*Record purchase transactions*. Buyer

**BE6.1 (**[**LO 1**](https://jigsaw.vitalsource.com/books/9781119591344/epub/OPS/c06.xhtml?favre=brett#c06-feafxd-0004)**), AP**

Brandon purchased merchandise on account on April 5 for $5,100.

On April 7, Brandon paid $50 of freight charges for the goods purchased on April 5.

On April 8, Brandon returned goods purchased on April 5 for $100. Use a tabular summary to record these transactions.

*Record sales transactions using a perpetual inventory system*. **Seller**

**BE6.4 (**[**LO 2**](https://jigsaw.vitalsource.com/books/9781119591344/epub/OPS/c06.xhtml?favre=brett#c06-feafxd-0007)**), AP** Use a tabular summary to record the following transactions for Borst Company using a perpetual inventory system.

1. On March 2, Borst Company sold $800,000 of merchandise to McLeena Company on account. The cost of the merchandise sold was $540,000.
2. On March 6, McLeena Company returned $140,000 of the merchandise purchased on March 2. The cost of the merchandise returned was $94,000.
3. On March 12, Borst Company received the balance due from McLeena Company.

**E6.3 (**[**LO 1**](https://jigsaw.vitalsource.com/books/9781119591344/epub/OPS/c06.xhtml?favre=brett#c06-feafxd-0004)**), AP**  - **Buyer**

On June 10, Pais Company purchased $9,000 of merchandise from McGiver Company, on account, terms 3/10, n/30.

Pais pays the freight costs of $400 on June 11.

Goods totaling $600 are returned to McGiver for credit on June 12.

On June 19, Pais Company pays McGiver Company in full, less the purchase discount.

Both companies use a perpetual inventory system.

**Instructions**

Use a tabular summary to record transaction on the books of Pais Company.

*Record* ***purchase and sales*** *transactions using a perpetual inventory system*.

**P6.1 (**[**LO 1**](https://jigsaw.vitalsource.com/books/9781119591344/epub/OPS/c06.xhtml?favre=brett#c06-feafxd-0004)**,**[**2**](https://jigsaw.vitalsource.com/books/9781119591344/epub/OPS/c06.xhtml?favre=brett#c06-feafxd-0007)**), AP** Powell Warehouse distributes hardback books to retail stores and extends credit to all of its customers. During the month of June, the following merchandising transactions occurred.

|  |  |  |
| --- | --- | --- |
| June | 1 | Purchased books on account for $1,040 from Catlin Publishers. |
|  | 3 | Sold books on account to Garfunkel Bookstore for $1,200. The cost of the merchandise sold was $720. |
|  | 6 | Received $40 credit for books returned to Catlin Publishers. |
|  | 9 | Paid Catlin Publishers in full. |
|  | 15 | Received payment in full from Garfunkel Bookstore. |
|  | 17 | Sold books on account to Bell Tower for $1,200. The cost of the merchandise sold was $730. |
|  | 20 | Purchased books on account for $720 from Priceless Book Publishers. |
|  | 24 | Received payment in full from Bell Tower. |
|  | 26 | Paid Priceless Book Publishers in full. |
|  | 28 | Sold books on account to General Bookstore for $1,300. The cost of the merchandise sold was $780. |
|  | 30 | Granted General Bookstore $130 credit for books returned costing $80. |

**Instructions**

Prepare a tabular summary to record the transactions for the month of June for Powell Warehouse using a perpetual inventory system.

**If we have time:**

**E6.7 (**[**LO 3**](https://jigsaw.vitalsource.com/books/9781119591344/epub/OPS/c06.xhtml?favre=brett#c06-feafxd-0009)**), AP** In its income statement for the year ended December 31, 2022, Darren Company reported the following condensed data.

|  |  |  |  |
| --- | --- | --- | --- |
| Salaries and wages expense | $465,000 | Loss on disposal of plant assets | $ 83,500 |
| Cost of goods sold | 987,000 | Sales revenue | 2,210,000 |
| Interest expense | 71,000 | Income tax expense | 25,000 |
| Interest revenue | 65,000 | Sales discounts | 160,000 |
| Depreciation expense | 310,000 | Utilities expense | 110,000 |

**Instructions**

Prepare a multiple-step income statement.