

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

Apr 1	Balance: 40 units costing \$2 each.
Apr 3	Purchased 55 units costing \$3 each.
Apr 9	Sold 30 units.
Apr 15	Sold 28 units.
Apr 18	Purchased 40 units costing \$4 each.
Apr 22	Sold 20 units.
Apr 30	Sold 30 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 30 units sold on April 30 were sold on credit to John Doe, at \$10 each and prepare General Journal entries to record the sale on a weighted average basis.

WorksheetItem: WeedBeGoneInventory Basis: **FIFO**

	PURCHASED			SOLD			BALANCE		
Date	Units	Cost	Total	Units	Cost	Total	Units	Cost	Total
Apr 1									
Apr 3									
Apr 9									
Apr 15									
Apr 18									
Apr 22									
Apr 30									

Item: WeedBeGoneInventory Basis: **WEIGHTED AVERAGE**

	PURCHASED			SOLD			BALANCE		
Date	Units	Cost	Total	Units	Cost	Total	Units	Cost	Total
Apr 1									
Apr 3									
Apr 9									
Apr 15									
Apr 18									
Apr 22									
Apr 30									

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	ACCOUNT	DEBIT	CREDIT
Apr 30			
	Explain:		

Answer

Item: WeedBeGoneInventory Basis: **FIFO**

	PURCHASED			SOLD			BALANCE		
Date	Units	Cost	Total	Units	Cost	Total	Units	Cost	Total
Apr 1							40	2.00	80.00
Apr 3	55	3.00	165.00				40	2.00	80.00
							55	3.00	165.00
Apr 9				30	2.00	60.00	10	2.00	20.00
							55	3.00	165.00
Apr 15				10	2.00	20.00			
				18	3.00	54.00	37	3.00	111.00
Apr 18	40	4.00	160.00				37	3.00	111.00
							40	4.00	160.00
Apr 22				20	3.00	60.00	17	3.00	51.00
							40	4.00	160.00
Apr 30				17	3.00	51.00			
				13	4.00	52.00	27	4.00	108.00

Item: WeedBeGoneInventory 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	55	3.00	165.00				95	2.58	245.00
Apr 9				30	2.58	77.40	65		167.60
Apr 15				28	2.58	72.24	37		95.36
Apr 18	40	4.00	160.00				77	3.32	255.36
Apr 22				20	3.32	66.40	57		188.96
Apr 30				30	3.32	99.60	27		89.36

Difference in BALANCE Total (Units times Cost) is due to rounding.

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	ACCOUNT	DEBIT	CREDIT
Apr 30	Accounts Receivable – John Doe	300.00	
	Sales (30 x \$10)		300.00
	Cost of Goods Sold	99.60	
	Merchandise Inventory		99.60
	Explain: Record sale of 30 units.		