

*Algorithmic  
Granite Bay Jet Ski,  
Incorporated*

*Level II*

*1<sup>st</sup> Edition*

*Transactions For  
June 17-23*

**Heads Up:**

In this module, in addition to the day-to-day transactions of buying and selling merchandise, you will be required to record (1) the payment of a short-term note payable, (2) the trade-in of old equipment for the purchase of new equipment, and (3) the sale of obsolete equipment.

**TRANSACTIONS FOR JUNE 17-23**

**Student Analysis**

**June 17**

On March 20 of this year, Granite Bay Jet Ski, Inc., borrowed **\$12,000.00** cash by issuing a **90-day, 11.0%**, note payable. The proceeds of the note were received and deposited in the Cash account. This note is **due tomorrow** and is **paid in full** (including 90-day interest). Use a 360-day year when computing interest. Check Number: **31226**. Invoice Number: **NTPAY** (for note payable).

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**June 18**

**Two** Water Dancer personal watercraft and a Starlight Trailer were sold on account to Sierra Jet Set. The items, with the net cost price of each shown below, were sold at a retail selling price of net cost plus 25%. Remember to include the sales tax. Invoice Number: **G4018**. Customer Number: **11850**.

**Merchandise listed on the sales invoice:**

<u>Stock Number</u>	<u>Item</u>	<u>Quantity</u>	<u>Net Cost Per Unit</u>
<b>A900R</b>	<b>WATER DANCER ROCKET</b>	<b>2</b>	<b>\$7,425.00</b>
<b>AL600</b>	<b>STARLIGHT TRAILER D</b>	<b>1</b>	<b>\$891.00</b>

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**June 19**

A check for **\$1,200.00** was received from the Shasta Skimmers as payment for six months rent (July-December) on their club's storage space. Invoice Number: **G4019**.

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## TRANSACTIONS FOR JUNE 17-23

Student Analysis

### June 20

A check for was received from the **Rascal Bar Jettors** as payment in full of their **May 21** invoice. Find the amount of the invoice and record the receipt of the check. Invoice Number: **G3971**. Customer Number: **11780**.

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### June 20

Repaired a damaged steering mechanism for customer Darren O'Malley and also installed a new Hickster Pipe. Mr. O'Malley was billed for **3.25** hours of labor, accessories totaling **\$430.00**, plus sales tax. He paid with a **bank credit card**. Invoice Number: **G4020**.

Merchandise listed on the sales invoice:

<u>Stock Number</u>	<u>Item</u>	<u>Quantity</u>	<u>Net Cost Per Unit</u>
<b>BM102</b>	<b>HICKSTER PIPE</b>	<b>1</b>	<b>\$215.00</b>

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### June 21

A nearly depreciated company truck was traded-in for a new one. The old truck cost **\$4,800.00** and on **March 31, the end of the previous quarter**, it had been depreciated **\$3,180.00**. Straight-line depreciation on the old truck is **\$80.00** per month (**DEPRE**). The new truck listed for **\$18,950.00** and Archibald Auto Sales allowed a **\$2,825.00** trade-in allowance on the purchase of the new vehicle. **This trade has no commercial value and no gain or loss will be recognized on this transaction.** In addition to the check issued for the new truck, an additional check was issued for **\$510.00** was issued to the Department of Motor Vehicles the vehicle license fees. **Three entries are required for this trade.**

- 1) Record the depreciation for 3 months. Invoice Number: **DEPRE** (for depreciation)
- 2) Record the like-kind asset exchange. Check Number: **31227**.

Invoice Number: **W3571**

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- 3) Record the license. Check Number: **31228**. Invoice Number: **DMVO6**

## TRANSACTIONS FOR JUNE 17-23

### Student Analysis

#### June 21

A check was issued to purchase additional store fixtures for better display and security of merchandise. The equipment lists for **\$7,200.00** with a **trade discount of 35%**. Ignore sales tax. Check Number: **31229**. Invoice Number: **79002**.

