

Gold Run Snowmobile

5th Edition

Transactions For December 18-24

TRANSACTIONS FOR DECEMBER 18-24

Student Analysis

December 18

Issued check number **30101** for \$214.00 to Loomis Repair Service for emergency repairs on the shop equipment (invoice **LR554**).

December 18

Discovered that invoice **N3302** from Norton America for \$15,900 list (**\$15,741 net**), with cash terms of 1/10, n/30, and dated November 18, was filed incorrectly and the cash discount has been lost. **Record the discount lost entry.** Then issue check number **30102** and pay the total amount due today on this invoice. **Two separate entries must be entered to properly record this transaction.**

December 18

Received a \$1,100 check from the Downieville Dusters as a partial payment on their past due account (**G2768**).

December 18

On October 19 of this year Gold Run Snowmobile, Inc., borrowed cash by discounting a \$11,000, 60-day, note payable. The lender charged Gold Run Snowmobile a 12% discount fee and the Interest Expense account was debited for \$220. Proceeds of \$10,780 were received and deposited in the Cash account. This \$11,000 note is **due today** and is **paid in full** with check number **30103**. At the invoice prompt enter **NTPAY**.

TRANSACTIONS FOR DECEMBER 18-24

Student Analysis

December 19

Sold one Trail-Tracker Enduro snowmobile to A. C. Woolworth for the cost of \$6,860 **plus a markup on selling price of 20%**. Sales tax on the retail price increases the out-the-door **cash** price to \$9,175.25. The sales invoice number for this transaction is **G3016**.

Merchandise listed on the sales invoice:

| <u>Stock Number</u> | <u>Item</u> | <u>Quantity</u> | <u>Net Cost Per Unit</u> |
|---------------------|--------------------|-----------------|--------------------------|
| T3300 | TR.-TRACKER ENDURO | 1 | \$6,860.00 |

December 19

Issued check number **30104** to Swift Incorporated as payment in full for invoice **S4234** of December 9. Check the accounting records to determine the exact amount of the invoice.

December 19

Sold a racing helmet and accessory items to the Mt. Shasta Snowmobile Club and received a club check for the balance due. Sales invoice number **G3017**, lists the merchandise items at \$3,386.00 and 7% sales tax totaling \$237.02.

Merchandise listed on the sales invoice:

| <u>Stock Number</u> | <u>Item</u> | <u>Quantity</u> | <u>Net Cost Per Unit</u> |
|---------------------|----------------------|-----------------|--------------------------|
| B3000 | CUSTOM DECAL KIT | 5 | \$32.00 |
| RR404 | CRUZE HELMET | 6 | \$65.50 |
| RR555 | DELUXE RACING HELMET | 12 | \$95.00 |

TRANSACTIONS FOR DECEMBER 18-24

Student Analysis

December 20

Purchased a special order Swift Arrow and three additional Quad Hauler trailers from Swift, Incorporated. The gross invoice total from Swift, Inc. (including freight charges), is \$13,774. **The total net cost of the merchandise is \$13,464 with an additional freight charge of \$310 that will be charged to the Transportation-In account.** The terms on invoice **S4385** are 1/10, n/30 and the special order is being shipped FOB shipping point.

Merchandise listed on the purchase invoice:

| <u>Stock Number</u> | <u>Item</u> | <u>Quantity</u> | <u>Net Cost Per Unit</u> |
|---------------------|-------------|-----------------|--------------------------|
| SW999 | SWIFT ARROW | 1 | \$9,900.00 |
| SSS30 | QUAD HAULER | 3 | \$1,188.00 |

Freight charges added to the invoice:

| | |
|------------------------|-----------------|
| Freight Charges | \$310.00 |
|------------------------|-----------------|

December 20

Received a check for \$1,350.00 from the Colfax Sno Katts as payment for six months rent (January-June) on their club's storage space. The sales invoice for this transaction is **G3018**.

December 21

Issued check **30105** for \$135.00 to the Highlander Freight Company (invoice **H3200**) for charges on the shipment of merchandise items to the Mt. Shasta Snowmobile Club.

