

Homework 1.

1. Net Sales Formula

$$\text{Gross Sales} - \text{Customer Returns} + \text{Allowances}$$

2. Customer Returns & Allowances

$$\text{Customer R + Allowance \%} = \frac{\text{Customer R + Allowance \$}}{\text{Gross Sales}}$$

3. Gross Sales

$$\frac{\text{Net Sales}}{(100\% - C(R+A)\%)}$$

4. Customer Return + Allowances \$

$$\text{Gross Sales} * \text{Customer Return} + \text{Allowance \%}$$

5. Cost of Good Sold \$

+ Billed cost

+ Inward freight

+ Workroom costs

= total

- cash discount

= total

- closing inventory

= cost of goods sold