PROBLEM 5-4A

(a) **GENERAL JOURNAL** J1

Date		Account Titles and Explanation	Debit	Credit
May	1	Merchandise Inventory	5,800	
		Accounts Payable		5,800
	3	Merchandise Inventory	200	
		Cash		200
	4	Accounts Receivable	2,250	
		Sales		2,250
		Cost of Goods Sold [($5,800 + $200) x 30/120]	1,500	
		Merchandise Inventory		1,500
	5	Freight Out	100	
		Cash		100
	6	Sales Returns and Allowances	225	
		Accounts Receivable ($2,250 x 3/30)		225
		Merchandise Inventory ($1,500 x 3/30)	150	
		Cost of Goods Sold		150
	8	Supplies	900	
		Cash		900
	9	Merchandise Inventory	2,000	
		Accounts Payable		2,000
	10	Merchandise Inventory	300	
		Cash		300
	12	Accounts Payable	200	
		Merchandise Inventory		200

PROBLEM 5-4A (Continued)

(a) (Continued)

May 19	Accounts Payable ($2,000 - $200).....	1,800	
	Merchandise Inventory ($1,800 x 2%)		36
	Cash ($1,800 - $36).......................		1,764
24	Cash	2,600	
	Sales		2,600
	Cost of Goods Sold	1,032	
	Merchandise Inventory .... [($2,000 + $300 - $200 - $36) x ½]		1,032
25	Merchandise Inventory	1,000	
	Accounts Payable		1,000
27	Cash ($2,250 - $225)	2,025	
	Accounts Receivable		2,025
28	Sales Returns and Allowances	100	
	Cash		100
	Merchandise Inventory	70	
	Cost of Goods Sold		70
28	Merchandise Inventory	2,400	
	Cash		2,400
29	Cash	230	
	Merchandise Inventory		230
31	Accounts Payable	5,800	
	Cash		5,800

PROBLEM 5-4A (Continued)

(a) (Continued)

May 31	Accounts Receivable	1,600	
	Sales		1,600
	Cost of Goods Sold	1,000	
	Merchandise Inventory		1,000

(b)

Cash

Date		Explanation	Ref.	Debit	Credit	Balance
May	1	Balance	✓			15,000
	3		J1		200	14,800
	5		J1		100	14,700
	8		J1		900	13,800
	10		J1		300	13,500
	19		J1		1,764	11,736
	24		J1	2,600		14,336
	27		J1	2,025		16,361
	28		J1		100	16,261
	28		J1		2,400	13,861
	29		J1	230		14,091
	31		J1		5,800	8,291

Accounts Receivable

Date		Explanation	Ref.	Debit	Credit	Balance
May	4		J1	2,250		2,250
	6		J1		225	2,025
	27		J1		2,025	0
	31		J1	1,600		1,600

PROBLEM 5-4A (Continued)

(b) (Continued)

Merchandise Inventory

Date	Explanation	Ref.	Debit	Credit	Balance
May 1		J1	5,800		5,800
3		J1	200		6,000
4		J1		1,500	4,500
6		J1	150		4,650
9		J1	2,000		6,650
10		J1	300		6,950
12		J1		200	6,750
19		J1		36	6,714
24		J1		1,032	5,682
25		J1	1,000		6,682
28		J1	70		6,752
28		J1	2,400		9,152
29		J1		230	8,922
31		J1		1,000	7,922

Supplies

Date	Explanation	Ref.	Debit	Credit	Balance
May 8		J1	900		900

Accounts Payable

Date	Explanation	Ref.	Debit	Credit	Balance
May 1		J1		5,800	5,800
9		J1		2,000	7,800
12		J1	200		7,600
19		J1	1,800		5,800
25		J1		1,000	6,800
30		J1	5,800		1,000

PROBLEM 5-4A (Continued)

(b) (Continued)

B. Copple, Capital

Date	Explanation	Ref.	Debit	Credit	Balance
May 1	Balance	✓			15,000

Sales

Date	Explanation	Ref.	Debit	Credit	Balance
May 4		J1		2,250	2,250
24		J1		2,600	4,850
31		J1		1,600	6,450

Sales Returns and Allowances

Date	Explanation	Ref.	Debit	Credit	Balance
May 6		J1	225		225
28		J1	100		325

Cost of Goods Sold

Date	Explanation	Ref.	Debit	Credit	Balance
May 4		J1	1,500		1,500
6		J1		150	1,350
24		J1	1,032		2,382
28		J1		70	2,312
31		J1	1,000		3,312

Freight Out

Date	Explanation	Ref.	Debit	Credit	Balance
May 5		J1	100		100

PROBLEM 5-4A (Continued)

(c)

COPPLE HARDWARE STORE
Income Statement (Partial)
Month Ended May 31, 2008

Sales revenues	
Sales	$6,450
Less: Sales returns and allowances	325
Net sales	6,125
Cost of goods sold	3,312
Gross profit	$2,813

(d)

COPPLE HARDWARE STORE
Balance Sheet (Partial)
May 31, 2008

Assets

Current assets	
Cash	$ 8,291
Accounts receivable	1,600
Merchandise inventory	7,922
Supplies	900
Total current assets	$18,713