(a)

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

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

GENERAL JOURNAL				
Date	**Accounts**		**Debit**	**Credit**
T#3				
	Periodic -- recording of sale (assuming gross method)			
	vs.			
	Periodic -- recording of sale (assuming net method)			
	vs.			
	and			
	Perpetual -- recording of sale (assuming gross method)			
	vs.			
	and			
	Perpetual -- recording of sale (assuming net method)			

(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).