



Sid Breman Art Gallery operates a retail store in Florida. All art displayed in the gallery is available for purchase. Much of the art is owned by the gallery. However, there are also works on display that belong to other artists. When the consigned art is sold, Sid remits 75% of the proceeds to the creator and retains a 25% commission. Art belonging to the gallery is marked to sell at 200% of cost.

SPREADSHEET Following is a complete list of art on display in the gallery, along with the retail selling price.

TOOL:

Check boxes

NAME	SELLING PRICE	OWNERSHIP
See Shining Sea	\$ 2,500	Gallery
Mermaids	1,800	Artist
Big Fish	910	Gallery
Shells At Dawn	3,000	Gallery
Sand Forever	1,090	Gallery
Development!	4,200	Artist
Taking a Chance	20,000	Gallery
Tides and Moons	500	Gallery
Mystery Sea	1,200	Gallery
On the Beach	1,650	Artist
Too Much Sun	4,775	Artist
Spring Break	5,000	Artist
Inland	7,880	Gallery
Alligators Return	19,720	Artist
Frost and Farm	14,300	Gallery

- Identify if Sid Breman Art Gallery is the consignor or the consignee. Should the consigned inventory be reported on the balance sheet of the gallery? What special accounting/control challenges are presented by the existence of consigned inventory?
- Determine the correct inventory valuation to be reported by the gallery.
- Prepare a compound journal entry to reflect the sale of a consigned art item for \$1,000 cash. Assume Sid reports only the commission as a revenue, and reflects the amount due to the artist as a payable.