Mainstay Merchandising Company had the following balances in its accounts on January 1, 2015:

|  |  |
| --- | --- |
| Cash | $14,000 |
| Inventory | 12,500 |
| Common Stock | 18,000 |
| Retained Earnings | 8,500 |

During 2015, the company experienced the following transactions:

1. Purchased $10,000 of inventory with the credit terms of 2/10, n/30.

2. The merchandise purchased in event #1 was shipped FOB shipping point. Freight charges of $80 were paid in cash.

3. Paid the amount due for the purchase made in event #1 within the discount period.

4. Sold merchandise that cost $9,500 on account for $18,000. Credit terms were 1/15, n/45.

5. The merchandise sold in event #4 was shipped to customers with the freight terms FOB destination. Freight charges of $250 were paid in cash.

6. The company collected the amount due from the sale made in event #4 within the discount period.

7. The company paid $5,000 on account for operating expenses.

8. The company paid a $500 cash dividend.

9. A physical count at the end of the year revealed that $12,200 of inventory on hand.