

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

Apr 1	Balance: 40 units costing \$6.00 each.
Apr 3	Purchased 50 units costing \$6.50 each.
Apr 9	Sold 35 units.
Apr 15	Sold 40 units.
Apr 18	Purchased 100 units costing \$7.75 each.
Apr 22	Sold 45 units.
Apr 30	Sold 25 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 25 units sold on April 30 were sold on credit to Jennifer at \$15.00 each and prepare General Journal entries to record the sale on a Weighted Average basis.



Answer

Item: ABC

Inventory Basis: FIFO

Date	PURCHASED			SOLD			BALANCE		
	Units	Cost	Total	Units	Cost	Total	Units	Cost	Total
Apr 1							40	6.00	240.00
Apr 3	50	6.50	325.00				40	6.00	240.00
							50	6.50	325.00
Apr 9				35	6.00	210.00	5	6.00	30.00
							50	6.50	325.00
Apr 15				5	6.00	30.00	0	6.00	0.00
				35	6.50	227.50	15	6.50	97.50
Apr 18	100	7.75	775.00				15	6.50	97.50
							100	7.75	775.00
Apr 22				15	6.50	97.50	0	6.50	0.00
				30	7.75	232.50	70	7.75	542.50
Apr 30				25	7.75	193.75	45	7.75	348.75

Item: ABC

Inventory Basis: WEIGHTED AVERAGE

Date	PURCHASED			SOLD			BALANCE		
	Units	Cost	Total	Units	Cost	Total	Units	Cost	Total
Apr 1							40	6.00	240.00
Apr 3	50	6.50	325.00				90	6.28	565.00
Apr 9				35	6.28	219.80	55	6.28	345.20
Apr 15				40	6.28	251.20	15	6.28	94.00
Apr 18	100	7.75	775.00				115	7.56	869.00
Apr 22				45	7.56	340.20	70	7.56	528.80
Apr 30				25	7.56	189.00	45	7.56	339.80

**GENERAL JOURNAL**

DATE	ACCOUNT	DEBIT	CREDIT
Apr 30	A/R – Jennifer	375.00	
	Sales		375.00
	Cost of Goods Sold	189.00	
	Inventory		189.00
	Explain: Sold 25 using Weighted Average		