

7-2A – FIFO, LIFO and Weighted Average Inventory Records and Entries

Aberdeen Auto Mart uses a perpetual inventory system and reports the following transactions for the month of May for one of its products:

Date	Explanation	Units	Cost/Price
May 1	Beginning Inventory	20	\$3.00
May 5	Purchase	5	3.25
May 13	Sale	22	7.99
May 20	Purchase	7	3.55
May 24	Purchase	5	3.70
May 31	Sale	13	7.99

Required:

- a.) Prepare inventory records using:
 - i. The FIFO method
 - ii. The LIFO method
 - iii. The weighted average method

- b.) Under each of the methods you prepared in part a.) above, compute Sales, Cost of Goods Sold and Gross Profit.

- c.) Prepare journal entries for May 24 and May 31 under all methods.