

Research Question

Retail, Inc. is a new business that engages in mail order and online retail sales of widgets. As a result, **shipping** and **handling costs** are significant. The company plans to charge the customers for these costs. In fact, in order to cover some overhead, the customers will be billed a higher fee for shipping and handling than the costs Retail actually incurs. The controller would like to increase revenues by including these **fees** as part of sales. However, one of the accountants is concerned that this would overstate revenues and thinks there should be a netting of the costs and fees with the difference treated as **revenue**. How would you advise Retail to treat this issue?

Required: Submit only one paragraph containing your recommendation. Include in-text citations only (no references or excerpts).

For this research question only, ignore any “Pending Content” sections.