**Problem 5-1:**

The following transactions were completed during April, 20XX for William Sports Shop.

April 4 Purchased cricket bat and balls from Heidi Co. $ 860, terms 3/10, n/30, FOB Shipping point.

6 Paid freights on Heidi Co. purchase $74.

8 Sold merchandise to customers $900, terms n/30.

10 Received credit (memo) of $60 from Heidi Co. for a cricket bat that was returned.

11 Purchased sports shoes from Velky Sports for cash $300.

13 Paid Heidi Co. in full.

14 Purchased sports shirts and shorts from Lizen Sportswear $700, terms 2/10, n/60.

15 Received cash refund of $50 from Velky Sports for damaged merchandise that was returned.

17 Paid freights on Lizen Sportswear purchase $30.

18 Sold merchandise to customers $1,200, terms n/30.

20 Received $500 in cash from customers in settlement of their accounts.

21 Paid Lizen Sportswear in full.

27 Granted an allowance of $25 to customers for sports clothing that did not fit properly.

30 Received cash payments on account from customers $620.

**Instruction:**

Journalize the April transactions for William Sports Shop using a periodic inventory system.

General Journal

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | | Account titles | Debit | Credit |
| April | 4 | Purchases | 860 |  |
|  |  | Accounts Payable – Heidi Co. |  | 860 |
|  |  | (Purchased product from Heidi Co. on credit term) |  |  |
|  | 6 | Freight – in | 74 |  |
|  |  | Cash |  | 74 |
|  |  | (Paid freight to DHL Co., Ltd.) |  |  |
|  | 8 | Accounts Receivable | 900 |  |
|  |  | Sales Revenue |  | 900 |
|  |  |  |  |  |
|  | 10 | Accounts Payable – Heidi Co. | 60 |  |
|  |  | Purchase Returns and Allowances |  | 60 |
|  |  |  |  |  |
|  | 11 | Purchases | 300 |  |
|  |  | Cash |  | 300 |
|  |  |  |  |  |
|  | 13 | Accounts Payable – Heidi Co. | 800 |  |
|  |  | Purchase discount (800 x 3%) |  | 24 |
|  |  | Cash |  | 776 |
|  |  |  |  |  |
|  | 14 | Purchases | 700 |  |
|  |  | Accounts Payable – Lizen Sportwear |  | 700 |
|  |  |  |  |  |
|  | 15 | Cash | 50 |  |
|  |  | Purchase Returns and Allowances |  | 50 |
|  |  |  |  |  |
|  | 17 | Freight – in | 30 |  |
|  |  | Cash |  | 30 |
|  |  |  |  |  |
|  | 18 | Accounts Receivable | 1,200 |  |
|  |  | Sales Revenue |  | 1,200 |
|  |  |  |  |  |
|  | 20 | Cash | 500 |  |
|  |  | Accounts Receivable |  | 500 |
|  |  |  |  |  |
|  | 21 | Accounts Payable – Lizen Sportwear | 700 |  |
|  |  | Purchase discount (700 x 2%) |  | 14 |
|  |  | Cash |  | 686 |
|  |  |  |  |  |
|  | 27 | Sales Returns and Allowances | 25 |  |
|  |  | Accounts Receivable |  | 25 |
|  |  |  |  |  |
|  | 30 | Cash | 620 |  |
|  |  | Accounts Receivable |  | 620 |
|  |  |  |  |  |

My new instruction: Assuming that William Sports Shop uses **Perpetual inventory recording** **system**, Journalize the transaction in April for this company.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | | Account titles | Debit | Credit |
| April | 4 | Inventory | 860 |  |
|  |  | Accounts Payable – Heidi Co. |  | 860 |
|  |  |  |  |  |
|  | 6 | Inventory | 74 |  |
|  |  | Cash |  | 74 |
|  |  |  |  |  |
|  | 8 | Accounts Receivable | 900 |  |
|  |  | Sales Revenue |  | 900 |
|  |  |  |  |  |
|  |  | Cost of Goods Sold | xxx |  |
|  |  | Inventory |  | xxx |
|  |  |  |  |  |
|  | 10 | Accounts Payable – Heidi Co. | 60 |  |
|  |  | Inventory |  | 60 |
|  |  |  |  |  |
|  | 11 | Inventory | 300 |  |
|  |  | Cash |  | 300 |
|  |  |  |  |  |
|  | 13 | Accounts Payable – Heidi Co. | 800 |  |
|  |  | Inventory (800 x 3%) |  | 24 |
|  |  | Cash |  | 776 |
|  |  |  |  |  |
|  | 14 | Inventory | 700 |  |
|  |  | Accounts Payable – Lizen Sportwear |  | 700 |
|  |  |  |  |  |
|  | 15 | Cash | 50 |  |
|  |  | Inventory |  | 50 |
|  |  |  |  |  |
|  | 17 | Inventory | 30 |  |
|  |  | Cash |  | 30 |
|  |  |  |  |  |
|  | 18 | Accounts Receivable | 1,200 |  |
|  |  | Sales Revenue |  | 1,200 |
|  |  |  |  |  |
|  |  | Cost of Goods Sold | xxx |  |
|  |  | Inventory |  | xxx |
|  |  |  |  |  |
|  | 20 | Cash | 500 |  |
|  |  | Accounts Receivable |  | 500 |
|  |  |  |  |  |
|  | 21 | Accounts Payable – Lizen Sportwear | 700 |  |
|  |  | Inventory (700 x 2%) |  | 14 |
|  |  | Cash |  | 686 |
|  |  |  |  |  |
|  | 27 | Sales Returns and Allowances | 25 |  |
|  |  | Accounts Receivable |  | 25 |
|  |  |  |  |  |
|  | 30 | Cash | 620 |  |
|  |  | Accounts Receivable |  | 620 |
|  |  |  |  |  |