

# Recording Sales of Merchandise Worksheet

Name: \_\_\_\_\_ Date: \_\_\_\_\_

1. When are sales revenue recorded?
  
  
  
  
  
2. Discuss/demonstrate the journal entry needed when there is a sale of merchandise with the Perpetual Inventory system.
  
  
  
  
  
  
  
  
  
  
3. Discuss/demonstrate the journal entry needed when there is a sale of merchandise with the Periodic Inventory system.
  
  
  
  
  
  
  
  
  
  
4. How are sales taxes handled by the merchandising company?
  
  
  
  
  
  
  
  
  
  
5. In the perpetual system, how are freight costs handled and journalized by the seller if the terms are:
  - a. FOB Shipping Point?
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  - b. FOB Destination?

6. What type of situation is “*the opposite*” or “*flipside*” of *Purchase Returns and Allowances*?
  
7. In detail, what exactly is a *Sales Return and Allowance*?
  
8. In the Perpetual system, what is the contra account used with Sales Returns and Allowances called? Why is this contra account used by management?
  
9. What type of transaction is “the opposite” of a *Purchase Discount*?
  
10. In the Perpetual System, what is the contra account used with Sales Discounts? Why is it used by management?
  
11. Recreate the *Summary of Sales Transactions* diagram from page 211 into this note.