

Score:

138.74 out of 140 points (99.10%)

award:  
 10 out of  
 10.00  
 points

Levine Company uses the perpetual inventory system and allows customers to use two credit cards in charging purchases. With the Suntrust Bank Card, Levine receives an immediate credit to its account when it deposits sales receipts. Suntrust assesses a 4% service charge for credit card sales. The second credit card that Levine accepts is the Continental Card. Levine sends its accumulated receipts to Continental on a weekly basis and is paid by Continental about a week later. Continental assesses a 2.5% charge on sales for using its card.

- Apr. 8 Sold merchandise for \$7,800 (that had cost \$5,764) and accepted the customer's Suntrust Bank Card. The Suntrust receipts are immediately deposited in Levine's bank account.  
 12 Sold merchandise for \$9,100 (that had cost \$5,897) and accepted the customer's Continental Card. Transferred \$9,100 of credit card receipts to Continental, requesting payment.  
 20 Received Continental's check for the April 12 billing, less the service charge.

Prepare journal entries to record the above selected credit card transactions of Levine Company.

| Date    | General Journal                 | Debit | Credit |
|---------|---------------------------------|-------|--------|
| Apr. 8  | Cash                            | 7,488 |        |
|         | Credit card expense             | 312   |        |
|         | Sales                           |       | 7,800  |
| Apr. 8  | Cost of goods sold              | 5,764 |        |
|         | Merchandise inventory           |       | 5,764  |
| Apr. 12 | Accounts receivable—Continental | 8,872 |        |
|         | Credit card expense             | 228   |        |
|         | Sales                           |       | 9,100  |
| Apr. 12 | Cost of goods sold              | 5,897 |        |
|         | Merchandise inventory           |       | 5,897  |
| Apr. 20 | Cash                            | 8,872 |        |
|         | Accounts receivable—Continental |       | 8,872  |



The following selected transactions are from Ohlmeyer Company.

**2012**

- Dec. 16 Accepted a \$10,800, 60-day, 8% note dated this day in granting Danny Todd a time extension on his past-due account receivable.
- 31 Made an adjusting entry to record the accrued interest on the Todd note.

**2013**

- Feb. 14 Received Todd's payment of principal and interest on the note dated December 16.
- Mar. 2 Accepted an \$6,100, 8%, 90-day note dated this day in granting a time extension on the past-due account receivable from Midnight Co.
- 17 Accepted a \$2,400, 30-day, 7% note dated this day in granting Ava Privet a time extension on her past-due account receivable.
- Apr. 16 Privet dishonored her note when presented for payment.
- June 2 Midnight Co. refuses to pay the note that was due to Ohlmeyer Co. on May 31. Prepare the journal entry to charge the dishonored note plus accrued interest to Midnight Co.'s accounts receivable.
- July 17 Received payment from Midnight Co. for the maturity value of its dishonored note plus interest for 46 days beyond maturity at 8%.
- Aug. 7 Accepted an \$7,450, 90-day, 10% note dated this day in granting a time extension on the past-due account receivable of Mulan Co.
- Sept. 3 Accepted a \$2,100, 60-day, 10% note dated this day in granting Noah Carson a time extension on his past-due account receivable.
- Nov. 2 Received payment of principal plus interest from Carson for the September 3 note.
- Nov. 5 Received payment of principal plus interest from Mulan for the August 7 note.
- Dec. 1 Wrote off the Privet account against Allowance for Doubtful Accounts.

**(Do not round intermediate calculations. Use 360 days a year.)**

**Required:**

First, complete the table below to calculate the interest amount at December 31.

