**QUESTION 1**

1. FiCo, which uses the periodic method and weighted-average costing, shows the following first-year data:

|  |  |  |
| --- | --- | --- |
|  | **Units** | **Unit  Cost** |
| Beginning Inventory | 96 | $2.00 |
| January 25 purchase | 220 | $2.25 |
| March 25 purchase | 544 | $2.50 |
| August 16 purchase | 480 | $2.80 |
| November 26 purchase | 160 | $2.90 |

1. If FiCo’s year-end physical account shows 150 units on hand, FiCo’s balance sheet as of December 31 will show ending inventory of:

|  |  |  |
| --- | --- | --- |
|  |  | $435 |
|  |  | $373.50 |
|  |  | $313.50 |
|  |  | $58.37 |
|  |  | $385.50 |

**2 points**

**QUESTION 2**

1. SlickCo, which uses the periodic method and FIFO costing, begins operations in 20X1 and makes the following purchases during 20X1 and 20X2:

|  |  |  |
| --- | --- | --- |
| **20X1** | **Units** | **Unit  Cost** |
| March | 450 | $3.00 |
| August | 650 | $3.50 |
|  |  |  |
| **20X2** |  |  |
| February | 550 | $4.00 |
| October | 250 | $5.00 |

2. If SlickCo’s 20X2 ending inventory is 400 units, then the balance sheet as of December 31, 20X2, will show ending inventory of:

|  |  |  |
| --- | --- | --- |
|  |  | $1,200 |
|  |  | $1,600 |
|  |  | $1,325 |
|  |  | $1,275 |
|  |  | $1,850 |

**2 points**

**QUESTION 3**

1. Under LIFO costing:

|  |  |  |
| --- | --- | --- |
|  |  | COGS reflects the cost of the most recently purchased items. |
|  |  | COGS reflects the cost of the items purchased earliest. |
|  |  | COGS reflects the cost of items from the earliest and most recent purchases. |

**2 points**

**QUESTION 4**

1. Alison Inc., which uses the perpetual method and moving-average costing, shows the following activity for January:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Quantity** | **Unit  Cost** |
| January 1 | beginning inventory | 140 | $6 |
| January 8 | sale | 100 |  |
| January 15 | purchase | 60 | $5 |
| January 20 | sale | 80 |  |
| January 25 | purchase | 180 | $4.50 |

2. What is the value of the ending inventory for the month?

|  |  |  |
| --- | --- | --- |
|  |  | $918 |
|  |  | $1,026 |
|  |  | $1,033.33 |
|  |  | $900 |
|  |  | $1,123.80 |

**2 points**

**QUESTION 5**

1. MacFarland Inc.’s January 1 inventory consisted of 10 units @ $91 each. MacFarland shows the following data for 20X1:

|  |  |  |
| --- | --- | --- |
| **Date** | **Purchases** | **Sales** |
| February 2 | 15 units @ $106 each |  |
| March 3 |  | 20 units |
| May 12 | 20 units @ $115 each |  |
| June 22 | 10 units @$119 each |  |
| Sept. 13 |  | 23 units |

1. If MacFarland uses the perpetual method and moving-average costing, what is the value of its Cost of Goods Sold for the year?

|  |  |  |
| --- | --- | --- |
|  |  | $4,765.83 |
|  |  | $4,519.17 |
|  |  | $4,622 |
|  |  | $4,661 |
|  |  | $4,765.69 |

**2 points**

**QUESTION 6**

1. Warnerwoods Company uses a perpetual inventory system. It entered into the following purchase and sale transactions for March:

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Activity** | **Units acquired at cost** | **Units sold at retail** |
| March 1 | beginning inventory | 100 units @ $50/unit |  |
| March 5 | purchase | 400 units @ $55/unit |  |
| March 9 | sale |  | 420 units @ $85/unit |
| March 18 | purchase | 120 units @ $60/unit |  |
| March 25 | purchase | 200 units @ $62/unit |  |
| March 29 | sale |  | 160 units @ $95/unit |
|  | TOTALS | 820 units | 580 units |

2. Compute the cost of goods sold for the month using LIFO.

|  |  |  |
| --- | --- | --- |
|  |  | $14,800 |
|  |  | $32,920 |
|  |  | $31,800 |
|  |  | $32,248 |
|  |  | $50,900 |
|  |  | $13,680 |

