ABC Company buys and sells desks. The following transactions occurred during June:

June 1   Bought inventory from XYZ Company for $3,000. Terms 2/15, N/30 FOB Shipping Point.

June 2   Sold merchandise to Jane Smith for $500 (Cost = $300). Terms 2/10, N/30 FOB Shipping Point.

June 3   Paid $200 freight bill for shipment of June 1.

June 5   Sold merchandise for $1,000 cash (Cost = $600).

June 8   Bought inventory from UVW Company for $1,200.   Terms 2/15, N/30 FOB Destination.

June 9   Received a $300 credit memo from UVW Company for return of merchandise received on June 8.

June 12   Received full payment from Jane Smith (less the discount).

June 15   Paid XYZ Company in full (less the discount)

June 18   Sold merchandise to Tom White for $750 (Cost = $360). Terms 2/10, N/30 FOB Shipping Point.

June 19   Received a $50 debit memo from Tom White for an error on June 18 invoice.

June 19   After discussions we issued a $100 credit memo to Tom White for the June 18 sale.

June 23   Paid UVW Company in full (less the discount)

June 28   Received full payment from Tom White (less the discount)

Required:
Assuming ABC Company uses a perpetual inventory system and ignoring sales tax, prepare general journal entries to record these transactions.

Worksheet

DATE	ACCOUNT	TYPE	DEBIT	CREDIT
June 1				
	Explain:			
June 2				
	Explain:			
June 3				
	Explain:			
June 5				
	Explain:			
June 8				
	Explain:			
June 9				
	Explain:			
June 12				
	Explain:			
June 15				
	Explain:			
June 18				
	Explain:			

DATE	ACCOUNT	TYPE	DEBIT	CREDIT
June 19				
	Explain:			
June 19				
	Explain:			
June 23				
	Explain:			
June 28				
	Explain:			

Answer

DATE	ACCOUNT	TYPE	DEBIT	CREDIT
June 1	Inventory	Asset	3,000	
	A/P – XYZ Company	Liability		3,000
	Bought Inventory on account			
June 2	A/R – Jane Smith	Asset	500	
	Sales	Revenue		500
	Cost of Goods Sold	Expense	300	
	Inventory	Asset		300
	Sold Inventory on account			
June 3	Inventory	Asset	200	
	Cash in Bank	Asset		200
	Paid freight bill for incoming inventory			
June 5	Cash in Bank	Asset	1,000	
	Sales	Revenue		1,000
	Cost of Goods Sold	Expense	600	
	Inventory	Asset		600
	Sold Inventory for cash			
June 8	Inventory	Asset	1,200	
	A/P – UVW Company	Liability		1,200
	Bought Inventory on account			
June 9	A/P – UVW Company	Liability	300	
	Inventory	Asset		300
	Received Credit for Returned Inventory			
June 12	Cash in Bank	Asset	490	
	Sales Discounts	Revenue	10	
	A/R – Jane Smith	Asset		500
	Received Payment less Discount of $500 X 2% = $10			
June 15	A/P – XYZ Company	Liability	3,000	
	Inventory	Asset		60
	Cash in Bank	Asset		2,940
	Paid Supplier less Discount of $3,000 X 2% = $60			
June 18	A/R – Tom White	Asset	750	
	Sales	Revenue		750
	Cost of Goods Sold	Expense	360	
	Inventory	Asset		360
	Sold Inventory on account			

DATE	ACCOUNT	TYPE	DEBIT	CREDIT
June 19	Sales	Revenue	50	
	A/R – Tom White	Asset		50
	Error on previous invoice – should have been $700			
June 19	Sales Returns	Revenue	100	
	A/R – Tom White	Asset		100
	Reduction in invoice price after discussion with Tom (Allowance)			
June 23	A/P – UVW Company	Liability	900	
	Inventory	Asset		18
	Cash in Bank	Asset		882
	Paid Supplier less Return and Discount - (1,200 - 300) X 2% = $18			
June 28	Cash in Bank	Asset	588	
	Sales Discounts	Revenue	12	
	A/R – Tom White	Asset		600
	Invoice less Error less Allowance less Discount – (750 – 50 – 100) X 2%			