D. Todd Note - December 16, 2012

|                | Total through maturity | Interest recognized December 31 |
|----------------|------------------------|---------------------------------|
| Principal      | \$ 10,800 ✓            | \$ 10,800 ✓                     |
| Rate (%)       | 8% ✓                   | 8% ✓                            |
| Time           | 60/360 ✓               | 15/360 ✓                        |
| Total interest | \$ 144 ✓               | \$ 36 ✓                         |

Use the calculated value to prepare your journal entries for 2012 transactions.

| Date   | General Journal            | Debit    | Credit |
|--------|----------------------------|----------|--------|
| Dec 16 | Notes receivable—D. Todd ✓ | 10,800 ✓ |        |
|        |                            |          |        |
|        |                            |          |        |
| Dec 31 | Interest receivable ✓      | 36 ✓     |        |
|        | Interest revenue ✓         |          | 36 ✓   |

First, complete the table below to calculate the interest amounts.

Midnight Co. Note - March 2, 2013

| Midnight Company Note | Total through maturity |
|-----------------------|------------------------|
| Principal             | \$ 6,100 ✓             |
| Rate (%)              | 8% ✓                   |
| Time                  | 90/360 ✓               |
| Total interest        | \$ 122 ✓               |

A. Privet Note - March 17, 2013

| Privet note    | Total through maturity |
|----------------|------------------------|
| Principal      | \$ 2,400 ✓             |
| Rate (%)       | 7% ✓                   |
| Time           | 30/360 ✓               |
| Total interest | \$ 14 ✓                |

Mulan Note - August 7, 2013

| Mulan Co. note | Total through maturity |
|----------------|------------------------|
| Principal      | \$ 7,450 ✓             |
| Rate (%)       | 10% ✓                  |
| Time           | 90/360 ✓               |
| Total interest | \$ 186 ✓               |

Midnight Co. Note - June 2, 2013

| Midnight Co.   | Additional Interest |
|----------------|---------------------|
| Principal      | \$ 6,222 ✓          |
| Rate (%)       | 8% ✓                |
| Time           | 46/360 ✓            |
| Total interest | \$ 64 ✓             |

N. Carson Note - September 3, 2013

| Carson note    | Total through maturity |
|----------------|------------------------|
| Principal      | \$ 2,100 ✓             |
| Rate (%)       | 10% ✓                  |
| Time           | 60/360 ✓               |
| Total interest | \$ 35 ✓                |

Use those calculated values to prepare your journal entries for 2013 transactions.

| Date   | General Journal                   | Debit    | Credit   |
|--------|-----------------------------------|----------|----------|
| Feb 14 | Cash ✓                            | 10,944 ✓ |          |
|        | Interest revenue ✓                |          | 108 ✓    |
|        | Notes receivable—D. Todd ✓        |          | 10,800 ✓ |
|        |                                   |          |          |
| Mar 02 | Notes receivable—Midnight Co ✓    | 6,100 ✓  |          |
|        |                                   |          |          |
| Mar 17 | Notes receivable—A. Privet ✓      | 2,400 ✓  |          |
|        |                                   |          |          |
| Apr 16 | Accounts receivable—A. Privet ✓   | 2,414 ✓  |          |
|        | Notes receivable—A. Privet ✓      |          | 2,400 ✓  |
|        | Interest revenue ✓                |          | 14 ✓     |
| Jun 02 | Accounts receivable—Midnight Co ✓ | 6,222 ✓  |          |
|        | Notes receivable—Midnight Co ✓    |          | 6,100 ✓  |
|        | Interest revenue ✓                |          | 122 ✓    |
| Jul 17 | Cash ✓                            | 6,286 ✓  |          |
|        | Interest revenue ✓                |          | 64 ✓     |
|        | Accounts receivable—Midnight Co ✓ |          | 6,222 ✓  |
| Aug 07 | Notes receivable—Mulan ✓          | 7,450 ✓  |          |
|        |                                   |          |          |
| Sep 03 | Notes receivable—N. Carson ✓      | 2,100 ✓  |          |
|        |                                   |          |          |
| Nov 02 | Cash ✓                            | 2,135 ✓  |          |
|        | Notes receivable—N. Carson ✓      |          | 2,100 ✓  |
|        | Interest revenue ✓                |          | 35 ✓     |
| Nov 05 | Cash ✓                            | 7,636 ✓  |          |
|        | Notes receivable—Mulan ✓          |          | 7,450 ✓  |
|        | Interest revenue ✓                |          | 186 ✓    |
| Dec 01 | Allowance for doubtful accounts ✓ | 2,414 ✓  |          |
|        | Accounts receivable—A. Privet ✓   |          | 2,414 ✓  |

3.

