Revised ACCT 350 Midterm 1X Solutions

Part I.

1.

Sales	180,000	
Purchase Discounts	4,000	
Inventory	30,000	
Income Summary		214,000

2.

Income Summary	198,000	
Sales R&A		6,000
Purchases		70,000
Salaries Expense		60,000
Depreciation Expense		8,000
Income Tax Expense		4,000
Inventory (or net 20,000)		50,000

3.

Income Summary	16,000	
Retained Earnings		16,000

4.

Retained Earnings	4,000	
Dividends		4,000

Part II.

	Debits	Credits
	\$77,400	\$83,400
1.	-12,000	-12,000
	+2,000	
	-2,000	
2.	-8,000	-8,000
3.	+1,200	+1,200
	-1,200	-1,200
4.	+4,000	+4,000
	+600	+600
5.		-6,000
	\$62,000	\$62,000

Part III.

1.

Accounts Receivable	10,000	
Sales		10,000
Cost of Goods Sold	8,000	
Inventory		8,000

2.

Equipment	80,000	
Notes Payable		60,000
Cash		20,000
Depreciation Expense	6,000	
Accum. Depreciation		6,000
Interest Expense	1,200	
Interest Payable		1,200

3.

Supplies	2,000	
Supplies Expense		2,000

4.

Sales	8,000	
Unearned Sales Revenue		8,000

Part IV.

1.

CGS 12x75%=9
8+NP-4=9
NP=9-8+4= 5 million

2.

Sales Invoice

Purchase Order

Shipping Report

3.

Purchase Order

Sales Invoice (or Purchase Invoice)

Receiving Report

4.

(20+18)/(16+4+8+4)=1.19

(20+18+8+30)/(16+4+8+4)=2.38

5.

Sales 80-10=70
CGS 16+34-4-8=38
NI 70-38-24-2=6