Revised ACCT 350 Midterm 1Z Solutions

Part I.

1.

Sales	135,000	
Purchase Discounts	3,000	
Inventory	20,000	
Income Summary		158,000

2.

Income Summary	147,000	
Sales R&A		4,000
Purchases		52,000
Salaries Expense		45,000
Depreciation Expense		6,000
Income Tax Expense		3,000
Inventory (or net 17,000)		37,000

3.

Income Summary	11,000	
Retained Earnings		11,000

4.

Retained Earnings	3,000	
Dividends		3,000

Part II.

	Debits	Credits
	$53,600	$58,600
1.	-6,000	-6,000
2.		-5,000
3.	+3,000	+3,000
	+400	+400
4.	+900	+900
	-900	-900
5.	-9,000	-9,000
	+1,500	
	-1,500	
	$42,000	$42,000

Part III.

1.

Supplies	3,000	
Supplies Expense		3,000

2.

Sales	6000	
Unearned Sales Revenue		6,000

3.

Accounts Receivable	8,000	
Sales		8,000
Cost of Goods Sold	6,000	
Inventory		6,000

4.

Equipment	60,000	
Notes Payable		45,000
Cash		15,000
Depreciation Expense	4,500	
Accum. Depreciation		4,500
Interest Expense	900	
Interest Payable		900

Part IV.

1.

CGS 36x75%=27
24+NP-12=27
NP=27-24+12= 15 million

2.

Sales Invoice

Purchase Order

Shipping Report

3.

Purchase Order

Sales Invoice (or Purchase Invoice)

Receiving Report

4.

(25+10)/(9+6+7+3)=1.40

(25+10+6+20)/(9+6+7+3)=2.44

5.

Sales 70-8=62
CGS 12+25-3-6=28
NI 62-28-18-4=12