Quik Runners is a distributor of high performance runners to various retailers. All sales on account have terms, 2/20, n30. The balance in Accounts Receivable as at June 30th was $11,970 and Merchandise Inventory had a balance of $28,500. Below is the schedule of accounts receivable as at June 30, 2012 and transactions for the month of July 2012.

|  |  |
| --- | --- |
| **Quik Runners**  **Schedule of Accounts Receivable**  **June 30, 2012** | |
| Alpha Shoes | $ 2,500 |
| BattaWholesalers | 1,420 |
| Master Performance Company | 3,200 |
| Peak Runners | 4,850 |
| Total | $11,970 |

July 3 Sold merchandise costing $1,320 to Batta Wholesalers for $3,300, invoice 411

July 5 Paid freight charges of $50 on the shipment of merchandise to Batta Wholesalers by issuing cheque number 205

July 6 Batta Wholesalers returned $825 of merchandise purchased on July 3rd as the shoes were the incorrect style

July 7 Issue cheque number 206 for $125 to Anderson Trucking for merchandise purchased from Mega Shoes Suppliers on June 28th

July 8 Sold merchandise costing $500 to Athletics Store on account for $1,100, invoice 412

July 10 Sold merchandise costing $375 to Shoes Galore for $800 cash, invoice 413

July 12 Sold $1,500 of merchandise on credit to Peak Runners for $2,500, invoice 414.

July 13 Receive $1,000 on account from Alpha Shoes. It is past the discount period.

July 16 Sold $1,200 of merchandise to Master Performance Company for $2,800 on account, invoice 415.

July 21 Received payment from Athletics Store for the July 8th transaction

July 22 Purchased 100 pair of Nike shoes from Mega Shoes Suppliers for $1,200, terms 2/10, n30, FOB shipping point

July 25 Purchased office supplies of $250 on account from Staples, terms n30

July 26 Peak Runners returned 50% of their order of July 12th as the sizes were incorrect

July 30 Sold merchandise costing $800 to Athletics Store for $1,700 on account, invoice 416

**Required:**

1. Post the transactions that should be posted to the Sales Journal for the month of July and foot and crossfoot the journal.

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| --- | --- | --- | --- | --- | --- |
| **Date** | **Account Debited** | **Invoice No.** | **PR** | **Accounts Receivable Dr.**  **Sales Cr** | **Cost of Goods Sold Dr.**  **Merchandise Inventory Cr.** |
| 2012  July. 8 | Athletics Store | 412 |  | 1,100 | 500 |
| 12 | Peak Runners | 414 |  | 2,500 | 1,500 |
| 16 | Master Performance | 415 |  | 2,800 | 1,200 |
| 30 | Athletics Store | 416 |  | 1,700 | 800 |
| 31 | Totals |  |  | 8,100 | 4,000 |
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1. Prepare a Schedule of Accounts Receivable as at July 31, 2012.

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| --- | --- |
| **Quik Runners**  **Schedule of Accounts Receivable**  **July 31, 2012** | |
| Alpha Shoes | $ 1,500 |
| Athletics Store | 1,700 |
| BattaWholesalers | 1,420 |
| Master Performance Company | 6,000 |
| Peak Runners | 1,250 |
| Total | $11,870 |
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1. Calculate the balance in the Merchandise Inventory account as at July 31, 2012. **Show all calculations.**

Merchandise Inventory had a balance of $28,500