

Assign 7 – TEMPLATE

Problem 10-3A (45 minutes)

	<i>Ferris,</i>	<i>Scotia</i>	<i>National</i>
	<i>Inc.</i>	<i>Bank</i>	<i>Bank</i>
Maturity dates:			
Date of the note.....	16 th April	30 th June	28 th February
Term of the note.....	31 st May	31 st July	31 st March
Maturity date	13 th June	19 th August	14 th April

Alternative method

Ferries incorporation

Maturity date: 13th June 2023

Month	Days	Cumulative days
April 2023 (30-14)	16	16
May 2023	31	47 (16+31)
June 2023	13	60 (47+13)

Scotia bank

Maturity date: 19th August 2023

Month	Days	Cumulative days
May 2023 (31-21)	10	10
June 2023	30	40 (10+30)
July 2023	31	71 (40+31)
August 2023	19	90 (71+19)

National bank

Maturity date: 14th April 2024

Month	Days	Cumulative days
December 2023	16	16

January 2024	31	47 (16+31)
February 2024	28	75 (47+28)
March 2024	31	106 (75+31)
April 2024	14	120 (106+14)

2.

2023

Mar. 14

Merchandise a/c DR	150000	
To Ferris accounts payable a/c		150000

Apr. 14

Accounts payable a/c DR	150000	
To cash a/c		30000
To Ferris notes payable a/c		120000

May 21

Cash a/c DR	130000	
To Scotia bank note payable a/c		130000

June 13

Ferris Note payable a/c DR	120000	
Interest expense a/c	986.30	
To cash a/c		120986.30

Problem 10-3A (concluded)

Aug. 19

Scotia bank note payable a/c DR	130000	
Interest expense a/c DR	1442.46	
To cash a/c		131442.46

Dec. 15

Cash a/c DR	105000	
To national bank payable		105000

Dec. 31

Interest expense a/c DR	241.64	
To interest payable a/c		241.64

2024

Apr. 14

National bank notes payable a/c DR	105000	
Interest expense a/c DR	241.64	
Interest expense a/c DR	1570.68	
To cash a/c		106812.32

Assignment Help Provider

Problem 10-4A (40 minutes)

1. Warranty expense for November and December 2023:

	<i>Expense</i>
November.....	12600 (2000*18%*35)
December.....	34650 (5500*18%*35)
Total	47250

2. Warranty expense for January 2024:

Sales in January.....	275
Warranty percentage.....	<u>18%</u>
Warranty expense	1750

3. Balance of the estimated liability as of December 31, 2023:

Warranty expense for November	12600
Warranty expense for December.....	47250
Cost of replacing items in December (190 × \$35).....	<u>6650</u>
Liability balance.....	40600

4. Balance of the estimated liability as of January 31, 2024:

Beginning balance.....	40600
Warranty expense for January.....	1750
Cost of replacing items in January (63 × \$35).....	2205
Liability balance.....	40145

5.
2023
Nov. 15

Cash a/c (55*2000)	110000	
To sales a/c		110000

15

Cost of goods sold a/c (35*2000)	70000	
To Merchandise inventory a/c		70000

30

Warranty expense a/c (2000*18%*35)	12600	
To estimated warranty liability a/c		12600

Assignment Help Provider

Problem 10-4A (continued)

Dec. 8

Estimated warranty liability a/c (150*35)	5250	
To merchandise inventory a/c		5250

15

Cash a/c (5500*55)	302500	
To sales a/c		302500

15

Cost of goods sold a/c (5500*35)	192500	
To merchandise inventory a/c		192500

Dec. 29

Estimated warranty liability a/c (40*35)	1400	
To merchandise inventory a/c		1400

Dec. 31

Warranty expense a/c (5500*18%*35)	34650	
To estimated warranty liability a/c		34650

2024

Jan. 14

Cash a/c (275*55)	15125	
To sales		15125

14

Cost of goods sold a/c (275*35)	9625	
To merchandise inventory a/c		9625

20

Estimated warranty liability a/c (63*35)	2205	
To merchandise inventory a/c		2205

31

Warranty expense a/c (275*18%*35)	1750	
To estimated warranty liability a/c		1750

Assignment Help Provider