

Prepare journal entries to record each of the following transactions of a merchandising company. The company uses a perpetual inventory system and the gross method.

- Nov. 5 Purchased 1,200 units of product at a cost of \$10 per unit. Terms of the sale are 4/10, n/60; the invoice is dated November 5.
- Nov. 7 Returned 35 defective units from the November 5 purchase and received full credit.
- Nov. 15 Paid the amount due from the November 5 purchase, less the return on November 7.

✖ Answer is complete but not entirely correct.

No	Date	General Journal	Debit	Credit
1	Nov 05	Merchandise inventory ✓	12,000 ✓	
		Accounts payable ✓		12,000 ✓
2	Nov 07	Accounts payable ✓	350 ✓	
		Merchandise inventory ✓		350 ✓
3	Nov 15	Accounts payable ✓	11,650 ✓	
		Merchandise inventory ✓		233 ✖
		Cash ✓		11,417 ✖