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10 out of  
10.00

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Prepare journal entries for the following credit card sales transactions (the company uses the perpetual inventory system).

- Sold \$20,000 of merchandise, that cost \$15,000, on MasterCard credit cards. The net cash receipts from sales are immediately deposited in the seller's bank account. MasterCard charges a 5% fee.

| Event | General Journal         | Debit    | Credit   |
|-------|-------------------------|----------|----------|
| 1     | Cash ✓                  | 19,000 ✓ |          |
|       | Credit card expense ✓   | 1,000 ✓  |          |
|       | Sales ✓                 |          | 20,000 ✓ |
| 2     | Cost of goods sold ✓    | 15,000 ✓ |          |
|       | Merchandise inventory ✓ |          | 15,000 ✓ |

- Sold \$5,000 of merchandise, that cost \$3,000, on an assortment of credit cards. Net cash receipts are received 5 days later, and a 4% fee is charged.

| Event | General Journal                        | Debit   | Credit  |
|-------|--|---------|---------|
| 1     | Accounts receivable—Credit card cos. ✓ | 4,800 ✓ |         |
|       | Credit card expense ✓                  | 200 ✓   |         |
|       | Sales ✓                                |         | 5,000 ✓ |
| 2     | Cost of goods sold ✓                   | 3,000 ✓ |         |
|       | Merchandise inventory ✓                |         | 3,000 ✓ |
| 3     | Cash ✓                                 | 4,800 ✓ |         |
|       | Accounts receivable—Credit card cos. ✓ |         | 4,800 ✓ |



4.

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Gomez Corp. uses the allowance method to account for uncollectibles. On January 31, it wrote off a \$800 account of a customer, C. Green. On March 9, it receives a \$300 payment from Green.

1. Prepare the journal entry for January 31.

| Date   | General Journal                   | Debit | Credit |
|--------|-----------------------------------|-------|--------|
| Jan 31 | Allowance for doubtful accounts ✓ | 800 ✓ |        |
|        | Accounts receivable—C. Green ✓    |       | 800 ✓  |

2. Prepare the entries for March 9; assume no additional money is expected from Green.

| Date   | General Journal                   | Debit | Credit |
|--------|-----------------------------------|-------|--------|
| Mar 09 | Accounts receivable—C. Green ✓    | 300 ✓ |        |
|        | Allowance for doubtful accounts ✓ |       | 300 ✓  |
| Mar 09 | Cash ✓                            | 300 ✓ |        |
|        | Accounts receivable—C. Green ✓    |       | 300 ✓  |

5.

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Warner Company's year-end unadjusted trial balance shows accounts receivable of \$99,000, allowance for doubtful accounts of \$600 (credit), and sales of \$280,000. Uncollectibles are estimated to be 0.5% of sales.

Prepare the December 31 year-end adjusting entry for uncollectibles.

| Date    | General Journal                   | Debit   | Credit  |
|---------|-----------------------------------|---------|---------|
| Dec. 31 | Bad debts expense ✓               | 1,400 ✓ |         |
|         | Allowance for doubtful accounts ✓ |         | 1,400 ✓ |

6.

