Algorithmic Granite Bay Jet Ski, Incorporated

Level II

1st Edition

Transactions For June 10-16

and the

Mid-Project Evaluation

Did you backup your data files at the end of Module One? It is recommended that you backup your files at the end of each data entry session. If you want to return to a previously saved position and start from the point of your last saved data files, click on Administration, select Files: Restore and Backup, select Restore Backed-up Data Files. Should you restore, it is recommended that you print a copy of the General Journal and a Trial Balance to verify the position of the last save.

TRANSACTIONS FOR JUNE 10-16

Student Analysis

June 10

Obsolete store equipment was sold for $**630.00** cash. The equipment originally cost **$2,105.00** and depreciation to March 31 of this year (the end of the first quarter) totals **$1,200.00.** The asset depreciates on a straight-line basis at a rate of **$40.00** per month and depreciation is calculated to the nearest month (two entries required).

1) Record the entry to bring the depreciation up-to-date. At the Invoice Number type **DEPRE** (for depreciation).
2) Record the entry for the sale of the store equipment. At then Invoice Number type **ASALE** (for asset sale).

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June 10

A check was issued to Bull Dog Freight Company for **$124.60** as payment in full on an invoice that was received today. The invoice (payable upon receipt) is for freight charges on merchandise *delivered to customers* under shipping terms of FOB destination. Check Number: **31220**. Invoice Number: **R3449.**

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June 10

A certified check for **$1,240.00** was received from customer Hazel Peske as payment in full on her account. Ms. Peske's account was written off as uncollectible on April 14. Two entries are required for this transaction. Customer Number: **11685.**

1) Record the reinstatement of Peske's account. At the Invoice Number prompt type **REEST** (for reestablish).
2) Record the receipt of the check. At each Invoice Number prompt type **RECOV** (for recovery).

TRANSACTIONS FOR JUNE 10-16

June 11

Discovered that invoice **W6438** from Wrascal Dancer Jetcraft for $19,500.00 list (**$19,305.00 net**), with credit terms of 1/10, n/30, and dated May 13 was filed incorrectly and the cash discount has been lost. **Record the discount lost entry.** Check Number: **31221**. Vendor Number: **29650.**

Since the discovery of the error and the invoice payment are made the same day, a single compound entry which includes the discount lost may be used to record this transaction.

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June 13

Instead of repairing the heavy duty shop hoist at a cost of $1,210.00 and charging this cost to an operating expense account, the hoist, which has one year remaining in its estimated useful life, is completely overhauled at a cost of **$3,260.00.** This overhaul, which is an extraordinary repair, will be charged directly to the **Shop Equipment** account and will extend the remaining useful life of the hoist to four years. Check Number: **31222**. Invoice Number: **EXTRA** (for extraordinary repair).

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June 14

A debit memo was issued for **$6,880.00** to Kawaski USA, for the return of one **AU150 ULTRA 150** jet-ski. The body of the jet-ski was damaged during shipping. Kawasaki has agreed to accept the return. There are no freight charges. The **AU150** was part of the June 6 purchase on account. Only one entry is required to properly record this transaction. Invoice Number: **K4461.** Debit Memo Number: **DM601.** Vendor Number: **24500.**

TRANSACTIONS FOR JUNE 10-16

June 14
Two Kawasaki Jet Ski 800 SX-R Personal Watercraft were sold to customer Arlene Baxter at an *out-the-door* retail sales price of **$12,852.00** which **includes sales tax**. Received from Ms. Baxter a check for **$5,000.00** as a cash down payment and charged the balance to her account. The account will be paid in full in 30 days. To calculate the total amount of the sales, divide the out-the-door price by **1.08**. The difference between the answer (sales price) and the out-the-door retail sales price (selling price + sales tax) will be the sales tax. Invoice Number: **G4016.** Customer Number: **10300.**

Merchandise listed on the sales invoice:

Stock Number	Item	Quantity	Net Cost Per Unit
AS888	**JET SKI 800 SR-X**	**2**	**$4,760.00**

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June 14
A payroll check was issued to part-time employee Kim Booker. Kim earns **$11.30** per hour and worked **40** hours during this past two-week pay period ending today. Check Number: **31223**. Invoice Number: **WAGES** (for wages).

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June 15
A notice was received from the bank that the **$5,000.00** check received from customer Arlene Baxter June 14 has not cleared due to lack of funds. The **$5,000.00** balance of this NSF check plus an additional **$80.00** handling fee will be charged back to Ms. Baxter's account. The **$80.00** handling fee charged by Granite Bay Jet Ski will be entered as Miscellaneous Revenue. Check Number: **00000**. Invoice Number: **G4016**. Customer Number: **10300.**

TRANSACTIONS FOR JUNE 10-16

June 15
A check was issued for **$3,564.00** to Starlight Sports as payment in full of the June 5 invoice. Check Number: **31224.** Invoice Number: **S2717**.

Remember that the "net method" of recording purchases is being used by Granite Bay Jet Ski.

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June 16
A check **was** issued in payment of a June 6 invoice from Kawasaki USA. To check the balance due on this June 6 invoice, click on Journals/Ledgers/Statements, select the Subsidiary Ledger option, and select Accounts Payable Ledger. Look up the Kawasaki USA account. Do not overlook the purchase return of June 14. Check Number: **31225.** Invoice Number: **K4461.**

Remember that the "net method" of recording purchases is being used by Granite Bay Jet Ski.

