Algorithmic Granite Bay Jet Ski, Incorporated

Level II

1st Edition

Transactions For June 3-9

BEGIN THE PROGRAM
AND ENTER THE DATA

When you have: (1) Carefully read the introduction pages of this handbook, (2) A good understanding of the accounts used by Granite Bay Jet Ski, Incorporated, and how those accounts are used, you are ready to begin the journalizing process in the Granite Bay Jet Ski, Incorporated, Web edition program.

The transactions for your first work week in June (3rd through 9th) follow, and you are encouraged to prepare your account entry information before sitting down at the computer. This procedure will speed up your data entry time. An example of a written analysis before the data entry is shown on **page 4** with the first June 3 transaction.

You may prefer to analyze each entry and record the transaction on the computer at the same time. You will be able to access the chart of accounts, customer list, vendor list, and inventory list to the screen during the data entry process. This makes the recording of transactions and related information a very quick, easy, and efficient procedure.

1. Go to www.pklsoftware.com, Click the Log In tab at the top of the web page (on the right side)

2. To access the Algorithmic Granite Bay Jet Ski program, click on the **Algorithmic Granite Bay** link.

3. At the log in page, enter your **User ID** and **Password** and click on **Log In** button.

4. Click on **Daily JE** (Daily Journal Entries) button.

5. Click **OK** button if there are no previous journal entries.

When the **Algorithmic Granite Bay Jet Ski – II - Data Entry** page appears on the screen, click on the **Daily JE button.** Read the narrative for the first June transaction that begins below. **Carefully follow instructions 1-7 on page 4 & 5 as you begin the data entry procedure.**

The Clear Screen button: When accessing the Data Entry Page, if there are journal entries already recorded in an earlier session, the last entry recorded will appear in the data entry form. Click on the Clear Screen button to erase this entry from the screen. This feature allows you to view the last entry you made prior to logging off the program or moving from other selection options on the Data Entry page.

NOTE: Remember to disable any Pop-up Blocker installed on your computer.

Disabling Pop-up Blockers allows you to print documents without complications caused by the Pop-up Blockers. This will not disable your Pop-up Blocker for any other programs that you wish to run.

Disabling third-party Pop-up Blocking software installed on your computer may be necessary to allow successful printing. Consult the Pop-up Blocking software manufacturer on how to temporarily disable the Pop-up Blocker without uninstalling the software. Additional help in disabling Pop-up Blockers can be found on the PKL Software home page by clicking on the Customer Support link.

Required Printouts

Before journalizing the transactions of June 3 to June 9, do the following:

1. **Move the cursor to Journals/Ledger/Statements, and select General Ledger.**

2. **Click on Print and print the beginning Trial Balance of June 3.**

3. **Move the cursor to Journals/Ledger/Statements, and select Subsidiary Ledgers.**

4. **Click on Accounts Receivable Ledger and print the Schedule of Accounts Receivable.**

5. **Move the cursor to Journals/Ledger/Statements, and select Subsidiary Ledgers.**

6. **Click on Accounts Payable Ledger and print the Schedule of Accounts Payable.**

7. **Move the cursor to Journals/Ledger/Statements, and select Subsidiary Ledgers.**

8. **Click on Inventory and print the Inventory Analysis.**

You will be using the balances shown in the various printouts to determine the correct amounts to debit and credit to record some of the transactions for June 3 to June 9.

TRANSACTIONS FOR JUNE 3-9

June 3

Performed service and adjustment work on a Kawasaki 1100 Personal Watercraft and the customer paid cash for the work completed. The invoice included $97.50 for 1.5 hours of labor (**$65.00 per hour**) plus sales tax (**8%**) of $7.80. The sales invoice number for this transaction is **G4010**. No parts were needed to complete this job.

101	Cash	$105.30	
411	Service Fees Earned		$97.50
205	Sales Taxes Payable		$7.80

FOLLOW INSTRUCTIONS 1 – 7 BELOW:

1. **At the date prompt, for June 3, enter 03 for day and press the <u>Tab key</u> (<u>do not use the Enter Key</u>). When entering any part of the transaction, you may back up and reenter the information by using the backspace key. If the date has been entered incorrectly, reenter the date.**

2. **At the account prompt, type 101 and press the <u>Tab key</u>. To record the debit to Cash enter $105.30 in the debit amount column. Do not use dollar signs or commas. If the account or amount is incorrect, click on the appropriate item and reenter. Tab to the next position.**

3. **At the account prompt, type 411 and press the Tab key and move to the credit column and enter $97.50 as the credit to Service Fees Earned.**

4. **Enter 205 to record the credit to Sales Tax Payable. Enter $7.80 as the credit amount and click on the <u>Verify Journal</u> button. The equality of debits and credits will be automatically verified. If any part of the journal entry is incorrect at this point, click on the Clear Screen button and reenter the transaction.**

