Research Question

Computers-R-Us is a publicly traded company with retail stores in fifteen states. The company is considering an incentive plan to increase sales. The plan would give customers a free laser printer with each desktop computer that is purchased. Each printer has a list price of $500 and a cost of $300. Justin Time, the company's CFO, is not sure whether to account for the cost of each free product as a reduction of revenue from the sale of the computers or as an increase to cost of sales (cost of goods sold).