**2 points**

**QUESTION 7**

1. Hyde Company uses a perpetual inventory system. It entered into the following purchase and sale transactions for March:

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Activity** | **Units acquired at cost** | **Units sold at retail** |
| March 1 | beginning inventory | 100 units @ $50/unit |  |
| March 5 | purchase | 400 units @ $55/unit |  |
| March 9 | sale |  | 420 units @ $85/unit |
| March 18 | purchase | 120 units @ $60/unit |  |
| March 25 | purchase | 200 units @ $62/unit |  |
| March 29 | sale |  | 160 units @ $95/unit |
|  | TOTALS | 820 units | 580 units |

2. Compute the ending inventory for the month using FIFO.

|  |  |  |
| --- | --- | --- |
|  |  | $32,248 |
|  |  | $32,920 |
|  |  | $31,800 |
|  |  | $50,900 |
|  |  | $13,680 |
|  |  | $14,800 |

**2 points**

**QUESTION 8**

1. SlickCo, which uses the periodic method and FIFO costing, begins operations in 20X1 and makes the following purchases during 20X1 and 20X2:

|  |  |  |
| --- | --- | --- |
| **20X1** | **Units** | **Unit  Cost** |
| March | 450 | $3.00 |
| August | 650 | $3.50 |
|  |  |  |
| **20X2** |  |  |
| February | 550 | $4.00 |
| October | 250 | $5.00 |

If SlickCo sells 900 units in 20X1 and again in 20X2, the COGS for 20X2 will be:

|  |  |  |
| --- | --- | --- |
|  |  | $3,450 |
|  |  | $3,650 |
|  |  | $2,925 |
|  |  | $3,800 |
|  |  | $2,975 |

**2 points**

**QUESTION 9**

1. Under average costing:

|  |  |  |
| --- | --- | --- |
|  |  | COGS reflects the cost of the items purchased earliest. |
|  |  | COGS reflects the cost of the most recently purchased items. |
|  |  | COGS reflects the cost of items from the earliest and most recent purchases. |

**2 points**

**QUESTION 10**

1. Under LIFO costing:

|  |  |  |
| --- | --- | --- |
|  |  | Ending inventory is always the items purchased earliest. |
|  |  | Ending inventory is always the most recently purchased items. |
|  |  | Ending inventory may include items from the earliest and most recent purchases. |

**2 points**

**QUESTION 11**

1. TuCo, which uses the periodic method and FIFO costing, makes the following purchases during the year:

|  |  |
| --- | --- |
| March | 700 widgets at $7.00 each |
| June | 900 widgets at $8.00 each |
| September | 200 widgets at $9.00 each |

1. The company did not have a beginning inventory. If a year-end physical count shows 400 widgets on hand, TuCo’s balance sheet will report inventory of:

|  |  |  |
| --- | --- | --- |
|  |  | $3,400 |
|  |  | $11,100 |
|  |  | $10,500 |
|  |  | $3,200 |
|  |  | $2,800 |

**2 points**

**QUESTION 12**

1. MacFarland Inc.’s January 1 inventory consisted of 10 units @ $91 each. MacFarland shows the following data for 20X1:

|  |  |  |
| --- | --- | --- |
| **Date** | **Purchases** | **Sales** |
| February 2 | 15 units @ $106 each |  |
| March 3 |  | 20 units |
| May 12 | 20 units @ $115 each |  |
| June 22 | 10 units @$119 each |  |
| Sept. 13 |  | 23 units |

1. If MacFarland uses the perpetual method and moving-average costing, what is the value of its ending inventory on December 31?

|  |  |  |
| --- | --- | --- |
|  |  | $1,260 |
|  |  | $1,293 |
|  |  | $1,420 |
|  |  | $1,368 |
|  |  | $1,330 |

**2 points**

**QUESTION 13**

1. TDS Company uses a perpetual inventory system. It entered into the following purchase and sale transactions for April:

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Activity** | **Units acquired at cost** | **Units sold at retail** |
| April 1 | beginning inventory | 20 units @ $3,000/unit |  |
| April 5 | purchase | 30 units @ $3,500/unit |  |
| April 9 | sale |  | 35 units @ $12,000/unit |
| April 18 | purchase | 5 units @ $4,500/unit |  |
| April 25 | purchase | 10 units @ $4,800/unit |  |
| April 29 | sale |  | 25 units @ $14,000/unit |
|  | TOTALS | 65 units | 60 units |

