

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

Apr 1	Balance: 46 units costing \$5.00 each.
Apr 3	Purchased 72 units costing \$6.00 each.
Apr 9	Sold 32 units.
Apr 15	Sold 39 units.
Apr 18	Purchased 55 units costing \$7.00 each.
Apr 22	Sold 43 units.
Apr 30	Sold 52 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 52 units sold on April 30 were sold on credit to John Wayne at \$9.00 each and prepare General Journal entries to record the sale on a FIFO 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: GottensInventory Basis: **FIFO**

	PURCHASED			SOLD			BALANCE		
Date	Units	Cost	Total	Units	Cost	Total	Units	Cost	Total
Apr 1							46	5.00	230.00
Apr 3	72	6.00	432.00				46	5.00	230.00
							72	6.00	432.00
Apr 9				32	5.00	160.00	14	5.00	70.00
							72	6.00	432.00
Apr 15				14	5.00	70.00	0	5.00	0.00
				25	6.00	150.00	47	6.00	282.00
Apr 18	55	7.00	385.00				47	6.00	282.00
							55	7.00	385.00
Apr 22				43	6.00	258.00	4	6.00	24.00
							55	7.00	385.00
Apr 30				4	6.00	24.00	0	6.00	0.00
				48	7.00	336.00	7	7.00	49.00

Item: GottensInventory Basis: **WEIGHTED AVERAGE**

	PURCHASED			SOLD			BALANCE		
Date	Units	Cost	Total	Units	Cost	Total	Units	Cost	Total
Apr 1							46	5.00	230.00
Apr 3	72	6.00	432.00				118	5.61	662.00
Apr 9				37	5.61	179.52	86	5.61	482.48
Apr 15				39	5.61	218.79	47	5.61	263.69
Apr 18	55	7.00	385.00				102	6.36	648.69
Apr 22				43	6.36	273.48	59	6.36	375.21
Apr 30				52	6.36	330.72	7	6.36	44.49

GENERAL JOURNAL

DATE	ACCOUNT	DEBIT	CREDIT
Apr 30	A/R – John Wayne	468.00	
	Sales		468.00
	Cost of Goods Sold	360.00	
	Inventory		360.00
	Explain: Sold 52 using FIFO		