

ABC Company sells a product called DEF and uses a perpetual inventory system. The beginning balance and transactions during April were as follows:

Apr 1	Balance: 25 units costing \$8.00 each.
Apr 3	Purchased 18 units costing \$10.00 each.
Apr 9	Sold 19 units.
Apr 15	Sold 10 units.
Apr 18	Purchased 21 units costing \$11.00 each.
Apr 22	Sold 17 units.
Apr 30	Sold 6 units.

Required:

1. Assuming the FIFO basis, enter the beginning balance and the transactions on the following subsidiary inventory card.
2. Assuming the Weighted Average basis, enter the beginning balance and the transactions on the following subsidiary inventory card.
3. Assume the 6 units sold on April 30 were sold on credit to Crystal at \$12.00 each and prepare General Journal entries to record the sale on a Weighted Average basis.

Worksheet

Item: _____

Inventory Basis: **FIFO**

	PURCHASED			SOLD			BALANCE		
Date	Units	Cost	Total	Units	Cost	Total	Units	Cost	Total

Item: _____

Inventory Basis: **WEIGHTED AVERAGE**

	PURCHASED			SOLD			BALANCE		
Date	Units	Cost	Total	Units	Cost	Total	Units	Cost	Total

GENERAL JOURNAL

DATE	ACCOUNT	DEBIT	CREDIT

Answer

Item: DEFInventory Basis: FIFO

	PURCHASED			SOLD			BALANCE		
Date	Units	Cost	Total	Units	Cost	Total	Units	Cost	Total
Apr 1							25	8.00	200.00
Apr 3	18	10.00	180.00				25	8.00	200.00
							18	10.00	180.00
Apr 9				19	8.00	152.00	6	8.00	48.00
							18	10.00	180.00
Apr 15				6	8.00	48.00	0	8.00	0.00
				4	10.00	40.00	14	10.00	140.00
Apr 18	21	11.00	231.00				14	10.00	140.00
							21	11.00	231.00
Apr 22				14	10.00	140.00	0	10.00	0.00
				3	11.00	33.00	18	11.00	198.00
Apr 30				6	11.00	66.00	12	11.00	132.00

Item: DEFInventory Basis: WEIGHTED AVERAGE

	PURCHASED			SOLD			BALANCE		
Date	Units	Cost	Total	Units	Cost	Total	Units	Cost	Total
Apr 1							25	8.00	200.00
Apr 3	18	10.00	180.00				43	8.84	380.00
Apr 9				19	8.84	167.96	24	8.84	212.04
Apr 15				10	8.84	88.40	14	8.84	123.64
Apr 18	21	11.00	231.00				35	10.13	354.64
Apr 22				17	10.13	172.21	18	10.13	182.43
Apr 30				6	10.13	60.78	12	10.13	121.65

GENERAL JOURNAL

DATE	ACCOUNT	DEBIT	CREDIT
Apr 30	A/R – Crystal	72.00	
	Sales		72.00
	Cost of Goods Sold	60.78	
	Inventory		60.78
	Explain: Sold 6 units using Weighted Average		