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#### June 21

Accessories for resale were purchased from Larson Sports Equipment with a total net cost of **\$635.00**. The merchandise was delivered by the vendor. Invoice Number: **M3093**. Vendor Number: **26950**

#### Merchandise listed on the purchase invoice:

<u>Stock Number</u>	<u>Item</u>	<u>Quantity</u>	<u>Net Cost Per Unit</u>
<b>M7000</b>	<b>CUSTOM RIDE PLATE</b>	<b>10</b>	<b>\$52.00</b>
<b>N6050</b>	<b>CUSTOM DECAL KIT</b>	<b>10</b>	<b>\$11.50</b>

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#### June 22

Additional store and shop supplies were purchased on account from Anderson Supply. Anderson extends net 30 credit terms and the balance due on the invoice totals **\$635.40** (supplies and sales tax). Invoice Number: **A5049**. Vendor Number: **20110**.

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## TRANSACTIONS FOR JUNE 17-23

### Student Analysis

#### June 22

**Two** Kawasaki Ultra 150 Personal Watercraft and **two** Starlight Quad **trailers** were sold to Roy and Kristin Cobb. The total out-the-door sales price (including tax) was **\$23,922.00**. Roy and Kristin paid **\$13,922.00** as a down payment and issued a short-term, **\$10,000.00, 9.0%, 60-day** note receivable to Granite Bay Jet Ski for the balance. Invoice Number: **G1402**.

*To calculate the amount of the sale (before sales tax) divide the total sales price by 1.08.*

#### Merchandise listed on the sales invoice:

<u>Stock Number</u>	<u>Item</u>	<u>Quantity</u>	<u>Net Cost Per Unit</u>
<b>AU150</b>	<b>JET SKI ULTRA 150</b>	<b>2</b>	<b>\$6,880.00</b>
<b>AL900</b>	<b>STARLIGHT QUAD</b>	<b>2</b>	<b>\$1,980.00</b>

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#### June 23

Accessories were purchased on account from Clear Water, Incorporated. The accessories list for **\$540.00, are recorded net**, and credit terms of 2/10, n/30 are extended by Clear Water, Incorporated. No freight charges were incurred for this shipment. Invoice Number: **C5217**. Vendor Number: **22400**.

#### Merchandise listed on the purchase invoice:

<u>Stock Number</u>	<u>Item</u>	<u>Quantity</u>	<u>Net Cost Per Unit</u>
<b>C0400</b>	<b>STAINLESS IMP. 1100</b>	<b>6</b>	<b>\$88.20</b>

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#### June 23

A certified check for **\$5,080.00** was received from Arlene Baxter as payment to cover her NSF check. On June 15, the check for \$5,000.00 plus an \$80.00 handling fee was charged back to Ms.

Baxter's account. Invoice Number: **BADCK** (for bad check).  
Customer Number: **10300**.

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## **TRANSACTIONS FOR JUNE 17-23**

**Student Analysis**

### **June 23**

Store supplies purchased on account for a total of **\$38.90** on June 22 were returned to Anderson Supply. Invoice Number: **A5049**.

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### **June 23**

Sold used shop equipment (metal lathe) for **\$320.00**. The equipment was purchased at a total cost of **\$2,200.00** early in 2009. Using **units of production depreciation**, the accumulated depreciation account balance at the end of the first quarter (March 31) totals **\$1,830.00**. Depreciation is recorded at the rate of **\$1.00** for each hour of operation. Through June 23 of this quarter, an additional **260** hours of operation have accumulated on the lathe's meter.

- (1) Record the depreciation. Invoice Number: **DEPRE** (for depreciation).
- (2) Record the sale of the asset. Invoice Number: **ASALE** (for asset sale).

**This concludes the transactions for June 17 to June 23.**

## **Checking the Accuracy of Your Work**

Now that you have completed entering the transactions for the first seven days of the internship program, June 17-23, 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 23 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 **Backup Your Data Files**.

**If any of your account balances do not match the check figures, you have one or more errors that must be corrected before you continue! Refer to "How to Correct Journal Entries" under Support in the Menu Bar. **Print and follow those correction procedures. When all of the corrections have been made** and you match the check figures for the trial balance and the ending**

inventory, backup your data files.

**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**.