

Problem 15-6 Analyzing Purchases and Cash Payments

InBeat CD Shop had the following transactions in March.

Instructions Use the T accounts in your working papers. For each transaction:

1. Determine which accounts are affected.
2. Enter the debit and credit amounts in the T accounts.

Date	Transactions
Mar. 2	Purchased merchandise on account from NightVision and Company, \$2,000, Invoice NV-20, terms 2/10, n/30.
6	Issued Check 250 for \$85 to Penn Trucking Company for delivering merchandise from NightVision and Company.
7	Purchased \$300 in supplies on account from Temple Store Supply, Invoice 6011, terms n/30.
12	Issued Check 251 for \$1,960 to NightVision and Company in payment of Invoice NV-20 for \$2,000 less a cash discount of \$40.
15	Paid Keystone Insurance Company \$2,500 for the annual premium on business insurance, Check 252.
16	Purchased \$3,000 in merchandise on account from NightVision and Company, Invoice NV-45, terms 2/10, n/30.
18	Issued Debit Memorandum 25 for \$100 to NightVision and Company for the return of merchandise.
20	Purchased \$900 in merchandise from Dandelion Records, Check 253.
22	Issued Check 254 to Temple Store Supplies for \$300 for Invoice 6011.

Analyze Calculate the Purchases account balance at the end of March.

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SMART GUIDE

Step-by-Step Instructions: Problem 15-6

1. Select the problem set for InBeat CD Shop (Prob. 15-6).
2. Rename the company and set the system date.
3. Enter all of the purchases on account transactions using the **Purchases/Receive Inventory** option in the **Tasks** menu.
4. Process all debit memorandums using the **Vendor Credit Memos** option in the **Tasks** menu.
5. Record all cash payments using the **Payments** option.
6. Print a Purchases Journal report, a Cash Disbursements Journal, and a Vendor Ledgers report.
7. Proof your work.
8. Print a General Ledger report to complete the Analyze activity.
9. End the session.

TIP: To save time entering transactions, group them by type and then enter the transactions in batches.

Problem 15-7 Recording Purchases Transactions

Shutterbug Cameras, a retail merchandising store, had the following purchases transactions in March.

Instructions In your working papers, record the transactions on page 31 of the general journal.

Date	Transactions
Mar. 3	Purchased \$4,500 in merchandise on account from Photo Emporium, Invoice 1221, terms 2/10, n/30.
5	Bought \$750 in supplies on account from State Street Office Supply, Invoice 873, terms n/30.

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