Perpetual Inventory Questions

Record the following transactions in a general journals.

1. On 30/1/30 Bob’s Bikes sold 3 bikes to K.Ng for a total of $4,400. The cost of the inventory is $2,000.
2. On 4/2/21 Tim’s bakery sold bread to T. Turner for $11 on credit. The cost of the bread is $5.
3. On 3/7/20, Bob’s Bike purchased $11,000 of bikes to sell. They purchased the bikes on credit.

Answers:

1. On 30/1/30 Bob’s Bikes sold 3 bikes to K.Ng for a total of $4,400. The cost of the inventory is $2,000.

|  |  |  |  |
| --- | --- | --- | --- |
| 30/5/20 | Cash at Bank | 4,400 |  |
|  | Sales |  | 4,000 |
|  | GST Payable |  | 400 |
|  | *Sold goods to K.Ng* |  |  |
|  | Cost of Sales | 2,000 |  |
|  | Inventory |  | 2,000 |
|  | *Cost of goods sold* |  |  |

1. On 4/2/21 Tim’s bakery sold bread to T. Turner for $11 on credit. The cost of the bread is $5.

|  |  |  |  |
| --- | --- | --- | --- |
| 30/5/20 | Accounts receivable | 11 |  |
|  | Sales |  | 10 |
|  | GST Payable |  | 1 |
|  | *Sold bread on credit* |  |  |
|  | Cost of Sales | 5 |  |
|  | Inventory |  | 5 |
|  | *Cost of goods sold* |  |  |

1. On 3/7/20, Bob’s Bike purchased $11,000 of bikes to sell. They purchased the bikes on credit.

|  |  |  |  |
| --- | --- | --- | --- |
| 30/5/20 | Inventory | 10,000 |  |
|  | GST credits | 1,000 |  |
|  | Accounts payable |  | 11,000 |
|  | *Inventory was purchased on credit* |  |  |