

example 6: In the last example suppose that Runners' Forum paid \$500 on May 24, 1994. What is the outstanding balance?

solution: 500 is 99% of what?
 $500 = .99 x$
 $x = 500/.99 = 505.05$

The outstanding balance is $\$1600 - \$505.05 = \$1094.95$

Worksheet:

Calculate the amount to be credited and the balance outstanding:

1.) Invoice:	\$1000	2.) Invoice:	\$3000
Terms:	3/10, n/30	Terms:	2/10, n/30
Invoice date:	May 5	Invoice date:	July 5
Payment amount:	\$800	Payment amount:	\$600
Date paid:	May 9	Date paid:	July 14

Calculate the cash discount and the net amount paid.

	<u>#3</u>	<u>#4</u>
Gross invoice (includes freight):	\$1800	\$500
Freight:	\$50	\$100
Date of invoice:	8/11	9/10
Terms:	2/10, 1/15, n/30	3/10, 1/15, n/30
Date of payment:	8/22	9/22

5.) Calculate the amount to be credited and the balance outstanding.

Invoice: \$600
Terms: 2/10, n/30
Invoice date: April 4
Payment amount: \$400
Date paid: April 10