


Nssmr: \_\_\_\_\_

Date: \_\_\_\_\_

## Analyzing a Source Document

Read the following memorandum and complete the assigned task:

		<b>MEMORANDUM</b>
TO:	Accounting Clerk	
FROM:	Accounting Manager	
DATE:	June 30, 20--	
SUBJECT:	Change in Inventory Method	
<p>We have received approval to change from the LIFO to the FIFO method of determining our inventory costs. Please calculate the cost of the Walk-A-Long Dolls using the FIFO method. There are 36 dolls in inventory.</p>		
Walk-A-Long Dolls	Beginning inventory	8@ \$15.45
	Purchases 6/11	12@ \$15.95
	6/17	10@ \$16.25
	6/22	6@ \$16.40

1. What is the new value of the ending inventory?
2. Assume that all 36 dolls were sold for \$21.95. What is the gross profit for this item?