TRANSACTIONS FOR DECEMBER 18-24

Student Analysis

December 21

Repaired a damaged steering mechanism for customer Ruth Yates. Ruth was billed for 1.75 hours of labor (\$58 per hour), accessories totaling \$70, plus sales tax (sales invoice number **G3019**). Ruth charged this repair to her account.

Merchandise listed on the sales invoice:

| <u>Stock Number</u> | <u>Item</u> | <u>Quantity</u> | <u>Net Cost Per Unit</u> |
|---------------------|----------------|-----------------|--------------------------|
| CC100 | STANDARD SHOCK | 2 | \$17.50 |

December 21

Purchased accessories with a total cost of \$1,185 from Morelli Sports Equipment. The merchandise was delivered by Morelli (invoice number **M4577**, terms net 30).

Merchandise listed on the purchase invoice:

| <u>Stock Number</u> | <u>Item</u> | <u>Quantity</u> | <u>Net Cost Per Unit</u> |
|---------------------|--------------------|-----------------|--------------------------|
| LL466 | COMPETITION GLOVES | 15 | \$79.00 |

December 22

Traded the old company truck for a new truck issuing check number **30106** to complete the transaction. The old used truck cost \$3,800 and on September 30, the end of the quarter, had depreciated \$2,200. Straight-line depreciation on the old truck is \$40 per month. The new truck listed (invoice **R2567**) for \$19,950 (taxes and destination charges included), and Auburn Auto Sales allowed a \$3,000 trade-in allowance on the purchase of the new vehicle. **This trade has no commercial and no gain or loss will be recognized on this transaction.**

An additional check (number **30107**) for \$540 was issued to the Department of Motor Vehicles (invoice **DMV12**) for the vehicle license fees. Three entries are required for this trade.

TRANSACTIONS FOR DECEMBER 18-24

Student Analysis

December 22

Issued check **30108** in payment of the purchase invoice (**44777**) from Fastwinn, Inc. Check the purchase invoice of **December 13** and the merchandise return of **December 17** for more detailed information on this obligation.

December 23

Issued check **30109** and purchased additional store fixtures for better display and security of merchandise. The equipment lists for \$4,200, with **trade discounts** of **40%** and **10%**, and sales tax on the net amount. The invoice number for this purchase is **X5001**.

December 23

Purchased additional store and shop supplies on account from Buster Supply. Invoice **B6016** lists credit terms of net 10 and a balance due of \$385.50.

December 23

Sold the special order Swift Arrow snowmobile and a Quad Hauler trailer to customers Roy, Bryant, and Kristin Cobb. Sales invoice number **G3020** shows the total sales price including tax to be \$14,857.59. The Cobb family paid \$4,857.59 as a cash down payment and Gold Run accepted a short-term, \$10,000, 14%, 90-day note receivable for the balance. To calculate the amount of the sale (before sales tax) divide the total sales price by 1.07.

Merchandise listed on the sales invoice:

| <u>Stock Number</u> | <u>Item</u> | <u>Quantity</u> | <u>Net Cost Per Unit</u> |
|---------------------|--------------------|-----------------|--------------------------|
| SW999 | SWIFT ARROW | 1 | \$9,900.00 |
| SSS30 | QUAD HAULER | 1 | \$1,188.00 |
| EE222 | FUEL TANK 6 GALLON | 2 | \$6.40 |

TRANSACTIONS FOR DECEMBER 18-24

Student Analysis

December 23

Sold accessories for \$152.00 plus sales tax (sales invoice number **G3021**). The customer, Alice Cordero charged the entire amount to her account.

Merchandise listed on the sales invoice:

| <u>Stock Number</u> | <u>Item</u> | <u>Quantity</u> | <u>Net Cost Per Unit</u> |
|---------------------|-----------------|-----------------|--------------------------|
| B7777 | LUGGAGE CARRIER | 2 | \$38.00 |

December 24

Returned accessories costing \$158.00 that were purchased on December 21 from Morelli Sports Equipment (debit memo **DM212**). The original invoice number was **M4577**.

