

**BE3-11** Willis Corporation has beginning inventory \$81,000; Purchases \$540,000; Freight-in \$16,200; Purchase Returns \$5,800; Purchase Discounts \$5,000; and ending inventory \$70,200. Compute cost of goods sold.

**BE3-12** Karen Sepaniak has year-end account balances of Sales \$828,900; Interest Revenue \$13,500; Cost of Goods Sold \$556,200; Operating Expenses \$189,000; Income Tax Expense \$35,100; and Dividends \$18,900. Prepare the year-end closing entries.

**E3-14 (Missing Amounts)** Presented below is financial information for two different companies.

	Alatorre Company	Eduardo Company
Sales	\$90,000	(d)
Sales returns	(a)	\$ 5,000
Net sales	81,000	95,000
Cost of goods sold	56,000	(e)
Gross profit	(b)	38,000
Operating expenses	15,000	23,000
Net income	(c)	15,000

**Instructions**

Compute the missing amounts.

**E3-16 (Cost of Goods Sold Section—Periodic Inventory)** The trial balance of the Neville Mariner Company at the end of its fiscal year, August 31, 2005, includes the following accounts: Merchandise Inventory \$17,500; Purchases \$149,400; Sales \$200,000; Freight-in \$4,000; Sales Returns and Allowances \$4,000; Freight-out \$1,000; and Purchase Returns and Allowances \$2,000. The ending merchandise inventory is \$25,000.

**Instructions**

Prepare a cost of goods sold section for the year ending August 31.