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Liang Company began operations on January 1, 2012. During its first two years, the company completed a number of transactions involving sales on credit, accounts receivable collections, and bad debts. These transactions are summarized as follows:

### 2012

- Sold \$1,345,434 of merchandise (that had cost \$975,000) on credit, terms n/30.
- Wrote off \$18,300 of uncollectible accounts receivable.
- Received \$669,200 cash in payment of accounts receivable.
- In adjusting the accounts on December 31, the company estimated that 1.5% of accounts receivable will be uncollectible.

### 2013

- Sold \$1,525,634 of merchandise (that had cost \$1,250,000) on credit, terms n/30.
- Wrote off \$27,800 of uncollectible accounts receivable.
- Received \$1,204,600 cash in payment of accounts receivable.
- In adjusting the accounts on December 31, the company estimated that 1.5% of accounts receivable will be uncollectible.

### Required:

Prepare journal entries to record Liang's 2012 summarized transactions and its year-end adjustments to record bad debts expense. (The company uses the perpetual inventory system and it applies the allowance method for its accounts receivable.) **(Round your intermediate calculations to the nearest dollar amount.)**

| Transaction | General Journal                 | Debit     | Credit    |
|-------------|---------------------------------|-----------|-----------|
| a(1)        | Accounts receivable             | 1,345,434 |           |
|             | Sales                           |           | 1,345,434 |
| a(2)        | Cost of good sold               | 975,000   |           |
|             | Merchandise inventory           |           | 975,000   |
| b.          | Allowance for doubtful accounts | 18,300    |           |
|             | Accounts receivable             |           | 18,300    |
| c.          | Cash                            | 669,200   |           |
|             | Accounts receivable             |           | 669,200   |
| d.          | Bad debts expense               | 28,169    |           |
|             | Allowance for doubtful accounts |           | 28,169    |

Prepare journal entries to record Liang's 2013 summarized transactions and its year-end adjustments to record bad debts expense. (The company uses the perpetual inventory system and it applies the allowance method for its accounts receivable.) **(Round your intermediate calculations to the nearest dollar amount.)**

| Transaction | General Journal                 | Debit     | Credit    |
|-------------|---------------------------------|-----------|-----------|
| e(1)        | Accounts receivable             | 1,525,634 |           |
|             | Sales                           |           | 1,525,634 |
| e(2)        | Cost of good sold               | 1,250,000 |           |
|             | Merchandise inventory           |           | 1,250,000 |
| f.          | Allowance for doubtful accounts | 27,800    |           |
|             | Accounts receivable             |           | 27,800    |
| g.          | Cash                            | 1,204,600 |           |
|             | Accounts receivable             |           | 1,204,600 |
| h.          | Bad debts expense               | 32,199    |           |
|             | Allowance for doubtful accounts |           | 32,199    |

7.

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At year-end (December 31), Chan Company estimates its bad debts as 0.50% of its annual credit sales of \$604,000. Chan records its Bad Debts Expense for that estimate. On the following February 1, Chan decides that the \$302 account of P. Park is uncollectible and writes it off as a bad debt. On June 5, Park unexpectedly pays the amount previously written off.

Prepare the journal entries of Chan to record these transactions and events of December 31, February 1, and June 5.

| Date    | General Journal                 | Debit | Credit |
|---------|---------------------------------|-------|--------|
| Dec. 31 | Bad debts expense               | 3,020 |        |
|         | Allowance for doubtful accounts |       | 3,020  |
| Feb. 1  | Allowance for doubtful accounts | 302   |        |
|         | Accounts receivable—P. Park     |       | 302    |
| Jun 05  | Accounts receivable—P. Park     | 302   |        |
|         | Allowance for doubtful accounts |       | 302    |
| Jun 05  | Cash                            | 302   |        |
|         | Accounts receivable—P. Park     |       | 302    |



8.

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Following are selected transactions for Ridge Company.

Mar. 21 Accepted a \$3,400, 180-day, 8% note dated March 21 from Tamara Jackson in granting a time extension on her past-due account receivable.

Sept. 17 Jackson dishonors her note when it is presented for payment.

