

Shirley Williams Apparel Store purchases clothing merchandise on account from various vendors. Below is an invoice from Terra Wear.

TERRA WEAR ACTION SPORT CLOTHING HIGH POINT, CO			
BILL TO: SHIRLEY WILLIAMS APPAREL STORE		INVOICE #3778	
DENVER SPORTS CENTER, #1234 DENVER, CO			
DELIVERY DATE	INVOICE DATE	F.O.B. POINT	TERMS
MAY 5, 20X1	MAY 5, 20X1	DENVER	1/10,N/30
QTY.	DESCRIPTION	UNIT PRICE	TOTAL
70	WORK OUT WONDER SPORT COLLECTION	\$125	\$8,750
30	SUN FUN - FUN WEAR	35	\$1,050
10	FALL COLOR COLLECTION	60	\$600
THANK YOU FOR YOUR BUSINESS!			TOTAL \$10,400

- (a) Prepare Shirley's journal entries for each of the following transactions, assuming use of a periodic inventory system and the "gross method" of recording:

To record the invoice on May 5.

To record the return of the Fall Color collection on May 7.

To record the payment of the balance due if payment occurred on May 10.

To record the payment of the balance due if payment occurred on May 20.

- (b) Repeat requirement (a) assuming Shirley uses the periodic inventory system and the "net method" of recording.