2. Compute the cost of goods sold for the month using FIFO:

|  |  |  |
| --- | --- | --- |
|  |  | $770,000 |
|  |  | $24,000 |
|  |  | $211,500 |
|  |  | $220,500 |
|  |  | $215,500 |
|  |  | $235,500 |

**2 points**

**QUESTION 14**

1. Under average costing:

|  |  |  |
| --- | --- | --- |
|  |  | Ending inventory is always the items purchased earliest. |
|  |  | Ending inventory is always the most recently purchased items. |
|  |  | Ending inventory may include items from the earliest and most recent purchases. |

**2 points**

**QUESTION 15**

1. Under FIFO costing:

|  |  |  |
| --- | --- | --- |
|  |  | COGS reflects the cost of the items purchased earliest. |
|  |  | COGS reflects the cost of the most recently purchased items. |
|  |  | COGS reflects the cost of items from the earliest and most recent purchases. |

**2 points**

**QUESTION 16**

1. ClickCo begins operations in 20X1 uses the periodic method and LIFO costing, and purchases merchandise as follows

|  |  |  |
| --- | --- | --- |
| **20X1** | **Units** | **Unit  cost** |
| March | 450 | $3.00 |
| August | 650 | $3.50 |
| **20X2** |  |  |
| February | 550 | $4.00 |
| October | 250 | $5.00 |

1. If ClickCo sells 850 units in 20X1 and again in 20X2, cost of goods sold on the 20X2 income statement will be:

|  |  |  |
| --- | --- | --- |
|  |  | $3,625 |
|  |  | $3,800 |
|  |  | $3,400 |
|  |  | $3,600 |
|  |  | $3,200 |

**2 points**

**QUESTION 17**

1. Under FIFO costing:

|  |  |  |
| --- | --- | --- |
|  |  | Ending inventory is always the most recently purchased items. |
|  |  | Ending inventory is always the items purchased earliest. |
|  |  | Ending inventory may include items from the earliest and most recent purchases. |

**2 points**

**QUESTION 18**

1. Hyde Company uses a perpetual inventory system. It entered into the following purchase and sale transactions for March:

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Activity** | **Units acquired at cost** | **Units sold at retail** |
| March 1 | beginning inventory | 100 units @ $50/unit |  |
| March 5 | purchase | 400 units @ $55/unit |  |
| March 9 | sale |  | 420 units @ $85/unit |
| March 18 | purchase | 120 units @ $60/unit |  |
| March 25 | purchase | 200 units @ $62/unit |  |
| March 29 | sale |  | 160 units @ $95/unit |
|  | TOTALS | 820 units | 580 units |

2. Compute the cost of goods sold for the month using FIFO.

|  |  |  |
| --- | --- | --- |
|  |  | $32,920 |
|  |  | $31,800 |
|  |  | $32,248 |
|  |  | $13,680 |
|  |  | $14,800 |
|  |  | $50,900 |

**2 points**

**QUESTION 19**

1. TuCo, which uses the periodic method and FIFO costing, makes the following purchases during the year:

|  |  |
| --- | --- |
| March | 700 widgets at $7.00 each |
| June | 900 widgets at $8.00 each |
| September | 200 widgets at $9.00 each |

1. The company did not have a beginning inventory. If a year-end physical count shows 400 widgets on hand, TuCo’s income statement will report COGS of:

|  |  |  |
| --- | --- | --- |
|  |  | $2,800 |
|  |  | $3,400 |
|  |  | $10,500 |
|  |  | $11,100 |
|  |  | $3,200 |

**2 points**

**QUESTION 20**

1. ClickCo begins operations in 20X1 uses the periodic method and LIFO costing, and purchases merchandise as follows

|  |  |  |
| --- | --- | --- |
| **20X1** | **Units** | **Unit  cost** |
| March | 450 | $3.00 |
| August | 650 | $3.50 |
| **20X2** |  |  |
| February | 550 | $4.00 |
| October | 250 | $5.00 |

1. If ClickCo sells 850 units in 20X1 and again in 20X2, ending inventory on the 20X2 balance sheet will be:

|  |  |  |
| --- | --- | --- |
|  |  | $1,000 |
|  |  | $600 |
|  |  | $0 |
|  |  | $700 |
|  |  | $800 |

