

Lighting Fitness

Equipment

800 Coco Drive, Coconut Grove, FL 33133

NARRATIVE OF TRANSACTIONS

Record the following transactions in the appropriate journals.

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| <p>Apr. 1 Purchased merchandise on account from A+ Flex Fitness Center, \$18,260.00. Terms are n/30.</p> <p>1 Sold merchandise on account, Invoice No. 301, to Miami Connections, \$5,850.00. The Cost of Merchandise Sold is \$3,744.00.</p> <p><i>Credit terms for all sales on account are 2/10, n/30. Lighting Fitness Equipment uses a perpetual inventory system and therefore records the cost of merchandise sold as well as the sale.</i></p> <p>1 Issued Check No. 2201 for \$14,268.80 to A+ Flex Fitness Center in payment of its invoice of March 27 for \$14,560.00, less a 2% discount.</p> <p>2 Received a check for \$14,406.00 from Extreme Fitness Club in payment of our invoice of March 27 for \$14,700.00, less discount.</p> <p>2 Issued Check No. 2202 for \$6,720.00 to Harvey Insurance Company as a prepayment of insurance for a 12-month policy.</p> <p>3 Issued Check No. 2203 for \$46,480.00 to Fitness Network in payment of its invoice of March 27 (no discount).</p> <p>3 Sold merchandise on account, Invoice No. 302, to Day & Night Fitness Centers for \$12,162.50. The Cost of Merchandise Sold is \$7,784.00.</p> <p>3 Received a check from Ana's Gym in the Grove for \$12,348.00 in payment of our invoice of March 27 for \$12,600.00, less discount.</p> | <p>Apr. 4 Issued Check No. 2204 for \$14,000.00 to Iker Enterprises in payment of its invoice of March 28 (no discount).</p> <p>4 Received a check for \$6,174.00 from SF Gyms in payment of our invoice of March 28 for \$6,300.00, less discount.</p> <p>5 Sold merchandise on account, Invoice No. 303, to Ultra Fitness Boxing Gym \$30,109.50. The Cost of Merchandise Sold is \$19,270.08</p> <p>5 Purchased merchandise on account from Sports A-Z Depot, \$51,650.00. Terms are n/30. F.O.B. Shipping Point.</p> <p>6 Cash sales for April 1-6 were \$26,600.00. The Cost of Merchandise Sold is \$17,024.00.</p> <p>Reminder: Record the following separate deposits in the checkbook register: the \$26,600.00 of cash sales and the total of the checks received as payments on account this week.</p> <p>8 Received a check for \$8,232.00 from Ultra Fitness Boxing Gym in payment of our invoice of March 29 for \$8,400.00, less discount.</p> <p>8 Purchased merchandise on account from Fit & Health Products, \$5,360.00, terms 2/10, n/30.</p> <p>8 Sold merchandise on account, Invoice No. 304, to SF Gyms, \$24,462.50. The Cost of Merchandise Sold is \$15,656.00.</p> |
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- Apr. 8** Received a check for \$10,976.00 from Miami Beach Fitness Club in payment of our invoice of March 30 for \$11,200.00, less discount.
- 9** Purchased the following on account from Fitness Network: display (charge to Store Supplies), \$2,100.00; merchandise, \$9,600.00. Total: \$11,700.00. Terms are n/30.
- 9** Issued Credit Memorandum No. 107 to SF Gyms for merchandise returned on Invoice No. 304 of April 8, \$937.50. The Cost of Merchandise Sold is \$600.00.
- 10** Issued Check No. 2205 for \$175.00 to Jordi Puyol for customer entertainment (charge to Miscellaneous Selling Expense).
- 10** Sold merchandise on account, Invoice No. 305, to Gables Gym, \$15,237.50. The Cost of Merchandise Sold is \$9,752.00.
- 11** Received Credit Memorandum No. 432 from Fit & Health Products for merchandise returned, \$840.00.
- 11** Received a check for \$300.00 from SupplyMax Supply for return of store supplies that were originally purchased for cash.
- 11** Received a check for \$5,733.00 from Miami Connections in payment of Invoice No. 301 for \$5,850.00, less discount.
- 12** Received a check for \$11,919.25 from Day & Night Fitness Centers in payment of Invoice No. 302 for \$12,162.50, less discount.
- 13** Issued Check No. 2206 for \$13,000.00 to Payroll for biweekly salaries: sales salaries, \$8,000.00; office salaries, \$5,000.00.
- 13** Cash sales for April 8–13 were \$36,120.00. The Cost of Merchandise Sold is \$23,116.80.
- Reminder:** Record the following separate deposits in the checkbook register: the \$36,120.00 of cash sales and the total of the checks received as payments on account this week.
- Apr. 15** Received a check for \$29,507.31 from Ultra Fitness Boxing Gym in payment of Invoice No. 303 for \$30,109.50, less discount.
- 16** Purchased the following items on account from A+ Flex Fitness Center: merchandise inventory, \$9,180.00; miscellaneous selling expense (display cases), \$575.00; store supplies (promotion pack), \$250.00. Total: \$10,005.00. Terms are n/30.
- 16** Sold merchandise on account, Invoice No. 306, to Miami Connections, \$6,117.50. The Cost of Merchandise Sold is \$3,915.20.
- 17** Issued Check No. 2207 for \$4,200.00 to Jordi Puyol for personal use.
- 17** Issued Check No. 2208 for \$441.00 to *U.S. Health & Fitness Magazine* for an advertisement.
- 17** Purchased merchandise on account from Sports A-Z Depot, \$17,800.00. Terms are n/30. F.O.B. Shipping Point.
- 18** Issued Check No. 2209 for \$4,429.60 to Fit & Health Products in payment of the net amount of its invoice of April 6 for \$5,360.00, less the return of April 11 for \$840.00, less discount.
- 18** Issued Check No. 2210 for \$53,200.00 to Lucas Distributors in payment of its invoice of March 21, no discount.
- 18** Issued Check No. 2211 for \$185.00 to *Sunshine Gazette* for an advertisement in the April 15 edition.
- 18** Received a check for \$23,054.50 from SF Gyms in payment of Invoice No. 304 for \$24,462.50, less the return of April 9 for \$937.50, less discount.