5. **At the invoice prompt enter G4010 as the sales invoice number. The alphabet letters may be entered in upper or lower case for all documents (Invoices, Debit Memos, and Credit Memos)**

6. **Check the entry carefully. If you wish to make a correction to the invoice number, click on the invoice entry box and enter the correct number. If the entry is correct, click on the <u>Verify Documents</u> button. <u>This verification only tests for complete 5-character entries, where required; it does not guarantee the correctness of the numbers entered</u>. This verification is required before the entry can be posted.**

7. **Click on the <u>Post Ledger</u> button. The entry will be recorded in the General Journal**

and posted to the General Ledger.

If you discover that a transaction entered into the system at an earlier time needs correction, click on **Support** in the Menu Bar, select **Correcting Journal Entries,** and print the page of instructions for correcting journal entries. More detailed instructions on error correction procedures are demonstrated with the next transaction which involves the discovery of an incorrect journal entry.

Continue entering the transactions for the first week of June 3 to June 9.

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TRANSACTIONS FOR JUNE 3-9

Student Analysis

June 3
You discovered that an entry of **$19.50** for advertising printing charges had been recorded in error to the Miscellaneous Expense account rather than the Advertising Expense account. The date of the original cash transaction entry is **June 2.** Invoice Number: **23339**.

1. **The entry correction procedure for the Granite Bay Jet Ski - II accounting system requires that each error entry be backed out and then reentered correctly. Using the June 2 date, debit the Cash (101) account and credit the Miscellaneous Expense (635) account for the $19.50. Click on the Verify Journal button.**

2. **At the invoice prompt enter 23339 as the invoice number. Click on the Verify Documents button and post the entry.**

3. **Enter the transaction correctly with a debit to Advertising Expense (604) and a credit to Cash (101). Click on the Verify Journal button.**

4. **When the check number prompt appears, enter ERROR to indicate that this is an error correction entry and a new check is not being issued.**

5. **Enter the 23339 invoice number as requested and when the data shown is correct, click on the Verify Documents button and Post Ledger button. Additional error correction instructions are found on page 15 of this student handbook.**

NOTE: This error correction procedure leaves a clear audit trail of all corrections and is to be followed throughout this business simulation.
NOTE: If at any time you wish to view the journal entries that you have entered, click on Journals/Ledgers/Statements, select General Journal. You may scroll through the journal entries or print a copy of the journal. To exit the General Journal, click on

<u>Data Entry</u>.

TRANSACTIONS FOR JUNE 3-9

Student Analysis

Note: The following time-saving options may be used when journalizing transactions!

USING THE CHART OF ACCOUNTS FOR REFERENCE WHEN JOURNALIZING
AND
USING THE LETTER 'D' TO REPEAT A JOUNAL ENTRY DATE

June 3
Store Equipment was purchased on account from Anderson Supply. The store equipment is listed at **$268.00** and store supplies are listed at **$115.42.** Sales taxes are included in the listed prices of these assets. The invoice number for this transaction is **A4761** and Anderson Supply offers net 30 credit terms.

1. **At the date prompt, enter 03 for the day.**

2. **Click on the down arrow at the end of the Account Numbers and Titles row.**

3. **Select account number 131, Store Equipment and Fixtures, and the account number and title will automatically be entered in the account title column of the general journal. Tab to the Debit column and enter $268.00. Tab to the next row.**

4. **Click on the down arrow at the end of the Account Number and Titles. Now select account number 127, Store and Shop Supplies. Enter the second debit amount of $115.42. Tab to the next row.**

5. **Click on the down arrow at the end of the Account Number and Titles and select account number 201, Accounts Payable. Tab to the credit amount column, and enter $383.42 in the credit amount column.**

6. **At the Invoice Number prompt type A4761 as the invoice number.**

7. **At the vendor number prompt click on down arrow and select Anderson Supply, the first vendor on the list. On future entries involving Accounts Payable or Accounts Receivable, use the scroll bar to select the correct vendor or customer. Vendor (and customer) numbers can also be entered directly.**

Click on Verify Documents and when all of the data displayed is correct, click on Post Ledger button.

TRANSACTIONS FOR JUNE 3-9

June 4
One model A1100 Kawasaki Jet Ski Personal Watercraft was <u>sold</u>
<u>for cash</u>. This model retails for **$9,375.00** <u>plus</u> 8% sales tax
($9,375.00 x 8% = $750.00). Invoice Number: **G4011**.

Because a perpetual inventory system is being used by Granite Bay Jet Ski, Inc., for each entry where a product is being sold, an update of the specific inventory items being sold will be a part of the journalizing procedure.

