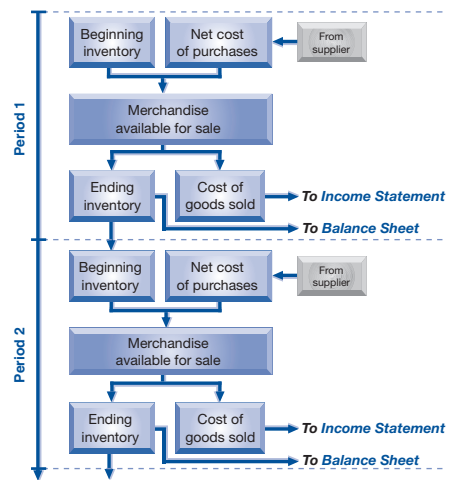


SELECTED TRANSACTIONS AND RELATIONS

① Merchandising Transactions Summary

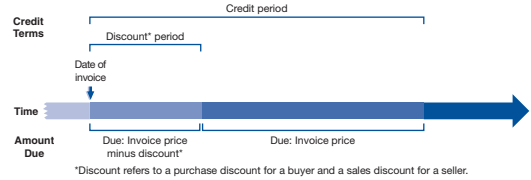
Merchandising Transactions		Merchandising Entries		Dr.	Cr.
Purchases	Purchasing merchandise for resale.	Merchandise Inventory	#		
	Paying freight costs on purchases; FOB shipping point.	Cash or Accounts Payable	#	#	
	Paying within discount period.	Merchandise Inventory	#	#	
		Accounts Payable	#	#	
Sales	Recording purchase returns or allowances.	Cash	#	#	
	Selling merchandise.	Merchandise Inventory	#	#	
		Cash or Accounts Receivable	#	#	
		Sales	#	#	
	Receiving payment within discount period.	Cost of Goods Sold	#	#	
		Merchandise Inventory	#	#	
	Granting sales returns or allowances.	Cash or Accounts Receivable	#	#	
		Sales Discounts	#	#	
		Accounts Receivable	#	#	
		Sales Returns and Allowances	#	#	
Paying freight costs on sales; FOB destination.	Cash or Accounts Receivable	#	#		
	Merchandise Inventory	#	#		
	Cost of Goods Sold	#	#		
	Delivery Expense	#	#		
	Cash	#	#		

② Merchandising Cash Flows

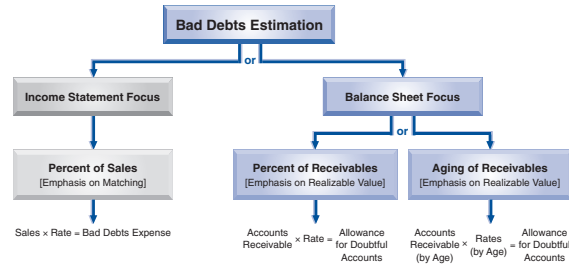


Merchandising Events		Adjusting and Closing Entries		Dr.	Cr.
Adjusting	Adjusting due to shrinkage (occurs when recorded amount larger than physical inventory).	Cost of Goods Sold	#		#
		Merchandise Inventory	#	#	
Closing	Closing temporary accounts with credit balances.	Sales	#		#
	Closing temporary accounts with debit balances.	Income Summary	#	#	
		Sales Returns and Allowances	#	#	
		Sales Discounts	#	#	
		Cost of Goods Sold	#	#	
	Delivery Expense	#	#		
	"Other Expenses"	#	#		

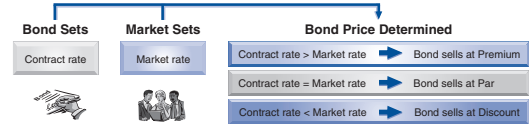
③ Credit Terms and Amounts



④ Bad Debts Estimation



⑤ Bond Valuation



⑥ Stock Transactions Summary

Stock Transactions		Stock Entries		Dr.	Cr.
Issue Common Stock	Issue par value common stock at par (par stock recorded at par).	Cash	#		
	Issue par value common stock at premium (par stock recorded at par).	Common Stock	#	#	
	Issue no-par value common stock (no-par stock recorded at amount received).	Cash	#	#	
	Issue stated value common stock at stated value (stated stock recorded at stated value).	Common stock	#	#	
	Issue stated value common stock at premium (stated stock recorded at stated value).	Cash	#	#	
		Paid-In Capital in Excess of Par Value, Common Stock	#	#	
Issue Preferred Stock	Issue par value preferred stock at par (par stock recorded at par).	Cash	#		
	Issue par value preferred stock at premium (par stock recorded at par).	Preferred Stock	#	#	
		Preferred Stock	#	#	
		Paid-In Capital in Excess of Par Value, Preferred Stock	#	#	
Reacquire Common Stock	Reacquire its own common stock (treasury stock recorded at cost).	Treasury Stock, Common	#		#
	Reissue its treasury stock at cost (treasury stock removed at cost).	Cash	#	#	
		Treasury Stock, Common	#	#	
Reissue Common Stock	Reissue its treasury stock above cost (treasury stock removed at cost).	Cash	#	#	
		Treasury Stock, Common	#	#	
	Reissue its treasury stock below cost (treasury stock removed at cost; if paid-in capital is insufficient to cover amount below cost, retained earnings is debited for remainder).	Cash	#	#	
		Paid-In Capital, Treasury	#	#	
		Paid-In Capital, Treasury	#	#	
		Treasury Stock, Common	#	#	
		Retained Earnings (if necessary)	#	#	

⑦ Dividend Transactions

Account Affected	Type of Dividend		
	Cash Dividend	Stock Dividend	Stock Split
Cash	Decrease	—	—
Common Stock	—	Increase	—
Retained Earnings	Decrease	Decrease	—

⑧ A Rose by Any Other Name

The same financial statement sometimes receives different titles. Following are some of the more common aliases.*

Balance Sheet	Statement of Financial Position Statement of Financial Condition
Income Statement	Statement of Income Operating Statement Statement of Operations Statement of Operating Activity Earnings Statement Statement of Earnings Profit and Loss (P&L) Statement
Statement of Cash Flows	Statement of Cash Flow Cash Flows Statement Statement of Changes in Cash Position Statement of Changes in Financial Position
Statement of Stockholders' Equity	Statement of Shareholders' Equity Statement of Changes in Shareholders' Equity Statement of Stockholders' Equity and Comprehensive Income Statement of Changes in Owner's Equity Statement of Changes in Owner's Capital Statement of Changes in Capital Accounts

*The term **Consolidated** often precedes or follows these statement titles to reflect the combination of different entities, such as a parent company and its subsidiaries.