Research Question

Electronics-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 HD DVR/DVD recorder with any 40-inch TV that is purchased. Each recorder has a list price of $299.99 and a cost of $180. Justin Time, the company's controller, is not sure whether to account for the cost of each free product as a reduction of revenue from the sale of the TVs or as an increase to cost of sales (cost of goods sold).

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.