

# BOOKKEEPING LEVEL 2 QUIZ 1 PERPETUAL INVENTORY JOURNAL ENTRIES

TRANSACTIONS WITH SUPPLIERS	TRANSACTIONS WITH CUSTOMERS
S1. <b>Purchase inventory on account</b> DEBIT CREDIT	C1. <b>Sell inventory on account (or Cash)</b> DEBIT CREDIT DEBIT CREDIT
S2. <b>Return inventory on account</b> DEBIT CREDIT	C2. <b>Customer return - product in good condition</b> DEBIT CREDIT DEBIT CREDIT
S3. <b>Payment to supplier (no discount)</b> DEBIT CREDIT	C3. <b>Customer return - product in bad condition</b> DEBIT CREDIT
S4. <b>Payment to supplier (with discount)</b> DEBIT CREDIT CREDIT	C4. <b>Error on invoice after invoice is issued</b> DEBIT CREDIT
S5. <b>Payment for incoming freight</b> DEBIT CREDIT	C5. <b>Argument over price after invoice is issued</b> DEBIT CREDIT
	C6. <b>Receipt from customer (no discount)</b> DEBIT CREDIT
	C7. <b>Receipt from customer (with discount)</b> DEBIT DEBIT CREDIT
	C8. <b>Delivery to Customer</b> DEBIT CREDIT

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Answers:

TRANSACTIONS WITH SUPPLIERS	TRANSACTIONS WITH CUSTOMERS
<b>S1. Purchase inventory on account</b> DEBIT     Inventory (A) CREDIT    Accounts Payable (L)	<b>C1. Sell inventory on account (or cash)</b> DEBIT     Accounts Receivable (A) (or Cash) CREDIT    Sales (R) DEBIT     Cost of Goods Sold (EX) CREDIT    Inventory (A)
<b>S2. Return inventory on account</b> DEBIT     Accounts Payable (L) CREDIT    Inventory (A)	<b>C2. Customer return - product in good condition</b> DEBIT     Sales Returns & Allowances (R) CREDIT    Accounts Receivable (A) DEBIT     Inventory (A) CREDIT    Cost of Goods Sold (EX)
<b>S3. Payment to supplier (no discount)</b> DEBIT     Accounts Payable (L) CREDIT    Cash (A)	<b>C3. Customer return - product in bad condition</b> DEBIT     Sales Returns & Allowances (R) CREDIT    Accounts Receivable (A)
<b>S4. Payment to supplier (with discount)</b> DEBIT     Accounts Payable (L) (full amount) CREDIT    Inventory (A) (amount of discount) CREDIT    Cash (A)	<b>C4. Error on invoice after invoice is issued</b> DEBIT     Sales (R) CREDIT    Accounts Receivable (A)
<b>S5. Payment for incoming freight</b> DEBIT     Inventory (A) CREDIT    Cash (A)	<b>C5. Argument over price after invoice is issued</b> DEBIT     Sales Returns & Allowances (R) CREDIT    Accounts Receivable (A)
	<b>C6. Receipt from customer (no discount)</b> DEBIT     Cash (A) CREDIT    Accounts Receivable (A)
	<b>C7. Receipt from customer (with discount)</b> DEBIT     Cash (A) DEBIT     Sales Discounts (R) (amount of discount) CREDIT    Accounts Receivable (A) (full amount)
	<b>C8. Delivery to Customer</b> DEBIT     Delivery Expense (EX) CREDIT    Cash (A)