

End inv June = beg inv July = 1,200

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| Ready - set - Go company  |
|  | **Perpetual**  | **periodic**  |
| 1.July. | Dr inventory 1,620 | Dr purchases 1,620 |
| (2/10 . n/30) |  Cr acc pay – trunk 1,620 |  Cr acc pay – trunk 1,620 |
|  |  |  |
| 3.July  | Dr acc rec - satchel 2,200 | Dr acc rec - satchel 2,200 |
| (1/10, n30) |  Cr sales rev 2,200 |  Cr sales rev 2,200 |
|  | Dr COGS 1,400 |  |
|  |  Cr inventory 1,400 |  |
|  |  |  |
| 9.july  | Dr acc pay 1,620  | Dr acc pay 1,620  |
|  |  Cr inventory (2%\*1,620) 32.4 |  Cr purchase discount (2%\*1,620) 32.4 |
|  |  Cr cash (1620-32.4) 1,587.6 |  Cr cash (1620-32.4) 1,587.6 |
|  |  |  |
| 12.July.  | Dr cash (2,200-22) 2,178 | Dr cash (2,200-22) 2,178 |
|  | Dr sales discount (1%\*2,200) 22 | Dr sales discount (1%\*2,200) 22 |
|  |  Cr acc rec 2,200  |  Cr acc rec 2,200  |
|  |  |  |
| 17.Jul.  | Dr acc rec – lady gogo 1,400  | Dr acc rec – lady gogo 1,400  |
| 1/10 n/30 |  Cr sales rev 1,400 |  Cr sales rev 1,400 |
|  | Dr COGS 1,030 |  |
|  |  Cr inventory 1,030 |  |
|  |  |  |
| 18.July  | Dr inventory 1,900 | Dr purchases 1,900 |
| 1/10 n/30 |  Cr acc pay – holiday 1,900 |  Cr acc pay – holiday 1,900 |
|  | Dr inventory 125 | Dr fright in 125 |
|  |  Cr cash 125 |  Cr cash 125 |
|  |  |  |
| 20.July | Dr acc pay – holiday 300 | Dr acc pay – holiday 300 |
|  |  Cr inventory 300 |  Cr purchase R & A 300 |
|  |  |  |
| 21.July  | Dr cash (1,400-14) 1,386 | Dr cash (1,400-14) 1,386 |
|  | Dr sales discount (1%\*1,400) 14 | Dr sales discount (1%\*1,400) 14 |
|  |  Cr acc rec 1,400  |  Cr acc rec 1,400  |
|  |  |  |
| 22.july  | Dr acc rec – vogebound 2,400 | Dr acc rec – vogebound 2,400 |
| (1/10, n/30) |  Cr sales rev 2,400 |  Cr sales rev 2,400 |
|  | Dr COGS 1,350 |  |
|  |  Cr inventory 1,350 |  |
|  |  |  |
| 30.July | Dr acc pay – holiday 1,600 | Dr acc pay – holiday 1,600 |
|  |  Cr cash 1,600 |  Cr cash 1,600 |
|  |   |  |
| 31.July  | Dr sales R & A 200 | Dr sales R & A 200 |
|  |  Cr acc rec - vagebound 200 |  Cr acc rec- vagebound 200 |
|  | Dr inventory 120 |  |
|  |  Cr COGS 120 |  |

2. Calculate cost of goods sold for the month July :
A. perpetual system

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| **COGS** |
| **Dr** | **Cr** |
| 3.jul 1,400 | 31.jul 120 |
| 17.jul 1,030 |  |
| 22.jul 1,350 |  |
|  |  |
| Ending bal . 3,660 |  |

B. periodic system ( ending inv in July = 852.6)

COGS = Beg inv + COGP – end inv
 = beg inv + (net purchases + fright in) – end inv
 = beg inv + ( [purchase – purchase R & A – purchase D] + fright in) – end inv
 = 1,200 + ( [ 3520 – 300-32.4]+ 125 ) – 852.6
 = 3,660