

Exercise 9-1

Part 1

GENERAL LEDGER					
Accounts Receivable			Sales		Sales Returns and Allowances
Nov. 5	4,615	Nov. 21	209	Nov. 5	4,615
10	1,350			10	1,350
13	832			13	832
30	2,713			30	2,713
Bal.	9,301				

ACCOUNTS RECEIVABLE LEDGER					
Ski Shop		Welcome Enterprises		Zia Natara	
Nov. 5	4,615	Nov. 10	1,350	Nov. 13	832
30	2,713			Nov. 21	209
Bal.	7,328			Bal.	623

Part 2

Morales Company Schedule of Accounts Receivable November 30, 2013	
Ski Shop	\$7,328
Welcome Enterprises	1,350
Zia Natara	623
Total	<u>\$9,301</u>

Comparison: The total of the Schedule of Accounts Receivable (\$9,301) is proved with the balance of the Accounts Receivable controlling T-account from Part 1 (\$9,301).

Exercise 9-2

Apr. 8	Cash	8,064	
	Credit Card Expense*	336	
	Sales.....		8,400
	<i>To record credit card sales less 4% fee.</i>		
	<i>*($\\$8,400 \times .04$)</i>		
8	Cost of Goods Sold	6,000	
	Merchandise Inventory.....		6,000
	<i>To record cost of sales.</i>		
12	Accounts Receivable—Continental	5,460	
	Credit Card Expense*	140	
	Sales.....		5,600
	<i>To record credit card sales less 2.5% fee.</i>		
	<i>*($\\$5,600 \times .025$)</i>		
12	Cost of Goods Sold	3,500	
	Merchandise Inventory.....		3,500
	<i>To record cost of sales.</i>		
20	Cash	5,460	
	Accounts Receivable—Continental.....		5,460
	<i>To record cash received on credit sales less fees.</i>		

Problem 10-4A

2012

Jan. 1	Trucks	22,000	
	Cash		22,000
	<i>To record cost of truck (\$20,515 + \$1,485).</i>		

Dec. 31	Depreciation Expense—Trucks	4,000	
	Accumulated Depreciation—Trucks		4,000
	<i>To record depreciation [(\$22,000 - \$2,000)/5].</i>		

2013

Dec. 31	Depreciation Expense—Trucks	5,200*	
	Accumulated Depreciation—Trucks		5,200
	<i>To record depreciation.</i>		

*2013 depreciation	
Total cost	\$ 22,000
Less accumulated depreciation (from 2012)	4,000
Book value	18,000
Less revised salvage value	2,400
Remaining cost to be depreciated	<u>\$ 15,600</u>
Revised useful life	4 yrs.
Less one year used in 2012	1 yrs.
Revised remaining useful life	<u>3 yrs.</u>
Total depreciation for 2013 (\$15,600/3)	<u>\$ 5,200</u>

2014

Dec. 31	Depreciation Expense—Trucks	5,200	
	Accumulated Depreciation—Trucks		5,200
	<i>To record annual depreciation.</i>		

Dec. 31	Cash	5,300	
	Accumulated Depreciation—Trucks	14,400**	
	Loss on Disposal of Trucks	2,300***	
	Trucks		22,000
	<i>To record sale of truck.</i>		

** Accumulated depreciation on truck at 12/31/2014	
2012	\$ 4,000
2013	5,200
2014	5,200
Total	<u>\$14,400</u>
*** Book value of truck at 12/31/2014	
Total cost	\$22,000
Less accumulated depreciation	(14,400)
Book value	<u>\$ 7,600</u>
Loss (\$5,300 cash received - \$7,600 book value)	<u>\$ 2,300</u>