Dec. 31 After exhausting all legal means of collection, Ridge Company writes off Jackson's account against the Allowance for Doubtful Accounts.

First, complete the table below to calculate the interest amounts at September 17. (Use 360 days a year.)

|                | Total through<br>maturity |
|----------------|---------------------------|
| Principal      | \$ 3,400 ✓                |
| Rate (%)       | 8% ✓                      |
| Time           | 180/360 ✓                 |
| Total interest | \$ 136 ✓                  |

Use the calculated value to prepare your journal entries.

| Date     | General Journal                   | Debit   | Credit  |
|----------|-----------------------------------|---------|---------|
| Mar. 21  | Notes receivable—T. Jackson ✓     | 3,400 ✓ |         |
|          | Accounts receivable—T. Jackson ✓  |         | 3,400 ✓ |
| Sept. 17 | Accounts receivable—T. Jackson ✓  | 3,536 ✓ |         |
|          | Interest revenue ✓                |         | 136 ✓   |
|          | Notes receivable—T. Jackson ✓     |         | 3,400 ✓ |
| Dec. 31  | Allowance for doubtful accounts ✓ | 3,536 ✓ |         |
|          | Accounts receivable—T. Jackson ✓  |         | 3,536 ✓ |

9.

award:  
10 out of  
10.00

points

On August 2, 2013, Jun Co. receives a \$6,000, 90-day, 12% note from customer Ryan Albany as payment on his \$6,000 account.

Prepare the journal entry assuming the note is honored by the customer on October 31, 2013. (Use 360 days a year.)

| Date    | General Journal              | Debit   | Credit  |
|---------|------------------------------|---------|---------|
| Oct. 31 | Cash ✓                       | 6,180 ✓ |         |
|         | Notes receivable—R. Albany ✓ |         | 6,000 ✓ |
|         | Interest revenue ✓           |         | 180 ✓   |

*[The following information applies to the questions displayed below.]*

Morales Company recorded the following selected transactions during November 2013.

| Date   | General Journal                         | Debit | Credit |
|--------|---|-------|--------|
| Nov. 5 | Accounts Receivable—Ski Shop            | 4,670 |        |
|        | Sales                                   |       | 4,670  |
| 10     | Accounts Receivable—Welcome Enterprises | 2,435 |        |
|        | Sales                                   |       | 2,435  |
| 13     | Accounts Receivable—Zia Natara          | 1,428 |        |
|        | Sales                                   |       | 1,428  |
| 21     | Sales Returns and Allowances            | 368   |        |
|        | Accounts Receivable—Zia Natara          |       | 368    |
| 30     | Accounts Receivable—Ski Shop            | 5,076 |        |
|        | Sales                                   |       | 5,076  |



10.

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1. Prepare a general ledger having T-accounts for Accounts Receivable, Sales, and Sales Returns and Allowances. Also open an accounts receivable subsidiary ledger having a T-account for each customer. Post these entries to both the general ledger and the accounts receivable ledger.

| General Ledger      |   |        |   |         |   |     |   |
|---------------------|---|--------|---|---------|---|-----|---|
| Accounts Receivable |   |        |   |         |   |     |   |
| Nov. 5              | ✓ | 4,670  | ✓ | Nov. 21 | ✓ | 368 | ✓ |
| Nov. 10             | ✓ | 2,435  | ✓ |         |   | 0   |   |
| Nov. 13             | ✓ | 1,428  | ✓ |         |   | 0   |   |
| Nov. 30             | ✓ | 5,076  | ✓ |         |   | 0   |   |
|                     |   | 0      |   |         |   | 0   |   |
| End.Bal             |   | 13,241 |   |         |   |     |   |

\*Red text indicates no response was expected in a cell or a formula-based calculation is incorrect; no points deducted.

