Unit 2 – INVENTORY – Lesson 2-2

Mini Assignment

15 Marks

1. Using the information found in the following chart, and showing detailed calculations, determine the Cost of Goods Sold Expense and Ending Inventory for:
   1. FIFO Method *(Application – 3 marks – 2 marks for COGS; 1 mark for EI)*
   2. LIFO Method *(Application – 3 marks – 2 marks for COGS; 1 mark for EI)*
   3. Average Cost Method *(Application – 6 marks – 1 mark for each new average; 2 marks for COGS; 1 mark for EI)*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Date | # widgets | Cumulative # Widgets | Unit Cost | Total Cost | Cumulative Total | Average Cost per Widget |
| Jan. 1 | 100 | 100 | $40 |  |  |  |
| Feb. 1 | 100 | 200 | $50 |  |  |  |
| Mar. 1 | 140 | 340 | $60 |  |  |  |
| Apr. 1 | (300) | 40 |  |  |  |  |
| May 1 | 100 | 140 | $70 |  |  |  |
| June 1 | (100) | 40 |  |  |  |  |
| TOTAL |  |  | TOTAL |  |  |  |

1. On April 1, the 300 units were sold to XYZ Company on account for $150 each. Using FIFO Method, journalize the sale.

*(Application – 3 marks – ½ mark for each account and amount)*