

#1. Bob and Sam engage in the following business transactions. (Bob is a wholesaler.)

1. 10/1 - Sam sold \$100 of goods to Bob on account, terms 2/10, n30, invoice #102.
2. 10/3 - Bob returned \$20 of goods to Sam because he didn't like them. (They were returned prior to any payment.). Sam issued CM # 13
3. 10/9 -- Bob pays same the amount due to Sam eight days after the original sale using check #301.

Record the transactions on the books of BOTH the Seller and the Buyer and identify who is who.

#2. The following trial balance is given for Dazed and Confused Company:

Dazed and Confused
Trial Balance
Year End 12/31/16

Cash	6,069	
Accts receivable	33,890	
Merchandise inv.	28,000	
Prepaid insurance	2,205	
Store Supplies	1,450	
Store equipment	15,000	
Accum. deprec.		1,500
Accounts payable		7,710
Mr. Confused, Capital		49,380
Mr. Confused, Drawing	27,200	
Sales		202,690
Sales Returns and Allowances	16,025	
Sales Discounts	2,025	
Purchases	96,432	
Purchases returns and allowances		4,500
Purchases discounts		925
Freight In	4,200	
Advertising exp.	3,975	
Rent expense	7,500	
Salaries exp.	19,920	
Utilities exp.	2,814	
	266,705	266,705

Requirements:

- a. Prepare a schedule computing Net Sales.
- b. Prepare a schedule computing the Net Delivered Cost of Purchases.

#3 Southwest Gift Shop, a retail business, started business on April 29, 2016. It keeps a \$300 change fund in its cash register. The cash receipts for the period from April 29 to April 30, 2016, are shown below.

Requirements:

- a. Record the cash receipts on April 29 and April 30, 2016, in a general journal. Start the general journal with page 1.
- b. How would the balance in the cash short and over account appear on the financial statements?

DATE	TRANSACTIONS
April 29	Cash sales per the cash register tape, \$1,520. Cash count, \$1,814.
30	Cash sales per the cash register tape, \$1,431. Cash count, \$1,732.

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#4 On August 31, 2016, the balance in the checkbook and the *Cash* account of the Sonoma Inn was \$12,281. The balance shown on the bank statement on the same date was \$13,197.

Notes

1. The firm's records indicate that a \$1,450 deposit dated August 30 and a \$701 deposit dated August 31 do not appear on the bank statement.
2. A service charge of \$8 and a debit memorandum of \$320 covering an NSF check have not yet been entered in the firm's records. (The check was issued by Art Cortis, a credit customer.)
3. The following checks were issued but have not yet been paid by the bank:

Check 712, \$110

Check 713, \$125

Check 716, \$238

Check 736, \$577

Check 739, \$78

Check 741, \$120

4. A credit memorandum shows that the bank collected a \$2,084 note receivable and interest of \$63 for the firm. These amounts have not yet been entered in the firm's records.

INSTRUCTIONS

1. Prepare a bank reconciliation statement for the firm as of August 31.
2. Record general journal entries for items on the bank reconciliation statement that must be journalized. Date the entries August 31, 2016.