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

- June 1 Bought inventory from XYZ Company for \$6,000. Terms 1/15, N/30 FOB Shipping Point.
- June 2 Sold merchandise to Jane Smith for \$800 (Cost = \$500). Terms 2/10, N/30 FOB Shipping Point.
- June 3 Paid \$100 freight bill for shipment of June 1.
- June 5 Sold merchandise for  $1,600 \operatorname{cash}(\operatorname{Cost} = 1,200)$ .
- June 8 Bought inventory from UVW Company for \$2,300. Terms 2/15, N/60 FOB Destination.
- June 9 Received a \$200 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 \$1,250 (Cost = \$900). Terms 2/15, N/60 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 \$150 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.

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## Worksheet

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

DATE	ACCOUNT	ТҮРЕ	DEBIT	CREDIT	
June 1	Inventory	Asset	6,000		
	A/P – XYZ Company	Liability	,	6,000	
	Bought Inventory on ac			,	
June 2	A/R – Jane Smith	Asset	800		
	Sales	Revenue		800	
	Cost of Goods Sold	Expense	500		
	Inventory	Asset		500	
	Sold Inventory on account				
June 3	Inventory	Asset	100		
	Cash in Bank	Asset		100	
	Paid freight bill for incoming inventory				
June 5	Cash in Bank	Asset	1,600		
	Sales	Revenue	,	1,600	
	Cost of Goods Sold	Expense	1,200	,	
	Inventory	Asset	,	1,200	
	Sold Inventory for cash				
June 8	Inventory	Asset	2,300		
	A/P – UVW Company	Liability	,	2,300	
	Bought Inventory on account				
June 9	A/P – UVW Company	Liability	200		
	Inventory	Asset		200	
	Received Credit for Returned Inventory				
June 12	Cash in Bank	Asset	784		
	Sales Discounts	Revenue	16		
	A/R – Jane Smith	Asset		800	
	Received Payment less Discount of $\$800 \times 2\% = \$16$				
			, , , , , , , , , , , , , , , , , , ,		
June 15	A/P – XYZ Company	Liability	6,000		
	Inventory	Asset	.,	60	
	Cash in Bank	Asset		5,940	
	Paid Supplier less Discount of $6,000 \times 1\% = 60$				
			+		
June 18	A/R – Tom White	Asset	1,250		
	Sales	Revenue	-,=00	1,250	
	Cost of Goods Sold	Expense	900	1,200	
	Inventory	Asset	,,,,,	900	
	Sold Inventory on acco			200	

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DATE	ACCOUNT	ТҮРЕ	DEBIT	CREDIT		
June 19	Sales	Revenue	50			
	A/R – Tom White	Asset		50		
	Error on previous invoice – should have been \$1,200					
June 19	Sales Returns	Revenue	150			
	A/R – Tom White	Asset		150		
	Reduction in invoice price after discussion with Tom (Allowance)					
June 23	A/P – UVW Company	Liability	2,100			
	Inventory	Asset		42		
	Cash in Bank	Asset		2,058		
	Paid Supplier less Return and Discount - (2,300 - 200) X 2% = \$42					
June 28	Cash in Bank	Asset	1,029			
	Sales Discounts	Revenue	21			
	A/R – Tom White	Asset		1,050		
	Invoice less Error less All	Invoice less Error less Allowance less Discount – $(1,250 - 50 - 150)$ X 2%				