

Latihan Soal Inventories

Periodic System

Calculate Cost of Goods Sold, Ending Inventory, gross profit and gross profit rate

Using FIFO, LIFO and AVERAGE COSTS

No. P6-5A

You are provided with the following information for Danielle Inc. for the month ended June 30, 2005. Danielle uses the periodic method for inventory.

Date	Description	Quantity	Unit Cost or Selling Price
June 1	Beginning inventory	25	\$60
June 4	Purchase	85	64
June 10	Sale	70	90
June 11	Sale return	10	90
June 18	Purchase	35	68
June 18	Purchase return	5	68
June 25	Sale	50	95
June 28	Purchase	20	72

Instruction:

- a. Calculate (i) ending inventory, (ii) cost of goods sold, (iii) gross profit, (iv) gross profit rate under each of the following methods
 - (1) LIFO
 - (2) FIFO
 - (3) AVERAGE COST
- b. Compare results for the three cost flow assumptions

Perpetual System

Calculate Cost of Goods Sold, Ending Inventory and compare gross profit

Using FIFO, LIFO and AVERAGE COSTS

No. P6-8A

Matthew Inc. is a retailer operating in Dartmouth, Nova Scotia. Matthew uses the perpetual inventory method. All sales returns from customers result in the goods being returned to the inventory; the inventory is not damaged. Assume that there are no credit transactions; all amounts are settled in cash. You are provided with the following information for Matthew Inc. for the month of January 2005.

Date	Description	Quantity	Unit Cost or Selling Price
January 1	Beginning inventory	25	\$60
January 5	Purchase	85	64
January 8	Sale	70	90
January 10	Sale return	10	90
January 15	Purchase	35	68
January 16	Purchase return	5	68
January 20	Sale	50	95
January 25	Purchase	20	72

Instructions:

- (a) For each of the following cost flow assumptions, calculate (i) cost of goods sold, (ii) ending inventory, and (iii) gross profit.

(1) LIFO (2) FIFO (3) Moving average cost

- (b) Compare results for the three cost flow assumptions.

Specific identification

Calculate gross profit and ending inventory (partial income statement)

No. P6-6A point (a)

You are provided the following information for Gas Guzzlers. Gas Guzzlers uses the periodic method of accounting for its inventory transactions.

March 1	Beginning inventory 1,500 litres at a cost of \$40 per litre
March 3	Purchased 2,000 litres at a cost of \$45 per litre
March 5	Sold 1,800 litres for \$60 per litre
March 10	Purchased 3,500 litres at a cost of \$49 per litre
March 20	Purchased 2,000 litres at a cost of \$55 per litre
March 30	Sold 5,000 litres for \$70 per litre

Instructions:

- (a) Prepare partial income statements through gross profit, and calculate the value of ending inventory that would be reported on the balance sheet, under each of the following cost flow assumptions.

(1) Specific identification method assuming

- (i) The march 5 sale consisted of 900 litres from the march 1 beginning inventory and 900 litres from the march 3 purchase; and
- (ii) The March 30 sale consisted of the following number of units sold from each purchase; 400 litres from march 1; 500 from march 3; 2,600 litres from march 20

Determine ending inventory under Lower of Cost or Market inventory method
 No. E6-8

Kinshasa camera shop uses the lower of cost or market basis for its inventory. The following data are available at december 31.

Item	Units	Unit Cost	Market
Camera:			
- Minolta	5	\$170	\$156
- Canon	6	150	152
Light Meters:			
- Vivitar	12	125	110
- Kodak	14	115	135

Instructions:

Determine the amount of the ending inventory by applying the lower of cost or market basis.

Compute ending inventory using retail method
 No. P6-11A

Hooked on Books uses the retail inventory method to estimate its monthly ending inventories. The following information is available for two of its departments at october 31, 2005

	Hardcovers		Paperbacks	
	Cost	Retail	Cost	Retail
Beginning inventory	\$256,000	\$400,000	\$65,000	\$90,000
Purchases	1,180,000	1,825,000	266,000	380,000
Freight-in	4,000		2,000	
Purchase discounts	16,000		4,000	
Net sales		1,820,000		368,000

At December 31, Hooked on Books takes a physical inventory at retail. The actual retail values of the inventories in each department are hardcovers \$400,000 and paperbacks \$88,000.

Instructions:

- Determine the estimated cost of the ending inventory for each department at october 31, 2005. Using the retail inventory method
- Compute the ending inventory at cost for each department at december 31, assuming the cost to retail ratios for the year are 65% for hardcovers and 70% for paperbacks

*Compute gross profit rate and inventory loss using gross profit method
No. P6-10A*

Virginia Company lost all of its inventory in a fire on december 26, 2005. The accounting records showed the following gross profit data for November and December.

	November	December (to 12/26)
Net Sales	\$500,000	\$400,000
Beginning inventory	34,100	31,100
Purchases	319,975	236,000
Purchase returns and allowances	11,800	5,000
Purchase discounts	7,577	6,000
Freight-in	6,402	3,700
Ending inventory	31,100	?

Virginia is fully insured for losses but must prepare a report for the insurance company.

Instructions:

- (a) Compute the gross profit rate for november
- (b) Using the gross profit rate for november, determine the estimated cost of the inventory lost in the fire