

Name:

I-05.04

Date:

Section:

GENERAL JOURNAL					Page
Date	Accounts	Debit	Credit		
T#1					
	<i>Periodic -- recording of purchase (assuming gross method)</i>				
	vs.				
	<i>Periodic -- recording of purchase (assuming net method)</i>				
	vs.				
	<i>Perpetual -- recording of purchase (assuming gross method)</i>				
	vs.				
	<i>Perpetual -- recording of purchase (assuming net method)</i>				

Name:

I-05.04

Date:

Section:

GENERAL JOURNAL					Page
Date	Accounts	Debit	Credit		
T#2					
	<i>Periodic -- recording of payment (assuming gross method)</i>				
	vs.				
	<i>Periodic -- recording of payment (assuming net method)</i>				
	vs.				
	<i>Perpetual -- recording of payment (assuming gross method)</i>				
	vs.				
	<i>Perpetual -- recording of payment (assuming net method)</i>				

Name:

I-05.04

Date:

Section:

GENERAL JOURNAL					Page
Date	Accounts	Debit	Credit		
T#3					
	<i>Periodic -- recording of sale (assuming gross method)</i>				
	vs.				
	<i>Periodic -- recording of sale (assuming net method)</i>				
	vs.				
	<u>and</u>				
	<i>Perpetual -- recording of sale (assuming gross method)</i>				
	vs.				
	<u>and</u>				
	<i>Perpetual -- recording of sale (assuming net method)</i>				

Name:

I-05.04

Date:

Section:

- (b) With the perpetual system, the general ledger tracks the cost of goods sold on an ongoing basis. The account contains _____.

Further, the Inventory account contains _____ .

With the gross periodic system, the calculation of cost of goods sold would be as follows:

Beginning inventory
Plus: Net purchases
Cost of goods available for sale
Less: Ending inventory *
Cost of goods sold

With the net periodic system, the calculation of cost of goods sold would be as follows:

Beginning inventory
Plus: Purchases
Cost of goods available for sale
Less: Ending inventory *
Cost of goods sold

- * Ending inventory would be determined by a physical count (this presentation assumes it would "match" amounts found in the perpetual system ledger).