**2 points**

**QUESTION 21**

1. GTI Company uses a perpetual inventory system. It entered into the following purchase and sale transactions for April:

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Activity** | **Units acquired at cost** | **Units sold at retail** |
| April 1 | beginning inventory | 20 units @ $3,000/unit |  |
| April 5 | purchase | 30 units @ $3,500/unit |  |
| April 9 | sale |  | 35 units @ $12,000/unit |
| April 18 | purchase | 5 units @ $4,500/unit |  |
| April 25 | purchase | 10 units @ $4,800/unit |  |
| April 29 | sale |  | 25 units @ $14,000/unit |
|  | TOTALS | 65 units | 60 units |

2. Compute the cost of goods sold for the month using LIFO:

|  |  |  |
| --- | --- | --- |
|  |  | $770,000 |
|  |  | $211,500 |
|  |  | $24,000 |
|  |  | $220,500 |
|  |  | $235,500 |
|  |  | $215,500 |

**2 points**

**QUESTION 22**

1. ClackCo, a 20X1 start-up, uses the periodic method and LIFO costing. The company purchases merchandise as follows:

|  |  |  |
| --- | --- | --- |
| **20X1** | **Units** | **Unit  cost** |
| March | 450 | $3.00 |
| August | 650 | $3.50 |
| **20X2** |  |  |
| February | 550 | $4.00 |
| October | 250 | $5.00 |

1. In 20X1, ClackCo sells 750 units. At year-end 20X2, there are 500 units on hand. ClackCo's balance sheet as of December 31, 20X2, will show ending inventory of:

|  |  |  |
| --- | --- | --- |
|  |  | $2,250 |
|  |  | $2,850 |
|  |  | $2,350 |
|  |  | $1,525 |
|  |  | $1,650 |

**2 points**

**QUESTION 23**

1. GTI Company uses a perpetual inventory system. It entered into the following purchase and sale transactions for April:

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Activity** | **Units acquired at cost** | **Units sold at retail** |
| April 1 | beginning inventory | 20 units @ $3,000/unit |  |
| April 5 | purchase | 30 units @ $3,500/unit |  |
| April 9 | sale |  | 35 units @ $12,000/unit |
| April 18 | purchase | 5 units @ $4,500/unit |  |
| April 25 | purchase | 10 units @ $4,800/unit |  |
| April 29 | sale |  | 25 units @ $14,000/unit |
|  | TOTALS | 65 units | 60 units |

2. Compute the ending inventory for the month using LIFO:

|  |  |  |
| --- | --- | --- |
|  |  | $24,000 |
|  |  | $215,500 |
|  |  | $20,000 |
|  |  | $220,500 |
|  |  | $211,500 |
|  |  | $15,000 |

**2 points**

**QUESTION 24**

1. GlynnCo, a 20X1 start-up that uses the periodic method and weighted-average costing, makes the following merchandise purchases:

|  |  |  |
| --- | --- | --- |
| **20X1** | **Units** | **Unit  cost** |
| March | 400 | $3.00 |
| August | 600 | $3.50 |
| **20X2** |  |  |
| February | 550 | $4.00 |
| October | 100 | $5.05 |

1. At the end of 20X1, there are 350 units in ending inventory. If, in 20X2, GlynnCo sells 800 units, what is the 20X2 cost of goods?

|  |  |  |
| --- | --- | --- |
|  |  | $3,088 |
|  |  | $3,110 |
|  |  | $3,329.23 |
|  |  | $3,074 |
|  |  | $3,620 |

**2 points**

**QUESTION 25**

1. Warnerwoods Company uses a perpetual inventory system. It entered into the following purchase and sale transactions for March:

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Activity** | **Units acquired at cost** | **Units sold at retail** |
| March 1 | beginning inventory | 100 units @ $50/unit |  |
| March 5 | purchase | 400 units @ $55/unit |  |
| March 9 | sale |  | 420 units @ $85/unit |
| March 18 | purchase | 120 units @ $60/unit |  |
| March 25 | purchase | 200 units @ $62/unit |  |
| March 29 | sale |  | 160 units @ $95/unit |
|  | TOTALS | 820 units | 580 units |