- Apr. 19 Issued Credit Memorandum No. 108 to Miami Connections for merchandise re-turned on our April 16 invoice, \$600.00. The Cost of Merchandise Sold is \$384.00.
- 19 Received a check for \$14,932.75 from Gables Gym in payment of Invoice No. 305 for \$15,237.50, less discount.
- 20 Issued Check No. 2212 for \$231.00 to Jordi Puyol for customer entertainment (charge to Miscellaneous Selling Expense).
- 20 Purchased the following on account from Fitness Network: merchandise, \$5,280.00; store supplies, \$250.00. Total, \$5,530.00; terms are 2/10, n/30.
- 20 Cash sales for April 15–20 were \$27,020.00. The Cost of Merchandise Sold is \$17,292.80.
- Reminder:** Record the following separate deposits in the checkbook register: the \$27,020.00 of cash sales and the total of the checks received as payments on account this week.
- 22 Purchased merchandise on account from Iker Enterprises, \$3,400.00. Terms are n/30.
- 22 Purchased merchandise on account from Fitness Network, \$10,800.00. Terms are 2/10, n/30.
- 23 Sold merchandise on account, Invoice No. 307, to Day & Night Fitness Centers for \$16,156.25. The Cost of Merchandise Sold is \$10,340.00.
- 24 Purchased merchandise on account from Sports A-Z Depot, \$2,400.00. Terms are n/30.
- 24 Issued Check No. 2213 for \$287.00 to Miami Cleaning Services for cleaning supplies (charge to Miscellaneous Administrative Expense).
- 25 Received Credit Memorandum No. 114 from Iker Enterprises for merchandise returned, \$400.00.
- Apr. 25 Sold merchandise on account, Invoice No. 308, to Ana's Gym in the Grove, \$9,262.50. The Cost of Merchandise Sold is \$5,928.00.
- 26 Issued Check No. 2214 for \$13,000.00 to Payroll for biweekly salaries: sales salaries, \$8,000.00; office salaries, \$5,000.00.
- 26 Sold merchandise on account, Invoice No. 309, to Extreme Fitness Club, \$4,125.00. The Cost of Merchandise Sold is \$2,640.00.
- 27 Issued Check No. 2215 to Miami Water Supply Department for \$340.00 in payment of the water bill for the month (charge to Miscellaneous Administrative Expense).
- 27 Issued Check No. 2216 for \$5,419.40 to Fitness Network in payment of its invoice received April 20, less discount.
- 27 Issued Check No. 2217 for \$2,500.00 to Jordi Puyol for personal use.
- 29 Issued Check No. 2218 to Florida Telephone for \$612.00 in payment of the telephone bill for the month (charge \$204.00 to Miscellaneous Administrative Expense and \$408.00 to Miscellaneous Selling Expense).
- 29 Issued Check No. 2219 to MIA Gas & Electric for \$360.00 in payment of the gas and electric bill for the month (charge to Miscellaneous Administrative Expense).
- 30 Issued Check No. 2220 for \$700.00 to South Miami Bank in payment of interest on a note payable for April.
- 30 Received a check for \$3,060.00 from Blue Water Enterprises in payment of a \$3,000.00 note receivable plus \$60.00 interest earned.
- 30 Cash sales for April 22–30 were \$28,280.00. The Cost of Merchandise Sold is \$18,099.20.

Reminder: Record the following separate deposits in the checkbook register: the \$28,280.00 of cash sales

and the total of the checks received as payments on account this week.

Note: After all the transactions are recorded in the appropriate journals, continue with the instructions on page 2 of Booklet 1.