

# Problems

# CHAPTER 15

Date	Transactions (cont.)
Mar. 24	Paid All-Star News \$130 to run an advertisement promoting the store, Check 2116.
28	Bought \$100 in supplies and \$700 in store equipment from Superior Store Equipment Inc., Check 2117 for \$800.
31	Issued Check 2118 for \$2,185.50 in payment of monthly wages of \$3,000 less deductions for the following taxes: Employees' Federal Income Tax Payable, \$480; Employees' State Income Tax Payable, \$105; Social Security Tax Payable, \$186; and Medicare Tax Payable, \$43.50.

**Analyze**

Determine the total decrease to the checking account for the month.

**Peachtree®****SMART GUIDE****Step-by-Step Instructions:****Problem 15-8**

1. Select the problem set for Cycle Tech (Prob. 15-8).
2. Rename the company and set the system date.
3. Record all cash payments.
4. Print a Cash Disbursements Journal and a General Journal report.
5. Complete the Analyze activity.
6. End the session.

## Problem 15-9 Recording Purchases and Cash Payment Transactions

River's Edge Canoe & Kayak had the following purchases and cash payment transactions for the month of March.

**Instructions** In your working papers, record the following transactions on page 16 of the general journal.

Date	Transactions
Mar. 1	Purchased \$8,200 in merchandise on account from Trailhead Canoes, Invoice TC202, terms 2/10, n/30.
5	Issued Check 887 for \$98 to Santini Trucking Company for delivery of merchandise purchased from Trailhead Canoes.
7	Bought \$230 in supplies on account from StoreMart Supply, Invoice SM101, terms n/30.
9	Issued Check 888 to World-Wide Insurance Company for \$2,500 in payment of business insurance premium.
11	Issued Check 889 to Trailhead Canoes for \$8,036 in payment of Invoice TC202 for \$8,200 less a 2% cash discount of \$164.
15	Purchased \$6,200 in merchandise on account from Mohican Falls Kayak Wholesalers, Invoice 45332, terms 3/15, n/45.
18	Issued Debit Memorandum 67 for \$25 to StoreMart Supply for damaged supplies purchased on March 7.
21	Paid StoreMart Supply the balance due on their account, \$205 (\$230 less \$25 credit), Check 890.
25	Returned \$200 in merchandise to Mohican Falls Kayak Wholesalers, Debit Memorandum 68.
28	Rollins Plumbing Service completed \$120 in repair work (Maintenance Expense) on account, Invoice RP432.

**Analyze**

State the total debit amount to the Purchases account for the month.

**QuickBooks****PROBLEM GUIDE****Step-by-Step Instructions:****Problem 15-8**

1. Restore the Problem 15-8.QBB file.
2. Record all cash payments.
3. Print a Journal report.
4. Complete the Analyze activity.
5. Back up your work.

**Peachtree®****SMART GUIDE****Step-by-Step Instructions:****Problem 15-9**

1. Select the problem set for River's Edge (Prob. 15-9).
2. Rename the company and set the system date.
3. Enter all of the purchases on account.
4. Process all debit memorandums.
5. Record all cash payments.
6. Print a Purchases Journal, Cash Disbursements Journal, and a General Ledger.
7. Proof your work.
8. Complete the Analyze activity.
9. End the session.