

Inventories and the cost of the goods sold

*Determining COGS, Ending Inventory and recording related transactions

Cody, Inc. uses a perpetual inventory system and maintains an inventory record of each type of product in stock. The following transactions show beginning inventory, purchases and sales of EF-500, a Blue Ray Player for the month of March:

March 1	Balance on hand, 30 units, cost \$60 each
March 5	Sale, 10 units, Sales price \$100 each
March 8	Purchase 5 units, cost \$66 each
March 15	Sale, 6 units, Sales price \$100 each
March 30	Sale, 10 units, Sales price \$115 each

Cody, Inc. uses the LIFO method of maintaining inventory:

Part A

1. What was the COGS on March 5? What was the value of the ending inventory?
2. What was the COGS on March 15? What was the value of the ending inventory?
3. What was the COGS on March 30? What was the value of the ending inventory?

Part B

Record the transactions for the above purchases and sales of inventory for Cody Inc. in a general journal.

NAME

SECTION

DATE

a Perpetual inventory record card: LIFO basis

Item _____ Primary supplier _____

Inventory method _____

Description _____ Secondary supplier _____

Location _____

Inventory level: Minimum _____ Maximum _____

Date	PURCHASED			Total	Units	SOLD			Unit Cost	Units	BALANCE	
	Units	Unit Cost	Total			Unit Cost	Cost of Goods Sold	Unit Cost			Balance	

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Cody, Inc. uses the LIFO method of maintaining inventory:

Part A

1. What was the COGS on March 5? What was the value of the ending inventory?

600	1200
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2. What was the COGS on March 15? What was the value of the ending inventory?

390	1140
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3. What was the COGS on March 30? What was the value of the ending inventory?

600	540
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Part B

Record the transactions for the above purchases and sales of inventory for Cody Inc. in a general journal.

<p>3/5 A/R 1000 Sales 1000 COGS 600 Inventory 600</p>	<p>3/30 A/R 1150 Sale 1150 COGS 600 Inventory 600</p>
<p>3/8 Inventory 330 A/P 330</p>	
<p>3/15 A/R 600 Sales 600 COGS 390 Inventory 390</p>	

NAME _____
SECTION _____
DATE _____

a Perpetual inventory record card: LIFO basis

Item _____ Inventory method _____ Primary supplier _____
Description _____ Secondary supplier _____
Location _____ Inventory level: Minimum _____ Maximum _____

Date	PURCHASED			SOLD			BALANCE		
	Units	Unit Cost	Total	Units	Unit Cost	Cost of Goods Sold	Units	Unit Cost	Balance
3/1							30	60	1800
3/5				10	60	600	40	60	1200
3/8	5	66	330				20	60	1200
3/15				5	66	330	5	66	330
				1	60	60	19	60	1140
3/30				10	60	600	9	60	540