

CONCEPT: MERCHANDISING COMPANY VS MANUFACTURING COMPANY

- A **merchandising company** has _____ Inventory account. Merchandisers _____ goods manufactured by others.
 - The Inventory account might also be called Merchandise Inventory

XYZ Company purchases goods from its supplier for \$10,000 on account.

Journal Entry:

<u>Assets</u>	=	<u>Liabilities</u>	+	<u>Equity</u>
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- A **manufacturing company** has _____ Inventory accounts. Manufacturers _____ goods and then sell them.

- ☐ **Raw Materials Inventory** – inputs into production; this is what the company _____ from suppliers
- ☐ **Work-in-Process Inventory** – goods that are still in production at the end of the period
- ☐ **Finished Goods Inventory** – the value of the finished product

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