QuickBooks Guide

Step-by-Step Instructions

Problem 25-8 **Calculating Cost of Merchandise Sold and Gross Profit on Sales**

INSTRUCTIONS

Begin a Session

Step 1   Restore the Problem 25-8.QBB file.

Work the Accounting Problem

Step 2   Review the information in your textbook. Remember to use 2015 as the accounting year.

Step 3   Record the merchandise purchases transactions using the **Enter Bills** window.
IMPORTANT: The invoices are shown below. Be sure to complete the *Item, Quantity,* and *Cost* fields on the Items tab in the **Enter Bills** option.

Delta Press
440 Dodger Drive
Brooklyn, NY 10112

INVOICE NO. DP1033
DATE: *May 2, 20--*
ORDER NO.:
SHIPPED BY: *Rizzo's Trucking*
TERMS: *net 30*

TO *Buzz Newsstand*
Union Terminal Bldg., #101
Tacoma, WA 98402

QTY.	ITEM	UNIT PRICE	TOTAL
10	#4931 Cameras	$8.45	$84.50

Delta Press
440 Dodger Drive
Brooklyn, NY 10112

INVOICE NO. DP1052
DATE: *May 14, 20--*
ORDER NO.:
SHIPPED BY: *Rizzo's Trucking*
TERMS: *net 30*

TO *Buzz Newsstand*
Union Terminal Bldg., #101
Tacoma, WA 98402

QTY.	ITEM	UNIT PRICE	TOTAL
5	#9265 Cameras	$8.25	$41.25

Delta Press
440 Dodger Drive
Brooklyn, NY 10112

INVOICE NO. DP1041
DATE: *May 4, 20--*
ORDER NO.:
SHIPPED BY: *Rizzo's Trucking*
TERMS: *net 30*

TO *Buzz Newsstand*
Union Terminal Bldg., #101
Tacoma, WA 98402

QTY.	ITEM	UNIT PRICE	TOTAL
5	#4850 Cameras	$7.80	$39.00

Delta Press
440 Dodger Drive
Brooklyn, NY 10112

INVOICE NO. DP1058
DATE: *May 17, 20--*
ORDER NO.:
SHIPPED BY: *Rizzo's Trucking*
TERMS: *net 30*

TO *Buzz Newsstand*
Union Terminal Bldg., #101
Tacoma, WA 98402

QTY.	ITEM	UNIT PRICE	TOTAL
8	#4931 Cameras	$8.60	$68.80

American Trend Publishers
766 Goldrush Way
Denver, CO 80207

INVOICE NO. ATP317

DATE: *May 9, 20--*
ORDER NO.:
SHIPPED BY: *Wolfe Trucking*
TERMS: *2/10, n/30*

TO　*Buzz Newsstand*
Union Terminal Bldg., #101
Tacoma, WA 98402

QTY.	ITEM	UNIT PRICE	TOTAL
6	#3845 Cameras	$9.95	$59.70

American Trend Publishers
766 Goldrush Way
Denver, CO 80207

INVOICE NO. ATP324

DATE: *May 19, 20--*
ORDER NO.:
SHIPPED BY: *Wolfe Trucking*
TERMS: *2/10, n/30*

TO　*Buzz Newsstand*
Union Terminal Bldg., #101
Tacoma, WA 98402

QTY.	ITEM	UNIT PRICE	TOTAL
4	#3845 Cameras	$10.10	$40.40

WOLFE TRUCKING
515 Main Street
Denver, CO 80208

INVOICE NO. WT50557

DATE: *May 9, 20--*
ORDER NO.:
SHIPPED BY:
TERMS: *Due upon receipt*

TO　*Buzz Newsstand*
Union Terminal Bldg., #101
Tacoma, WA 98402

DATE	SERVICE	AMOUNT
5/9	Delivered Cameras	$4.00

WOLFE TRUCKING
515 Main Street
Denver, CO 80208

INVOICE NO. WT50603

DATE: *May 19, 20--*
ORDER NO.:
SHIPPED BY:
TERMS: *Due upon receipt*

TO　*Buzz Newsstand*
Union Terminal Bldg., #101
Tacoma, WA 98402

DATE	SERVICE	AMOUNT
5/19	Delivered Cameras	$5.00

Delta Press
440 Dodger Drive
Brooklyn, NY 10112

INVOICE NO. DP1067

DATE: *May 27, 20--*
ORDER NO.:
SHIPPED BY: *Rizzo's Trucking*
TERMS: *net 30*

TO　*Buzz Newsstand*
Union Terminal Bldg., #101
Tacoma, WA 98402

QTY.	ITEM	UNIT PRICE	TOTAL
8	#9265 Cameras	$8.30	$66.40

Delta Press
440 Dodger Drive
Brooklyn, NY 10112

INVOICE NO. DP1071

DATE: *May 29, 20--*
ORDER NO.:
SHIPPED BY: *Rizzo's Trucking*
TERMS: *net 30*

TO　*Buzz Newsstand*
Union Terminal Bldg., #101
Tacoma, WA 98402

QTY.	ITEM	UNIT PRICE	TOTAL
4	#4931 Cameras	$8.85	$35.40

Step 4   Record the transportation charges using the **Write Checks** option. All of the transportation charges are paid by check to Wolfe Trucking. The May 9 payment is made with Check No. 123, and the May 19 payment is made with Check No. 124.

Step 5   Record the camera sales using the **Enter Sales Receipts** option.

To record the camera sales:

- Determine the number of cameras sold.
- Choose **Enter Sales Receipts** from the *Customers* menu.
- Move to the *Date* field and type **05/31/2015.**
- Press **Tab** and type **T290** in the *SALE NO.* field.
- Move to the Item column.
- Click the down arrow and select the item to be sold.
- Move to the Quantity column and type the quantity sold.
- Do the same for each item.
- Verify the total receipt amount of $857.37, and click **Save & Close.**

Prepare a Report and Proof Your Work

Step 6   Print a Journal report to proof your work.
Step 7   Print an Inventory Valuation Detail report.
Step 8   Print a Profit & Loss report.

Analyze Your Work

Step 9   Complete the Analyze activity.

End the Session

Step 10   It is recommended that you back up your work for this session.

How do you adjust your inventory value for damaged inventory? Explain your answer on a separate sheet of paper.

Mastering QuickBooks

FAQs

Can you change the inventory valuation method for an inventory item?

No, QuickBooks only operates using the average daily cost method of inventory valuation. You cannot change to FIFO or LIFO methods of inventory valuation.

QuickBooks Guide