Items returned with the debit memo:

| <u>Stock Number</u> | <u>Item</u> | <u>Quantity</u> | <u>Net Cost Per Unit</u> |
|---------------------|--------------------|-----------------|--------------------------|
| LL466 | COMPETITION GLOVES | 2 | \$79.00 |

December 24

Sold two Trail-Tracker 1500 snowmobiles and a Norton Duo trailer at an out-the-door price of \$11,937.19 (**sales tax included**). The customer paid using a Bank Credit Card. The sales invoice number is **G3022**.

Merchandise listed on the sales invoice:

| <u>Stock Number</u> | <u>Item</u> | <u>Quantity</u> | <u>Net Cost Per Unit</u> |
|---------------------|--------------------|-----------------|--------------------------|
| T1500 | TRAIL-TRACKER 1500 | 2 | \$4,116.00 |
| SD200 | NORTON DUO TRAILER | 1 | \$693.00 |

TRANSACTIONS FOR DECEMBER 18-24

Student Analysis

December 24

Sold a used piece of shop equipment for \$1,995. The equipment was purchased at a total cost of \$7,200 early in 2001. Using **units of production depreciation**, the accumulated depreciation account balance at the end of the third quarter (September 30, this year) totals \$2,850. Depreciation is recorded at the rate of \$2.00 for each hour of operation. To December 24 of this quarter, an additional 234 hours of operation have accumulated on the hour meter. **Two entries are required to properly record this sale.** At the invoice prompt enter **ASALE** for asset sale.

December 24

Received payment in full on a \$9,600, 10%, 60-day note receivable from customer Alfred Moss. The note, dated October 25, matures today. Enter **NTREC** (for note receivable) at the invoice prompt. For all interest calculations be sure to use the 360-day banker's year.

Now that you have completed entering the transactions for **December 18-24**, it is time to check the accuracy of your work. In the "**Check It Out**" box on the following page are the correct balances of **key accounts** that you have been working with this period.

1. **Move the pointer to Journals/Ledgers/Statements in the Menu Bar, move down to the General Ledger selection and click. The completed Trial Balance will appear on the screen.**
2. **Check your balances against the totals shown in the "Check It Out" box at the top of the next page.**

If all of your totals match the check figures, you are ready to print any documents required by your instructor. If no printed documents are required, you are ready to proceed to Module 4, December 26-31, or you may exit the program. Start Module 4 by printing a copy of the Gold Run Part 4 manuscript.

If your totals DO NOT match the check figures, proceed to the instructions below the

“Check It Out” box.

“CHECK IT OUT”

| | | |
|----------------------------|-------------------------------------|---------------------|
| 101 | Cash | \$32,660.58 |
| 105 | Accounts Receivable | 29,696.37 |
| 109 | Notes Receivable | 10,000.00 |
| 127 | Store and Shop Supplies | 2,621.76 |
| 131 | Store Equipment and Fixtures | 52,717.76 |
| 140 | Accumulated Depreciation, Trucks | 4,550.00 |
| 201 | Accounts Payable | 47,333.50 |
| 205 | Sales Tax Payable | 11,330.73 |
| 401 | Snowmobile, Access., & Parts Sales | 267,523.34 |
| 501 | Cost of Goods Sold | 181,080.52 |
| 505 | Transportation-In | 1,452.00 |
| 603 | Truck & Equipment Operating Expense | 1,026.95 |
| 606 | Delivery Expense | 895.00 |
| 607 | Credit Card Expense | 1,091.57 |
| 612 | Depreciation Expense, Trucks | 120.00 |
| 628 | License Expense | 856.00 |
| 633 | Discounts Lost | 193.00 |
| 711 | Interest Earned | 372.00 |
| 721 | Gain on Sales of Assets | 155.00 |
| 813 | Interest Expense | 329.00 |
| 821 | Loss on Sale/Disposal of Assets | 1,887.00 |
| TRIAL BALANCE TOTAL | | \$672,182.61 |

If any of your account balances do not match the correct check figures, you have one or more errors that must be corrected before you can continue. Print a copy of the General Journal and the Trial Balance. Examine your documents, locate the error/s, and return to the General Journal and record the required correction entries. Remember to back out the error entry, and then enter the correct entry.

When your balances match the “Check It Out” box figures, print any documents required by your instructor. You may then proceed to Module 4, December 26-31, or exit the program.