Merchandise listed on the sales invoice:

Stock Number	Item	Quantity	Net Cost Per Unit
A1100	JET SKI STX-15F	1	$7,500.00

NOTE: The Jet Ski being sold for $9,375.00 cost the business $7,500.00 (net). All personal watercraft and trailers carry a 25% markup on net cost (20% markup on selling price). The net cost of $7,500.00 plus the programmed markup of $1,875.00 ($7,500.00 x 25%) <u>must equal</u> the credit entry to sales of $9,375.00 or the journal entry will not be accepted by the program.

1. **Enter the journal entry to record the sales transaction. Click on Verify Journal <u>after entering</u> the last credit amount. At the Invoice Number prompt type G4011. Click on Verify Documents.**

2. **After you have verified the documents, the cursor will automatically appear in the first row of the Inventory Item Number and Description.**

3. **Enter the stock number (A1100), tab to the Units column and enter the product quantity of (1).**

4. **Click on Verify Inventory Data button. If it is correct, click on the Post Ledger button. (If the inventory entries have an error, reenter the inventory data or clear the screen and reenter the transaction.) Clicking on the down arrow will provide a list of all of the inventory items that can be selected automatically.**

After each sale entry is recorded and posted, the program will automatically journalize and post the required second entry of a debit to the Cost of Goods Sold account and a credit to the Merchandise Inventory account for the cost of the inventory sold. The amount of this entry will appear in a message box immediately after the posting. Click on the OK button and continue recording transactions.

TRANSACTIONS FOR JUNE 3-9

Student Analysis

June 4

A check was issued to replenish the Petty Cash fund and to **increase** the size of the **$50.00** fund to **$100.00.** Invoices for this transaction list **$23.50** for store supplies, and **$18.75** for delivery charges. There is currently **$7.75** left in petty cash. At the Check Number prompt, type **31217.** At the Invoice Number prompt type **PCASH**.

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June 4

The account balance of customer **Buster Jenkins** has proven to be uncollectible and is to be written off. <u>See your printout of the Schedule of Accounts Receivable for the amount</u>. Granite Bay Jet Ski uses the allowance method for all bad debt write-offs. At the Invoice Number prompt type **WROFF** (for write-off). At the Customer Number type **11340.**

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June 4

A check was received for **$1,090.00** from the Sierra Jet Set for <u>storage fees</u> on personal watercraft and equipment. This check prepays their storage fees for June, July and August. Invoice Number**: G4012.** Customer Number: **11850.**

TRANSACTIONS FOR JUNE 3-9

June 5

A new shipment of three watercraft trailers for inventory was received from Starlight Sports. **All merchandise purchases by Granite Bay Jet Ski are recorded NET.** The invoice from Starlight shows the list price of the trailers at **$1,200.00** <u>each</u>. Credit terms of 1/10, n/30 are offered and the merchandise is shipped FOB destination. Invoice Number: **S2717.** Vendor Number: **28600.**

The calculated NET purchase price of the merchandise that will be recorded in the journal entry is <u>$3,564.00</u> ($3,600.00 x .99).

<u>**Using the system calculator:**</u>
Should you wish to use the system calculator for computations, do the following, using the problem above as an example:

1. **After entering the date, and entering 115 (Merchandise Inventory), click on Support and select Calculator.**

2. **Press the 3, 6, 0, 0 buttons, then press the multiplication sign (*), then enter .99.**

3. **Press the = sign and make note of the amount (3,564).**

4. **Press Exit to return to the Data Entry screen.**

Merchandise listed on the purchase invoice (at net cost):

<u>Stock Number</u>	<u>Item</u>	<u>Quantity</u>	Net Cost Per Unit
AL800	**STARLIGHT TRAILER T**	**3**	**$1,188.00**

TRANSACTIONS FOR JUNE 3-9

June 6

Service and installation work were completed on a customer's jet ski personal watercraft and the customer <u>paid cash</u> for the work completed. The sales invoice lists **$156.00** for **2.4** hours of labor, **$421.40** for accessories, and 8% sales tax on the total (<u>labor and accessories</u>). Invoice Number: **G4013.**

Round all sales tax calculations to the nearest cent (Example: $46.192 = $46.19 sales tax).

Merchandise listed on the sales invoice:

Stock Number	Item	Quantity	Net Cost Per Unit
C0400	**STAINLESS IMP. 1100**	1	$88.20
KW003	**NOZZEL EXTENSION**	1	$122.50

The stainless impeller being sold for $176.40 cost the business $88.20. The nozzle extension cost $122.50 and is being sold for $245.00. ALL accessories carry a 50% "normal" markup on selling price (100% markup on net cost).

