

Inventory Review Project

Directions:

Analyze the following scenarios and compute the desired calculations.

- Use the information below to calculate the value of inventory on hand December 31 and the cost of goods sold during December in the **FIFO Periodic Inventory** system:

December 1	Beginning Inventory	45 units @ \$10.00 per unit
December 3	Purchase	95 units @ \$11.00 per unit
December 8	Purchase	50 units @ \$11.50 per unit
December 15	Sale	145 units @ \$16.00 per unit
December 19	Sale	25 units @ \$16.50 per unit
December 23	Purchase	85 units @ \$12.00 per unit
December 30	Sale	65 units @ \$17.00 per unit

A. Units Available for Sale: _____

B. Units Sold: _____

C. Units in Ending Inventory: _____

Cost of Goods Sold	Units	Unit Cost	Total
Sales From December 1 Inventory			
Sales From December 3 Purchase			
Sales From December 8 Purchase			
Sales From December 23 Purchase			
Total			
Ending Inventory	Units	Unit Cost	Total
Inventory From December 23 Purchase			

Inventory Review Project

2. A car store has 10 engine units at a \$4,000 cost basis, 15 engine units at a \$2,700 cost basis and 20 engine units at a \$2,000 cost basis. Compute the inventory valuation using the **Weighted Average Method**.

Weighted Average Inventory Value: _____

3. InnoTek sells computer hard drives for \$90 and it costs InnoTek \$50 to buy the computer hard drives. Assume InnoTek has \$40,000 in yearly sales. Compute the value of the ending inventory using the **Gross Profit Method**.

A. Gross Profit: _____

B. Gross Profit Percentage: _____

C. Estimated Cost of Goods Sold: _____

Assume InnoTek bought \$5,000 of computer hard drives and had \$10,000 worth of computer hard drives in inventory.

D. Assigned Value of Cost of Goods Sold: _____

E. Inventory Using the Gross Profit Method: _____

Inventory Review Project

4. Use the information below to calculate the value of inventory on hand May 31 and the cost of goods sold during May in the **LIFO Periodic Inventory** system.

May 1	Beginning Inventory	55 units @ \$10.00 per unit
May 3	Purchase	105 units @ \$11.00 per unit
May 8	Sale	60 units @ \$11.50 per unit
May 15	Purchase	155 units @ \$16.00 per unit
May 19	Sale	35 units @ \$16.50 per unit

A. Units Available for Sale: _____

B. Units Sold: _____

C. Units in Ending Inventory: _____

Cost of Goods Sold	Units	Unit Cost	Total
Sales From May 15 Inventory			
Total			
Ending Inventory	Units	Unit Cost	Total
Inventory From May 15 Purchase			
Inventory From May 3 Purchase			
Inventory From May 1			
Total			

Inventory Review Project

5. Tim has a business selling computers and computer parts on Amazon. An inventory count at the beginning of December shows he has \$4,250 worth of inventory on hand. Over the month, he purchases another \$4,830 worth of computer parts. Tim's inventory count at the end of December shows he has \$5,650 of inventory on hand. Compute the cost of goods sold.

Cost of Goods Sold		
Account Name	Credit	Debit
Total Cost of Goods Sold		