| Sales Returns and Allowances |   |     |   |  |  |   |  |
|------------------------------|---|-----|---|--|--|---|--|
| Nov. 21                      | ✓ | 368 | ✓ |  |  | 0 |  |
|                              |   | 0   |   |  |  | 0 |  |
|                              |   | 0   |   |  |  | 0 |  |
| End.Bal                      |   | 368 |   |  |  |   |  |

\*Red text indicates no response was expected in a cell or a formula-based calculation is incorrect; no points deducted.

| Welcome Enterprises |   |       |   |  |  |   |  |
|---------------------|---|-------|---|--|--|---|--|
| Nov. 10             | ✓ | 2,435 | ✓ |  |  | 0 |  |
|                     |   | 0     |   |  |  | 0 |  |
|                     |   | 0     |   |  |  | 0 |  |
| End.Bal             |   | 2,435 |   |  |  |   |  |

\*Red text indicates no response was expected in a cell or a formula-based calculation is incorrect; no points deducted.

| Sales   |   |         |   |        |   |
|---------|---|---------|---|--------|---|
|         | 0 | Nov. 5  | ✓ | 4,670  | ✓ |
|         | 0 | Nov. 10 | ✓ | 2,435  | ✓ |
|         | 0 | Nov. 13 | ✓ | 1,428  | ✓ |
|         | 0 | Nov. 30 | ✓ | 5,076  | ✓ |
|         | 0 |         |   | 0      |   |
| End.Bal |   |         |   | 13,609 |   |

\*Red text indicates no response was expected in a cell or a formula-based calculation is incorrect; no points deducted.

| Ski Shop |   |       |   |  |  |   |  |
|----------|---|-------|---|--|--|---|--|
| Nov. 5   | ✓ | 4,670 | ✓ |  |  | 0 |  |
| Nov. 30  | ✓ | 5,076 | ✓ |  |  | 0 |  |
|          |   | 0     |   |  |  | 0 |  |
| End.Bal  |   | 9,746 |   |  |  |   |  |

\*Red text indicates no response was expected in a cell or a formula-based calculation is incorrect; no points deducted.

| Zia Natara |   |       |   |         |   |     |   |
|------------|---|-------|---|---------|---|-----|---|
| Nov. 13    | ✓ | 1,428 | ✓ | Nov. 21 | ✓ | 368 | ✓ |
|            |   | 0     |   |         |   | 0   |   |
|            |   | 0     |   |         |   | 0   |   |
| End.Bal    |   | 1,060 |   |         |   |     |   |

\*Red text indicates no response was expected in a cell or a formula-based calculation is incorrect; no points deducted.

11.

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2. Prepare a schedule of accounts receivable.

| Morales Company                 |   |    |               |
|---------------------------------|---|----|---------------|
| Schedule of Accounts Receivable |   |    |               |
| November 30, 2013               |   |    |               |
| Ski Shop                        | ✓ | \$ | 9,746 ✓       |
| Welcome Enterprises             | ✓ |    | 2,435 ✓       |
| Zia Natara                      | ✓ |    | 1,060 ✓       |
| Total                           |   | \$ | <u>13,241</u> |

12.

award:  
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10.00

points

Warner Company's year-end unadjusted trial balance shows accounts receivable of \$99,000, allowance for doubtful accounts of \$600 (credit), and sales of \$280,000. Uncollectibles are estimated to be 1.5% of accounts receivable.

1. Prepare the December 31 year-end adjusting entry for uncollectibles.

| Date    | General Journal                   | Debit | Credit |
|---------|-----------------------------------|-------|--------|
| Dec. 31 | Bad debts expense ✓               | 885 ✓ |        |
|         | Allowance for doubtful accounts ✓ |       | 885 ✓  |

2. What amount would have been used in the year-end adjusting entry if the allowance account had a year-end unadjusted debit balance of \$300?

Amount used in the year-end adjusting entry      \$ 1,785 ✓



13.

