

Sonjay Motors recently purchased a new sign to be erected in front of its dealership. The sign company that produced the sign had a standard price for this item at \$25,000, but Sonjay was able to negotiate a 20% discount from standard. In addition, the sign company paid \$1,200 of freight costs to deliver the sign to Sonjay. Sonjay hired an electrician for \$1,300 to wire the new sign's lighting. In addition, Sonjay rented a crane for \$800 and paid an installation crew \$1,600 to erect the sign.

The city required Sonjay to pay a one-time sign inspection fee of \$500. Furthermore, Sonjay had to obtain an annual permit at a cost of \$50 for the first year. During installation, the crew accidentally damaged an adjoining neighbor's landscaping, and Sonjay paid \$750 to clean and repair those problems.

Determine the correct cost allocation to the sign, and prepare a journal entry to reflect the total expenditures related to this acquisition.