

Merchandising Problem

Mr. Rye Simonett owns an online carpet reselling business called VP Carpets in which he only sells carpets. He purchases these vintage carpets online for \$20 and resells them for \$40 a piece.

In the beginning of July Rye has:

Cash	18 000
A/R	4 000
Inventory	5 000
A/P	2 000

During July Rye:

- Receives 250 carpets and ships out 500
- Collects \$2000 from customers
- Pays Suppliers \$500
- Paid online buying operating expense \$1/per carpet bought

What is the revenue in July?

What are the COGS in July?

What is your net income in July?

What is the cash balance at the end of July?

What is the Accounts Receivable balance at the end of July?

What is the inventory balance at the end of July?

What is the Accounts payable balance at the end of July?

What is the Owner's Equity at the end of July? What are 2 ways of determining Owner's Equity?