

ACT201 SECTION 5

ASSIGNMENT 2 (14 marks)

Sansomite Co. distributes suitcases and extends credit terms of 1/10, n/30 to all of its customers.

At the end of June, Sansomite's inventory consisted of suitcases costing \$1,200.

During the month of July the following merchandising transactions occurred.

Jul-01 Purchased suitcases on account for \$1,800 from Trunk Manufacturers, FOB destination, terms 2/10, n/30.

The appropriate party also made a cash payment of \$100 for freight on this date.

Jul-03 Sold suitcases on account to Satchel World for \$2,000. The cost of suitcases sold is \$1,200

Jul-09 Paid Trunk Manufacturers in full.

Jul-12 Received payment in full from Satchel World

Jul-17 Sold suitcases on account to The Going Concern for \$1,500. The cost of the suitcases sold was \$900.

**Jul-18 Purchased suitcases on account for \$1,700 from Kingman Manufacturers, FOB shipping point,
terms 1/10, n/30. The appropriate party also made a cash payment of \$100 for freight on this date.**

Jul-20 Received \$300 credit (including freight) for suitcases returned to Kingman Manufacturers.

Jul-21 Received payment in full from The Going Concern

Jul-22 Sold suitcases on account to Fly-By-Night for \$2,250. The cost of suitcases sold was \$1,350.

Jul-30 Paid Kingman Manufacturers in full

Jul-31 Granted Fly-By-Night \$200 credit for suitcases returned costing \$120

Question:

(a) Journalize the July transactions using a periodic inventory system.

(b) Include the totals of the debit side and credit side at the end of your journal entries.

Instructions

- Solve the questions using pen and paper (with clear handwriting), and submit the paper(s) to me in the classroom.
- Write your full name, student ID, section no. and assignment no. on the first page of your answer sheet.
- Deadline: 2:10 PM on August 11, Monday.
- LATE SUBMISSIONS WILL NOT BE GRADED.
- Failure to follow instructions will lead to deduction of marks.