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The following data are taken from the comparative balance sheets of Ruggers Company.

|                          | 2013      | 2012      |
|--------------------------|-----------|-----------|
| Accounts receivable, net | \$153,400 | \$138,500 |
| Net sales                | 861,105   | 910,600   |

Complete the below table to calculate the accounts receivable turnover for the year 2013.

| <u>Accounts receivable turnover</u> |   |                                    |   |                              |       |
|-------------------------------------|---|------------------------------------|---|------------------------------|-------|
| Choose Numerator:                   | / | Choose Denominator:                | = | Accounts receivable turnover |       |
| Net sales ✓                         | / | Average accounts receivable, net ✓ | = | Accounts receivable turnover |       |
| \$ 861,105 ✓                        | / | \$ 145,950 ✓                       | = | 5.9                          | times |

Mayfair Co. allows select customers to make purchases on credit. Its other customers can use either of two credit cards: Zisa or Access. Zisa deducts a 3% service charge for sales on its credit card and credits the bank account of Mayfair immediately when credit card receipts are deposited. Mayfair deposits the Zisa credit card receipts each business day. When customers use Access credit cards, Mayfair accumulates the receipts for several days before submitting them to Access for payment. Access deducts a 2% service charge and usually pays within one week of being billed. Mayfair completes the following transactions in June. (The terms of all credit sales are 2/15, n/30, and all sales are recorded at the gross price.)

- June 4 Sold \$650 of merchandise (that had cost \$400) on credit to Natarra Morris.
- 5 Sold \$6,900 of merchandise (that had cost \$4,200) to customers who used their Zisa cards.
- 6 Sold \$5,850 of merchandise (that had cost \$3,800) to customers who used their Access cards.
- 8 Sold \$4,350 of merchandise (that had cost \$2,900) to customers who used their Access cards.
- 10 Submitted Access card receipts accumulated since June 6 to the credit card company for payment.
- 13 Wrote off the account of Abigail McKee against the Allowance for Doubtful Accounts. The \$429 balance in McKee's account stemmed from a credit sale in October of last year.
- 17 Received the amount due from Access.
- 18 Received Morris's check in full payment for the purchase of June 4.

**Required:**

Prepare journal entries to record the preceding transactions and events. (The company uses the perpetual inventory system.) (If no entry is required for a particular transaction, select "No journal entry required" in the first account field.)

| Date    | General Journal                 | Debit | Credit |
|---------|---------------------------------|-------|--------|
| June 04 | Accounts receivable—N. Morris   | 650   |        |
|         | Sales                           |       | 650    |
| June 04 | Cost of goods sold              | 400   |        |
|         | Merchandise inventory           |       | 400    |
| June 05 | Cash                            | 6,693 |        |
|         | Credit card expense             | 207   |        |
|         | Sales                           |       | 6,900  |
| June 05 | Cost of goods sold              | 4,200 |        |
|         | Merchandise inventory           |       | 4,200  |
| June 06 | Accounts receivable—Access      | 5,733 |        |
|         | Credit card expense             | 117   |        |
|         | Sales                           |       | 5,850  |
| June 06 | Cost of goods sold              | 3,800 |        |
|         | Merchandise inventory           |       | 3,800  |
| June 08 | Accounts receivable—Access      | 4,263 |        |
|         | Credit card expense             | 87    |        |
|         | Sales                           |       | 4,350  |
| June 08 | Cost of goods sold              | 2,900 |        |
|         | Merchandise inventory           |       | 2,900  |
| June 10 | No journal entry required       |       |        |
| June 13 | Allowance for doubtful accounts | 429   |        |
|         | Accounts receivable—A. McKee    |       | 429    |
| June 17 | Cash                            | 9,996 |        |
|         | Accounts receivable—Access      |       | 9,996  |
| June 18 | Cash                            | 637   |        |
|         | Sales discounts                 | 13    |        |
|         | Accounts receivable—N. Morris   |       | 650    |