

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

Apr 1	Balance: 40 units costing \$2.00 each.
Apr 3	Purchased 25 units costing \$4.00 each.
Apr 9	Sold 35 units.
Apr 15	Sold 15 units.
Apr 18	Purchased 60 units costing \$6.00 each.
Apr 22	Sold 25 units.
Apr 30	Sold 20 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 20 units sold on April 30 were sold on credit to John Doe at \$10.00 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: WisksInventory Basis: **FIFO**

	PURCHASED			SOLD			BALANCE		
Date	Units	Cost	Total	Units	Cost	Total	Units	Cost	Total
Apr 1							40	2.00	80.00
Apr 3	25	4.00	100.00				40	2.00	80.00
							25	4.00	100.00
Apr 9				35	2.00	70.00	5	2.00	10.00
							25	4.00	100.00
Apr 15				5	2.00	10.00	0	2.00	0.00
				10	4.00	40.00	15	4.00	60.00
Apr 18	60	6.00	360.00				15	4.00	60.00
							60	6.00	360.00
Apr 22				15	4.00	60.00	0	4.00	0.00
				10	6.00	60.00	50	6.00	300.00
Apr 29				20	6.00	120.00	30	6.00	180.00

Item: WisksInventory Basis: **WEIGHTED AVERAGE**

	PURCHASED			SOLD			BALANCE		
Date	Units	Cost	Total	Units	Cost	Total	Units	Cost	Total
Apr 1							40	2.00	80.00
Apr 3	25	4.00	100.00				65	2.77	180.00
Apr 9				35	2.77	96.95	30	2.77	83.05
Apr 15				15	2.77	41.55	15	2.77	41.50
Apr 18	60	6.00	360.00				75	5.35	401.50
Apr 22				25	5.35	133.75	50	5.35	267.75
Apr 30				20	5.35	107.00	30	5.35	160.75

GENERAL JOURNAL

DATE	ACCOUNT	DEBIT	CREDIT
Apr 30	A/R – John Doe	200.00	
	Sales		200.00
	Cost of Goods Sold	107.00	
	Inventory		107.00
	Explain: Sold 20 using Weighted Average		