

Ex. 6–22

a.	Merchandise Inventory	25,000	
	Accounts Payable—Presidio Co.....		25,000
b.	Accounts Payable—Presidio Co.....	25,000	
	Cash		24,500
	Merchandise Inventory.....		500
c.	Accounts Payable*—Presidio Co.....	4,900	
	Merchandise Inventory.....		4,900
d.	Merchandise Inventory	4,000	
	Accounts Payable—Presidio Co.....		4,000
e.	Cash	900	
	Accounts Payable—Presidio Co.....		900

***Note:** The debit of \$4,900 to Accounts Payable in entry (c) is the amount of cash refund due from Presidio Co. It is computed as the amount that was paid for the returned merchandise, \$5,000, less the purchase discount of \$100 ($\$5,000 \times 2\%$). The credit to Accounts Payable of \$4,000 in entry (d) reduces the debit balance in the account to \$900, which is the amount of the cash refund in entry (e). The alternative entries below yield the same final results.

c.	Accounts Receivable—Presidio Co.....	4,900	
	Merchandise Inventory.....		4,900
d.	Merchandise Inventory	4,000	
	Accounts Payable—Presidio Co.....		4,000
e.	Cash	900	
	Accounts Payable—Presidio Co.....	4,000	
	Accounts Receivable—Presidio Co.		4,900

Ex. 6–23

- \$14,200 ($\$15,000 - \800)
- \$9,024 [$(\$10,000 - \$1,200) - (\$8,800 \times 2\%) + \400]
- \$7,425 [$(\$8,250 - \$750) - (\$7,500 \times 1\%)$]
- \$2,575 [$(\$2,900 - \$400) - (\$2,500 \times 2\%) + \125]
- \$3,773 [$\$3,850 - (\$3,850 \times 2\%)$]