

B-08.04

Patti Devine owns Devine Decorating. One of her most popular items is the Remind-a-Chime digital clock. This programmable clock issues "voice-based" reminders of important events like birthdays, anniversaries, etc.

Following is the Remind-a-Clock inventory activity for January. The clocks on hand at January 1 had a unit cost of \$140.

<u>Date</u>	<u>Purchases</u>	<u>Sales</u>	<u>Units on Hand</u>
1-Jan			40
5-Jan	60 units @ \$150 each		100
16-Jan		70 units @ \$255 each	30
23-Jan	90 units @ \$170 each		120
28-Jan		55 units @ \$295 each	65

- If Devine uses the first-in, first-out (FIFO) inventory method (periodic approach), what values would be assigned to ending inventory and cost of goods sold? How much is gross profit?
- If Devine uses the last-in, first-out (LIFO) inventory method (periodic approach), what values would be assigned to ending inventory and cost of goods sold? How much is gross profit?
- If Devine uses the weighted-average inventory method (periodic approach), what values would be assigned to ending inventory and cost of goods sold? How much is gross profit?