and sells desks. The following transactions occurred during June:

- June 1 Bought inventory from XYZ Company for \$3,000. Terms 2/15, N/30 FOB Shipping Point.
- June 2 Sold merchandise to Jane Smith for \$500 (Cost = \$300). Terms 2/10, N/30 FOB Shipping Point.
- June 3 Paid \$200 freight bill for shipment of June 1.
- June 5 Sold merchandise for \$1,000 cash (Cost = \$600).
- June 8 Bought inventory from UVW Company for \$1,200. Terms 2/15, N/30 FOB Destination.
- June 9 Received a \$300 credit memo from UVW Company for return of merchandise received on June 8.
- June 12 Received full payment from Jane Smith (less the discount).
- June 15 Paid XYZ Company in full (less the discount)
- June 18 Sold merchandise to Tom White for \$750 (Cost = \$360). Terms 2/10, N/30 FOB Shipping Point.
- June 19 Received a \$50 debit memo from Tom White for an error on June 18 invoice.
- June 19 After discussions we issued a \$100 credit memo to Tom White for the June 18 sale.
- June 23 Paid UVW Company in full (less the discount)
- June 28 Received full payment from Tom White (less the discount)

Required:

Assuming ABC Company uses a perpetual inventory system and ignoring sales tax, prepare general journal entries to record these transactions.

Worksheet

DATE	ACCOUNT	TYPE	DEBIT	CREDIT
June 1				
	Explain:			
June 2				
	77.1			
	Explain:			
I 2				
June 3				
	Evaloin			
	Explain:			
June 5				
June 3				
	Explain:		<u> </u>	
	f -			
June 8				
	Explain:	•		
June 9				
	Explain:			
June 12				
	72.1.			
	Explain:			
I 1 5				
June 15				
	Explain:			
	Lapiani.			
June 18				
June 10				
	Explain:	<u> </u>		

DATE	ACCOUNT	ТҮРЕ	DEBIT	CREDIT		
June 19						
	Explain:					
June 19						
	Explain:					
June 23						
	Explain:		·			
June 28						
	Explain:					

Answer

ACCOUNT	TYPE	DEBIT	CREDIT		
Inventory	Asset	3,000			
A/P – XYZ Company	Liability		3,000		
Bought Inventory on ac	ecount	<u> </u>			
A/R – Jane Smith	Asset	500			
Sales	Revenue		500		
Cost of Goods Sold	Expense	300			
Inventory	Asset		300		
Sold Inventory on acco	unt				
Inventory	Asset	200			
Cash in Bank	Asset		200		
Paid freight bill for incoming inventory					
Cash in Bank	Asset	1,000			
Sales	Revenue		1,000		
Cost of Goods Sold	Expense	600			
Inventory	Asset		600		
Sold Inventory for cash					
I	A4	1 200			
		1,200	1 200		
1 1			1,200		
Bought Inventory on ac	count	<u> </u>			
A/P – UVW Company	Liability	300			
Inventory	Asset		300		
Received Credit for Returned Inventory					
		400			
		10	500		
Received Payment less	Discount of \$500 X 2%	0 = \$10			
A/P – XYZ Company	Liability	3,000			
	Asset	Ź	60		
•			2,940		
	L	\$60			
A/D T WIT:		750			
		/50	7.50		
		2.60	750		
		360	260		
Inventory	Asset		360		
	Inventory A/P - XYZ Company Bought Inventory on accompany A/R - Jane Smith Sales Cost of Goods Sold Inventory Sold Inventory on accompany Cash in Bank Paid freight bill for incompany Cost of Goods Sold Inventory Sold Inventory for cash Inventory Sold Inventory for cash Inventory A/P - UVW Company Bought Inventory on accompany Inventory Received Credit for Re Cash in Bank Sales Discounts A/R - Jane Smith Received Payment less A/P - XYZ Company Inventory Cash in Bank Sales Discounts A/P - XYZ Company Inventory Cash in Bank	Inventory A/P - XYZ Company Bought Inventory on account A/R - Jane Smith Asset Sales Revenue Cost of Goods Sold Inventory Asset Cash in Bank Sales Cost of Goods Sold Inventory Cash in Bank Asset Sold Inventory Cash in Bank Asset Sold Inventory Cash in Bank Asset Sold Inventory Asset Inventory Asset Cash in Bank Asset Sales Revenue Cost of Goods Sold Expense Inventory Asset A/P - UVW Company Inventory Asset A/P - UVW Company Liability Inventory Asset Received Credit for Returned Inventory Cash in Bank Asset Received Payment less Discount of \$500 X 2% A/P - XYZ Company Liability Inventory Asset Received Payment less Discount of \$500 X 2% A/P - XYZ Company Liability Inventory Asset Received Payment less Discount of \$500 X 2% A/P - XYZ Company Liability Inventory Asset Received Payment less Discount of \$500 X 2% A/P - XYZ Company Liability Inventory Asset Received Payment less Discount of \$500 X 2% A/P - XYZ Company Liability Inventory Asset Received Payment less Discount of \$500 X 2% A/P - XYZ Company Liability Inventory Asset Received Payment less Discount of \$500 X 2% A/P - XYZ Company Liability Inventory Asset Received Payment less Discount of \$500 X 2% A/P - XYZ Company Liability Inventory Asset Received Payment less Discount of \$500 X 2% A/P - XYZ Company Liability Inventory Asset Received Payment less Discount of \$500 X 2% A/P - XYZ Company Liability Inventory Asset Received Payment less Discount of \$500 X 2% A/P - XYZ Company Liability Inventory Asset A/R - Tom White Asset	Inventory Asset 3,000 A/P - XYZ Company Liability Bought Inventory on account A/R - Jane Smith Asset 500 Sales Revenue 300 Inventory Asset 200 Cast of Goods Sold Expense 300 Inventory Asset 200 Cash in Bank Asset Paid freight bill for incoming inventory Cash in Bank Asset 1,000 Sales Revenue 2 Cost of Goods Sold Expense 600 Inventory Asset 1,000 Sales Revenue 300 Inventory Asset 490 Sales Discounts Revenue 10 A/P - UVW Company Liability 3,000 Inventory Asset 490 Sales Discounts Revenue 10 A/R - Jane Smith Asset 490 Inventory Asset 3,000 A/P - XYZ Company Liability 3,000 Inventory Asset 750 A/P - XYZ Company Liability 3,000 Inventory Asset 750 A/R - Tom White Asset 750 Sales Revenue 750 Sales Revenue 750 Sales Revenue 750 Sales Revenue 750 A/R - Tom White Asset 750 Sales Revenue 750		

DATE	ACCOUNT	TYPE	DEBIT	CREDIT	
June 19	Sales	Revenue	50		
	A/R – Tom White	Asset		50	
	Error on previous invoice –	should have been S	\$700		
June 19	Sales Returns	Revenue	100		
	A/R – Tom White	Asset		100	
	Reduction in invoice price after discussion with Tom (Allowance)				
June 23	A/P – UVW Company	Liability	900		
	Inventory	Asset		18	
	Cash in Bank	Asset		882	
	Paid Supplier less Return a	nd Discount - (1,20	0 - 300) X 2% = \$	518	
June 28	Cash in Bank	Asset	588		
	Sales Discounts	Revenue	12		
	A/R – Tom White	Asset		600	
	Invoice less Error less Allowance less Discount – (750 – 50 – 100) X 2%				