

# Accounts Payable

## Activity Overview

Assume you work at your local mall at a fragrance boutique. Suppliers generally offer customers who buy on account a cash discount for early payment. For the buyer, the discount is called a purchase discount. For the seller, it is called a sales discount. The owner ordered many bottles of perfume for the Christmas season and will receive a discount if she pays her bills within 15 days. The owner asked you to help calculate what she owes to her vendors using a spreadsheet.

The following activity illustrates how spreadsheets can be used to calculate a small company's purchase discounts and sales tax.

*In this activity, you will practice how to:*

1. *Format cells to percents.*

## Instructions

1. Create a NEW spreadsheet.

Note: Unless otherwise stated, the font should be set to Arial, the font size to 10 point.

2. Type the data as shown.

3. Format the width of column A to 24.0 and left align.

4. Format the width of column B to 11.0 and right align.

5. Format cells B10 - B40 as numbers displaying 2 decimal places.

6. Format the width of column C to 11.0 and center align.

Format cells C10 - C35 as percentages displaying 0 decimal places.

8. Format the width of columns D - G to 11.0 and right align.

9. Format cells D10 - G40 as numbers displaying 2 decimal places.

10. Bold cell A2 and change the font size to 14 point.

11. Bold cell A3 and change the font size to 12 point

12. Bold rows 7 and 8.

13. Compute the formulas for the first company. Baby Phat, as follows:

a.  $\text{PURCHASE DISCOUNT}=\text{AMOUNTOWED}*\% \text{ DISCOUNT}$  In cell D10,type =B10\*C10

b.  $\text{SUBTOTAL}=\text{AMOUNTOWED}-\text{PURCHASE DISCOUNTS}$  In cell E10, type =B10-D10

c.  $\text{SALESTAX}=6\%*\text{SUBTOTAL}$  -> In cell F10, type =6%\*E10

d.  $\text{AMOUNT OWED}=\text{SUBTOTAL}+\text{SALES TAX}$  -> In cell G10, type =E10+F10

14. Use the AutoFill feature to copy the formulas down for the remaining companies.

15. Enter formulas to calculate the Totals, Average, Maximum, and Minimum for column B and columns D-G.
16. Bold rows 37 - 40.
17. Display formulas in your spreadsheet by using <CTRL> +\* to check for accuracy.
18. Carefully proofread your work for accuracy.
19. Save the spreadsheet as ACCOUNTS PAYABLE.
20. Analyze the changes made to the data in the spreadsheet.
21. Set the Print Area to include all cells containing data in the spreadsheet.
22. Print Preview and adjust the Page Setup so that the spreadsheet fits on one page.
23. Print a copy of the spreadsheet if required by your instructor.

|    | A                            | B      | C        | D        | E        | F         | G      |
|----|------------------------------|--------|----------|----------|----------|-----------|--------|
| 1  | Activity 26 Student Name     |        |          |          |          |           |        |
| 2  | CUSTOM FRAGRANCES            |        |          |          |          |           |        |
| 3  | Phipps Plaza Mall            |        |          |          |          |           |        |
| 4  | 3500 Peachtree Rd NE # 11    |        |          |          |          |           |        |
| 5  | Atlanta, GA 30326            |        |          |          |          |           |        |
| 6  |                              |        |          |          |          |           |        |
| 7  |                              | AMOUNT | %        | PURCHASE |          |           | AMOUNT |
| 8  | COMPANY                      | OWED   | DISCOUNT | DISCOUNT | SUBTOTAL | SALES TAX | OWED   |
| 9  |                              |        |          |          |          |           |        |
| 10 | Baby Phat                    | 658    | 0.03     |          |          |           |        |
| 11 | Boucheron                    | 325    | 0.04     |          |          |           |        |
| 12 | Brittany Spears              | 1228   | 0.05     |          |          |           |        |
| 13 | Burberry of London           | 357    | 0.03     |          |          |           |        |
| 14 | Cacharel                     | 421    | 0.02     |          |          |           |        |
| 15 | Calvin Klein                 | 763    | 0.04     |          |          |           |        |
| 16 | Chanel                       | 632    | 0.03     |          |          |           |        |
| 17 | Christian Dior               | 288    | 0.02     |          |          |           |        |
| 18 | Dolce & Gabanna              | 324    | 0.02     |          |          |           |        |
| 19 | Donald Trump                 | 1056   | 0.05     |          |          |           |        |
| 20 | Donna Karan                  | 1236   | 0.06     |          |          |           |        |
| 21 | Elizabeth Taylor             | 478    | 0.04     |          |          |           |        |
| 22 | Estee Lauder                 | 631    | 0.07     |          |          |           |        |
| 23 | Georgio Armani               | 712    | 0.04     |          |          |           |        |
| 24 | Givenchy                     | 284    | 0.02     |          |          |           |        |
| 25 | Gucci                        | 394    | 0.03     |          |          |           |        |
| 26 | Guess?                       | 578    | 0.04     |          |          |           |        |
| 27 | Hugo Boss                    | 435    | 0.05     |          |          |           |        |
| 28 | Jennifer Lopez<br>Fragrances | 875    | 0.07     |          |          |           |        |
| 29 | Kenneth Cole                 | 627    | 0.04     |          |          |           |        |
| 30 | Maria Sharapova              | 937    | 0.04     |          |          |           |        |
| 31 | Oscar de la Renta            | 765    | 0.04     |          |          |           |        |
| 32 | Paris Hilton                 | 1181   | 0.02     |          |          |           |        |
| 33 | Ralph Lauren                 | 654    | 0.03     |          |          |           |        |
| 34 | Sarah Jessica Parker         | 473    | 0.05     |          |          |           |        |
| 35 | Tommy Bahama                 | 684    | 0.04     |          |          |           |        |
| 36 |                              |        |          |          |          |           |        |
| 37 | TOTALS                       |        |          |          |          |           |        |
| 38 | AVERAGE                      |        |          |          |          |           |        |
| 39 | MAXIMUM                      |        |          |          |          |           |        |
| 40 | MINIMUM                      |        |          |          |          |           |        |