2. Compute the ending inventory for the month using LIFO.

|  |  |  |
| --- | --- | --- |
|  |  | $31,800 |
|  |  | $50,900 |
|  |  | $13,680 |
|  |  | $32,920 |
|  |  | $32,248 |
|  |  | $14,800 |

**2 points**

**QUESTION 26**

1. ClackCo, a 20X1 start-up, uses the periodic method and LIFO costing. The company purchases merchandise as follows:

|  |  |  |
| --- | --- | --- |
| **20X1** | **Units** | **Unit  cost** |
| March | 450 | $3.00 |
| August | 650 | $3.50 |
| **20X2** |  |  |
| February | 550 | $4.00 |
| October | 250 | $5.00 |

1. In 20X1, ClackCo sells 750 units. At year-end 20X2, there are 500 units on hand. ClackCo's income statement for the year ended December 31, 20X2, will show COGS of:

|  |  |  |
| --- | --- | --- |
|  |  | $1,525 |
|  |  | $2,850 |
|  |  | $1,650 |
|  |  | $2,250 |
|  |  | $2,350 |

**2 points**

**QUESTION 27**

1. GlynnCo, a 20X1 start-up that uses the periodic method and weighted-average costing, makes the following merchandise purchases:

|  |  |  |
| --- | --- | --- |
| **20X1** | **Units** | **Unit  cost** |
| March | 400 | $3.00 |
| August | 600 | $3.50 |
| **20X2** |  |  |
| February | 550 | $4.00 |
| October | 100 | $5.05 |

1. At the end of 20X1, there are 350 units in ending inventory. If, in 20X2, GlynnCo sells 800 units, what is the 20X2 ending inventory?

|  |  |  |
| --- | --- | --- |
|  |  | $777.50 |
|  |  | $905 |
|  |  | $832.31 |
|  |  | $768.50 |
|  |  | $772 |

**2 points**

**QUESTION 28**

1. Alison Inc., which uses the perpetual method and moving-average costing, shows the following activity for January:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Quantity** | **Unit  Cost** |
| January 1 | beginning inventory | 140 | $6 |
| January 8 | sale | 100 |  |
| January 15 | purchase | 60 | $5 |
| January 20 | sale | 80 |  |
| January 25 | purchase | 180 | $4.50 |

2. What is the cost of goods sold for the month?

|  |  |  |
| --- | --- | --- |
|  |  | $923.40 |
|  |  | $862.20 |
|  |  | $916.67 |
|  |  | $930 |
|  |  | $1,032 |

**2 points**

**QUESTION 29**

1. FiCo, which uses the periodic method and weighted-average costing, shows the following first-year data:

|  |  |  |
| --- | --- | --- |
|  | **Units** | **Unit  Cost** |
| Beginning Inventory | 96 | $2.00 |
| January 25 purchase | 220 | $2.25 |
| March 25 purchase | 544 | $2.50 |
| August 16 purchase | 480 | $2.80 |
| November 26 purchase | 160 | $2.90 |

If FiCo’s year-end physical account shows 150 units on hand, FiCo’s income statement as of December 31 will show Cost of Goods Sold of:

|  |  |  |
| --- | --- | --- |
|  |  | $3,541.50 |
|  |  | $3,420 |
|  |  | $525.33 |
|  |  | $3,361.50 |
|  |  | $3,469.50 |

**2 points**

**QUESTION 30**

1. TDS Company uses a perpetual inventory system. It entered into the following purchase and sale transactions for April:

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Activity** | **Units acquired at cost** | **Units sold at retail** |
| April 1 | beginning inventory | 20 units @ $3,000/unit |  |
| April 5 | purchase | 30 units @ $3,500/unit |  |
| April 9 | sale |  | 35 units @ $12,000/unit |
| April 18 | purchase | 5 units @ $4,500/unit |  |
| April 25 | purchase | 10 units @ $4,800/unit |  |
| April 29 | sale |  | 25 units @ $14,000/unit |
|  | TOTALS | 65 units | 60 units |

2. Compute the ending inventory for the month using FIFO:

|  |  |  |
| --- | --- | --- |
|  |  | $20,000 |
|  |  | $211,500 |
|  |  | $24,000 |
|  |  | $220,500 |
|  |  | $215,500 |
|  |  | $15,000 |