

Chen at Chen Automotive purchases much of his stock from overseas. Some of these shipments take six months or more to get to him. Because of this long lead time, his vendors require a 75% deposit at the time of order. It's a significant dollar amount.

Up until now, he's been entering a bill for all the inventory items and paying 75% of the bill. He has just fired his last bookkeeper and hired you to review and fix his books, if necessary, and advise him on correct procedures to use going forward.