Solution:

The five steps involved in the purchase are as follows:

Step I: Transaction Documentation

The transaction involves the following:

- Increase of sales by $125, accompanied with an increase in cash by $125.
- Cost of goods sold is also increased by $80, accompanied with a decrease in inventory by $80.

Step II: Journal Entry

The entry to be added to Nike's journals are as follows:

November 12, 2010	Cash
	Cost of Goods Sold
	    To Inventory
	    To Sales
	(Being sale of Nike shoes)
		125
		80
			
			80
			125

Step III: Ledger Posting

The values are added to the ledger/T-accounts.

Cash -> debit by $125

COGS -> debit by $80

Inventory -> credit by $80

Sales -> credit by $125

Step IV: Trial Balance

Add all these entries into a trial balances sheet.

Step V: Financial Statements

The final step involves summarizing these entries into a statement. Such a consolidation is as follows:

Cash -> +$125

COGS -> +$80

Inventory -> -$80

Sales -> +$125

These are added to appropriate areas of interest.