

Assessment 3

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Started: October 9, 2012 8:08 AM

Questions: 1

1. Inventory 1v3 (Points: 10.0)

Inventory

Silverin Gifts Inc. had the following transactions related to purchases and sales of last month. All purchases were on credit. On March 1, Silverin had 6 silver plates total cost of \$312. *Perpetual*

FIFO

Opening

6 @ 52

312

Date		Purchases	(Sales)
Mar 5	Purchase	25 @ \$55.00 each	
Mar 7	Sale		(15) @ 120.00 each <i>\$300</i>
Mar 10	Purchase	20 @ 58.00 each	
Mar 15	Sale		(10) @ 122.00 each
Mar 17	Purchase	40 @ 60.00 each	
Mar 25	Sale		(12) @ 122.00 each

1,375

3/1 6 @ 52 = \$312

25 @ 55 = 1,375

- 6 @ 52 < 312 >

- 9 @ 55 < 495 >

20 @ 58 1,160

- 10 @ 55 < 550

Mar 30	Sale			(15)	@ 122.00 each
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see my excel sheets

**Required:
Part A**

Pg. 419
Exhibit 8.6

1. Calculate the cost of the ending inventory for the month, assuming a perpetual first-flow assumption is used. **Answer** 2,340.00

Pg. 422
ExH 8.10

2. Calculate the cost of ending inventory for the month, assuming a perpetual weighted assumption is used. (round to the nearest cent.) **Answer** 2,284.82

3. Calculate the gross profit for the March 25 sale, assuming a perpetual weighted assumption is used. (round to the nearest cent.) **Answer** 760.98

Pg. 418
ExH 8.5

4. Calculate the cost of goods sold for the month assuming a periodic first in, first-out assumption is used. **Answer** 2,907

Pg. 421
Exh. 8.9

5. Calculate the cost of ending inventory for the month, assuming a periodic weighted assumption is used. (round to the nearest cent) **Answer** 2248.71

6. Prepare the journal entries for the March 7 sale assuming a perpetual first-in, first-out assumption is used.

Must record
u/p production order
in inventory
order

	Debit	Credit
Trade Receivable		1800
Inventory	1800	
Sales Revenue		1,800
Trade Payable		
Cost of Sales	807	
Inventory		807

6 @ 52 } = 807
9 @ 55 }

Exhibit
8.8

Part B

825,000

On July 1, Year 6, Hartford Co. had beginning inventory of \$4,800. They purchase in inventory on credit on July 14. Inventory was sold for \$48,000 on credit on July 29. ^{Accounting} 31 revealed that there was \$5,900 left in inventory.

Prepare all of the journal entries with respect to inventory using the periodic inventory month of July, Year 6?

see exhibit 8.8 p 9. 420

4,800 open
 25,000 Purchases

 29,800
 14,800
 Ending (5,900)

 23,900

You have to get rid of purchases adjust to ending inventory

		Debit	Credit
July 14	Purchases Inventory	25,000	
	Trade Payables		25,000
July 29	Trade receivables	48,000	
	Sales revenue		48,000
July 31	Cost of Sales	23,900	
	Purchases		25,000
	Inventory (either the debit or credit will be blank)	1,100	

Save and View Next

Finish

Help

Perpetual
FIFO Exhibit 8.6 page 419

	Units	Cost	Total
Opening	1-Mar	6 \$ 52.00	\$ 312.00
Purchase	5-Mar	25 \$ 55.00	\$ 1,375.00
Sales	7-Mar	-6 \$ 52.00	\$ (312.00)
		-9 \$ 55.00	\$ (495.00)
Purchase	10-Mar	20 \$ 58.00	\$ 1,160.00
Sales	15-Mar	-10 \$ 55.00	\$ (550.00)
Purchase	17-Mar	40 \$ 60.00	\$ 2,400.00
Sales	25-Mar	-6 \$ 55.00	\$ (330.00)
		-6 \$ 58.00	\$ (348.00)
Sales	30-Mar	-14 \$ 58.00	\$ (812.00)
		-1 \$ 60.00	\$ (60.00)
Ending Inventory		39	\$ 2,340.00

Perpetual
Weighted Xhibit 8.10 Page 422

Opening	1-Mar	6 \$ 52.00	\$ 312.00		
Purchase	5-Mar	25 \$ 55.00	\$ 1,375.00		
Number Units Avail (NAUS)		31	\$ 1,687.00	Cost of Goods Avail (COGAS)	First Weighted Ave
					<u>\$ 1,687.00</u> \$ 54.42
Sales	7-Mar	-15 \$ 54.42	\$ (816.29)		31
		16	\$ 870.71		
Purchase	10-Mar	20 \$ 58.00	\$ 1,160.00		
	NAUS	36	\$ 2,030.71	COGAS	Second Weighted
					<u>\$ 2,030.71</u> \$ 56.41
Sales	15-Mar	-10 \$ 56.41	\$ (564.09)		36
		26	\$ 1,466.62		
Purchase	17-Mar	40 \$ 60.00	\$ 2,400.00		
		66	\$ 3,866.62	Third Weighted Ave	<u>\$ 3,866.62</u> \$ 58.59

Sales	25-Mar	-12	\$ 58.59	\$ (703.02)	
		54		\$ 3,163.60	Fourth
					\$ 3,163.60
					54
					\$ 58.59

Sales	30-Mar	-15	\$ 58.59	\$ (878.78)
Ending Inventory		39		\$ 2,284.82

March 25 Gross Profit				
Sales		12	\$ 122.00	\$ 1,464.00
Cost				\$ (703.02)
				\$ 760.98

ASSESSMENT # 3 ANSWERS

PERIODIC

FIFO Exhibit 8.5 Page 418

	Units	Cost	Total
Opening	1-Mar	6	\$ 52.00 \$ 312.00
Purchase	5-Mar	25	\$ 55.00 \$ 1,375.00
Purchase	10-Mar	20	\$ 58.00 \$ 1,160.00
Purchase	17-Mar	40	\$ 60.00 \$ 2,400.00
		91	\$ 5,247.00

Ending Inventory	39	\$ 60.00	\$ 2,340.00
Cost of Goods Sold	52		\$ 2,907.00

PERIODIC

Weighted Exhibit 8.9 page 421

	Units	Cost	Total
Opening	1-Mar	6	\$ 52.00 \$ 312.00
Purchase	5-Mar	25	\$ 55.00 \$ 1,375.00
Purchase	10-Mar	20	\$ 58.00 \$ 1,160.00
Purchase	17-Mar	40	\$ 60.00 \$ 2,400.00
		91	\$ 5,247.00

Ending Inventory	39	\$ 57.66	\$ 2,248.71
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	\$ 5,247.00	\$ 57.66
	91	