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June 6

A new shipment of Kawasaki Jet Ski personal watercraft for inventory was received. The invoice from Kawasaki USA lists the total **net purchase price of $46,180.00**, credit terms of 2/10, n/30, FOB shipping point terms, and the models shipped. Freight charges of **$100.00** are *included in the invoice* which totals **$46,280.00.** Invoice Number: **K4461.** Vendor Number: **24500.**

<u>Please note that all merchandise purchases by Granite Bay Jet Ski- II are recorded NET</u>.

The NET purchase price of the merchandise has been calculated at <u>$46,180</u> (list price of $47,122.45 x .98 = total net cost of

$46,180).

All completed invoice information will be displayed with the cost price of each merchandise item shown at the <u>NET PRICE</u> (list price less the purchase discount allowed). The <u>net cost price of each item purchased is shown below.</u>

Merchandise listed on the purchase invoice:

Stock Number	Item	Quantity	Net Cost Per Unit
A1100	JET SKI STX-15F	3	$7,500.00
AU150	ULTRA 150	1	$6,880.00
A900T	JET SKI 900 STX	3	$5,600.00

Freight Charges $100.00

When the Accumulated Purchases total is in agreement with the debit to the Merchandise Inventory account and all other information is correct, click on the Post Ledger button.

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June 6

The Rascal Bar Jetters were billed **$303.80** plus sales tax for accessories installed for no-charge on their racing craft. All sales tax calculations should be rounded to the nearest cent. Invoice Number: **G4014.** Customer Number: **11780.**

Merchandise listed on the sales invoice:

Stock Number	Item	Quantity	Net Cost Per Unit
KW003	NOZZEL EXTENSION	1	$122.50
KW001	JS BATTERY	1	$29.40

TRANSACTIONS FOR JUNE 3-9

Student Analysis

June 7
Two Kawasaki 900 STX personal watercraft were sold for **$14,000.00** cash, plus sales tax of 8%. Invoice Number: **G4015**. Vendor Number: **24500.**

Merchandise listed on the sales invoice:

Stock Number	Item	Quantity	Net Cost Per Unit
A900T	JET SKI 900 STX	2	$5,600.00

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June 7
In order to raise additional cash, stockholders approved the sale of **5,000** shares of common stock at **$5.00** (par value) per share. At the invoice prompt type **CMSTK (**for common stock).

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June 8
A cash register was donated to the North San Juan High School Student Store. The cash register that is no longer being used, originally cost **$950.00,** has <u>no current market value</u>, and was <u>fully depreciated</u> two years ago. At the invoice prompt type **DONAT** (for donation).

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June 9
A **$350.00** check was issued today to the Granite Bay City Reporter for an advertisement that has been running all week in the Reporter. Check Number: **31218.** Invoice Number: **90866.**

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June 9
A check was issued to pay a cash dividend of **$0.06** per share to all June 1 stockholders of record. The dividend was declared on May 9, and is payable today, June 9. The company had 40,000 common shares outstanding as of June 1. Check Number: **31219**. Invoice Number: **DIVPD** (for dividend paid).

<p style="text-align:center">This completes the transactions for June 3 to June 9.</p>

Checking the Accuracy of Your Work

Now that you have completed entering the transactions for the first seven days of the internship program, June 3-9, it is time to check the accuracy of your work.

1) Click on the **Journals/Ledgers/Statements** tab. Select **General Ledger**. **Print** a copy of the June 9 Trial Balance.
2) Click on **Check Figures. Print** a copy of the Check Figures.

If all of Your Balances match the Correct Balances, you are ready to return to the Data Entry page and **<u>Backup Your Data Files.</u>**

If any of your account balances <u>do not</u> match the check figures, you have one or more errors that must be corrected before you continue! Refer to Correcting Journal Entries under Support in the Menu Bar. Print and follow those Correction Procedures. <u>When all of the corrections have been made</u> and you match the check figures for the trial balance and the ending inventory, **<u>Backup Your Data Files.</u>**

It is recommended that you backup your data files at the end of each data entry session. This is common practice for all accounting and tax work. To backup your data files, do the following: Click on **Administration,** select **Files: Reset and Back Up.** Select **Backup Data Files.** At the **Granite Bay Jet Ski – II - Backup Data Files** screen, read the instructions carefully. Press **Start Backup**.

<u>SPECIAL NOTE ABOUT RESTARTING FROM THE BEGINNING OF MODULE ONE</u>

If for any reason, you are not satisfied with your performance on accomplishing this first module, there is an option that allows you to start from the beginning of Module One.

Click on Support and select Restore to Beginning Balances. Read the instructions carefully, and press Start Copy. Your files will be restored to their beginning balances, and you will able redo Module One.

<p style="text-align:center"><u>This restart feature is not available after you begin Module Two.</u></p>