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June 16
A check for **$5,650.00** was received from customer Charles Grubonski, as a partial payment on his past-due account balance. Invoice number **G3906.** Customer Number: **11100.**

TRANSACTIONS FOR JUNE 10-16

June 16

Completed **4.2** hours of service work for cash customer Hank Ajax. Hank also purchased a new Starlight Trailer. The selling price for the trailer is **$1,485.00.** Be sure to include the sales tax on the trailer and the service work. The *full amount due* is paid with a **bank credit card**. The bank will charge Granite Bay Jet Ski, Inc., a credit card fee (1-4%) which will be shown on the bank statement and recorded at the end of the month. Invoice Number: **G4017.**

Merchandise listed on the sales invoice:

Stock Number	Item	Quantity	Net Cost Per Unit
AL800	**STARLIGHT TRAILER T**	**1**	**$1,188.00**

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June 16

A check was received from Water Rippers, Inc., as payment in full on their account. Find the balance of the account in the Schedule of Accounts Receivable. Invoice Number: **G3954.** Customer number: **11990.**

This concludes the transactions for June 10 to June 16.

Checking the Accuracy of Your Work

Now that you have completed entering the transactions for the next seven days of the internship program, June 10-16, 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 16 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 Correcting 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**.

When your totals match the check figures, print the following documents. The printed documents will be used to answer the analysis questions on the Mid-Point Evaluation.

1. **Trial Balance for June 16,**
   Click on Journal/Ledgers/Statements, select General Ledger and print the Trial Balance.

2. **Click on the Show Ledger Card and print account 101 – Cash.**

3. *The Schedule of Accounts Receivable*
   Click on Journals/Ledgers/Statements, select Subsidiary Ledgers, then select Accounts Receivable Ledger. Click on the Print button and print the schedule.

4. **The Individual account information for ALL customers**
   Click on the All Customers button and print the ledger cards for all of the Account Receivable customers.

5. *The Schedule of Accounts Payable*

Click on Journals/Ledgers/Statements, select Subsidiary Ledgers, then select Accounts Payable Ledger. Click on the Print button and print the schedule.

6. **The Individual account information for ALL creditors/vendors**
Click on the All Vendors button and print the ledger cards for all of the Accounts Payable vendors.

7. **Inventory Analysis**

8. **The Inventory Stock Cards for the following merchandise items:** *Click on Ledgers/Journals/Statements and select Inventory. Click on Inventory Item and select A1100 JET SKI STX-15F. Click on Show Inventory Item. <u>Print this Inventory Stock Card.</u> Print the following additional inventory stock cards (Inventory Item, Select Item, Show Inventory Item, Print).*

   A1100   AS888   KW001   KW003

Please note: All of the June 16 documents must be correct and printed before attempting to answer the Mid-Project Evaluation and before continuing to Module 3.

Click on *Log Out* and exit the Granite Bay Jet Ski, Inc., accounting program. Answer the Mid-Project Evaluation questions on the following pages. After completing the answers, log in to your program, select *Evaluations*, then select *Mid-Project Evaluation*, and enter your answers. Your answers and evaluation score will be automatically recorded.

MID-PROJECT EVALUATION   NAME_____

GRANITE BAY JET SKI II   CLASS DAY AND TIME_____DATE_____

1. Do the totals on your Trial Balance match the figures shown in **Check Figures**? **Answer Y for Yes or N for No.**   _____

2. What was the correct balance of the Cash account at the close of business on June 4? *(On the web-based examinations show all dollar amounts and inventory counts in a numeric format.)* $_____

3. On the Cash ledger card, what item was paid with check number **31223**?   _____
    - **A.** Petty Cash
    - **B.** Wages
    - **C.** Accounts Payable
    - **D.** Accounts Receivable
    - **E.** None of the above

4. What invoice was paid in full with check number **31225** on June 16?   _____

5. What are the current freight costs for the purchase of merchandise? $_____

6. How much has it cost to deliver merchandise to customers? $_____

7. Identify by customer number the customer who made the partial cash payment on invoice **G3906**?   _____

8. What has been the net decrease in the Accounts Receivable account? $_____

9. Does the balance of the Schedule of Accounts Receivable match the balance of the Accounts Receivable account? **Answer Y for Yes or N for No**   _____

10. What is the balance of **Sean Denver's** account? $_____

11. How many customers currently have outstanding account balances?   _____

MID-PROJECT EVALUATION GRANITE BAY JET SKI II

12. Which customer currently has the largest past-due account (over 30   _____
days)?
    A. Baxter
    B. Grubonski
    C. Jenkins
    D. Nelson
    E. None of the above

13. What was the balance of the **Kawaski USA** account after the $_____
recording of the debit memo?

14. The Wrascal Dancer Jet Craft invoice (**W6438**) should have been   _____
paid on or before which date?
    A. May 22
    B. May 23
    C. May 24
    D. June 2
    E. None of the above

15. On which date is the <u>June 3</u> invoice from **Anderson Supply** due and   _____
payable?
    A. June 13
    B. June 30
    C. July 3
    D. July 13
    E. None of the above

16. How much was saved by paying invoice **K4661** from **Kawaski USA** $_____
on June 16?

17. What is the current balance of the Accounts Payable account? $_____

18. How many of the current vendor accounts are overdue?   _____

19. How many inventory items are At or Below the Reorder point?   _____

MID-PROJECT EVALUATION GRANITE BAY JET SKI II

20. Should a purchase order be issued for inventory item **KW001?** _____
Answer Y for Yes or N for No.

21. How many units of inventory item **AS888** have been sold since June _____
3?

22. What is the vendor number of the vendor who sold inventory item _____
A1100 to Granite Bay Jet Ski?

23. What is the FIFO value of inventory item **A1100**? $_____

24. How many **KW003** units were sold on June 06? _____

25. What document is issued to a <u>credit customer</u> for returned _____
merchandise?
    A. Debit Memorandum
    B. Credit Memorandum
    C. Invoice
    D. Check
    E. None of the above