

10-3 APPLICATION PROBLEM**Journalizing sales returns and allowances using a general journal**

VanHorn Designs sells custom logo products.

Instructions:

1. Journalize the following transactions affecting sales completed during July of the current year. Use page 14 of the general journal given in the Working Papers. Source documents are abbreviated as follows: credit memorandum, CM; receipt, R; sales invoice, S.

Transactions:

- July 2. Granted credit to Tahai Industries for merchandise returned, \$253.00, plus sales tax, \$15.18, from S456; total, \$268.18. CM61.
4. Granted credit to Allergy Associates for damaged merchandise, \$235.00, plus sales tax, \$14.10, from S455; total, \$249.10. CM62.
12. Granted credit to Jefferson School for damaged merchandise, \$134.25, from S458. CM63.