

# 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.

<b>Delta Press</b> 440 Dodger Drive Brooklyn, NY 10112		<b>INVOICE NO. DP1033</b> DATE: <i>May 2, 20--</i> ORDER NO.: SHIPPED BY: <i>Rizzo's Trucking</i> TERMS: <i>net 30</i>	
TO	<div> <div>Buzz Newsstand</div> <div>Union Terminal Bldg., #101</div> <div>Tacoma, WA 98402</div> </div>		
QTY.	ITEM	UNIT PRICE	TOTAL
10	#4931 Cameras	\$8.45	\$84.50


<b>Delta Press</b> 440 Dodger Drive Brooklyn, NY 10112		<b>INVOICE NO. DP1052</b> DATE: <i>May 14, 20--</i> ORDER NO.: SHIPPED BY: <i>Rizzo's Trucking</i> TERMS: <i>net 30</i>	
TO	<div> <div>Buzz Newsstand</div> <div>Union Terminal Bldg., #101</div> <div>Tacoma, WA 98402</div> </div>		
QTY.	ITEM	UNIT PRICE	TOTAL
5	#9265 Cameras	\$8.25	\$41.25


<b>Delta Press</b> 440 Dodger Drive Brooklyn, NY 10112		<b>INVOICE NO. DP1041</b> DATE: <i>May 4, 20--</i> ORDER NO.: SHIPPED BY: <i>Rizzo's Trucking</i> TERMS: <i>net 30</i>	
TO	<div> <div>Buzz Newsstand</div> <div>Union Terminal Bldg., #101</div> <div>Tacoma, WA 98402</div> </div>		
QTY.	ITEM	UNIT PRICE	TOTAL
5	#4850 Cameras	\$7.80	\$39.00

<b>Delta Press</b> 440 Dodger Drive Brooklyn, NY 10112		<b>INVOICE NO. DP1058</b> DATE: <i>May 17, 20--</i> ORDER NO.: SHIPPED BY: <i>Rizzo's Trucking</i> TERMS: <i>net 30</i>	
TO	<div> <div>Buzz Newsstand</div> <div>Union Terminal Bldg., #101</div> <div>Tacoma, WA 98402</div> </div>		
QTY.	ITEM	UNIT PRICE	TOTAL
8	#4931 Cameras	\$8.60	\$68.80

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Name	Date	Class
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 <b>American Trend Publishers</b> 766 Goldrush Way Denver, CO 80207	<b>INVOICE NO. ATP317</b> DATE: <i>May 9, 20--</i> ORDER NO.: SHIPPED BY: <i>Wolfe Trucking</i> TERMS: <i>2/10, n/30</i>		
TO <b>Buzz Newsstand</b> <b>Union Terminal Bldg., #101</b> <b>Tacoma, WA 98402</b>			
QTY.	ITEM	UNIT PRICE	TOTAL
6	#3845 Cameras	\$9.95	\$59.70

 <b>American Trend Publishers</b> 766 Goldrush Way Denver, CO 80207	<b>INVOICE NO. ATP324</b> DATE: <i>May 19, 20--</i> ORDER NO.: SHIPPED BY: <i>Wolfe Trucking</i> TERMS: <i>2/10, n/30</i>		
TO <b>Buzz Newsstand</b> <b>Union Terminal Bldg., #101</b> <b>Tacoma, WA 98402</b>			
QTY.	ITEM	UNIT PRICE	TOTAL
4	#3845 Cameras	\$10.10	\$40.40

<b><i>WOLFE TRUCKING</i></b> 515 Main Street Denver, CO 80208	<b>INVOICE NO. WT50557</b> DATE: <i>May 9, 20--</i> ORDER NO.: SHIPPED BY: TERMS: <i>Due upon receipt</i>	
TO <b>Buzz Newsstand</b> <b>Union Terminal Bldg., #101</b> <b>Tacoma, WA 98402</b>		
DATE	SERVICE	AMOUNT
5/9	Delivered Cameras	\$4.00

<b><i>WOLFE TRUCKING</i></b> 515 Main Street Denver, CO 80208	<b>INVOICE NO. WT50603</b> DATE: <i>May 19, 20--</i> ORDER NO.: SHIPPED BY: TERMS: <i>Due upon receipt</i>	
TO <b>Buzz Newsstand</b> <b>Union Terminal Bldg., #101</b> <b>Tacoma, WA 98402</b>		
DATE	SERVICE	AMOUNT
5/19	Delivered Cameras	\$5.00

 <b>Delta Press</b> 440 Dodger Drive Brooklyn, NY 10112	<b>INVOICE NO. DP1067</b> DATE: <i>May 27, 20--</i> ORDER NO.: SHIPPED BY: <i>Rizzo's Trucking</i> TERMS: <i>net 30</i>		
TO <b>Buzz Newsstand</b> <b>Union Terminal Bldg., #101</b> <b>Tacoma, WA 98402</b>			
QTY.	ITEM	UNIT PRICE	TOTAL
8	#9265 Cameras	\$8.30	\$66.40

 <b>Delta Press</b> 440 Dodger Drive Brooklyn, NY 10112	<b>INVOICE NO. DP1071</b> DATE: <i>May 29, 20--</i> ORDER NO.: SHIPPED BY: <i>Rizzo's Trucking</i> TERMS: <i>net 30</i>		
TO <b>Buzz Newsstand</b> <b>Union Terminal Bldg., #101</b> <b>Tacoma, WA 98402</b>			
QTY.	ITEM	UNIT PRICE	TOTAL
4	#4931 Cameras	\$8.85	\$35.40

Name	Date	Class
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**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.



## 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.