

Adriaan Taylor Corporation is a newly formed entity that engages in the purchase and resale of amphibious tour vehicles. Purchases for the first year of operation were as follows:

<u>Date</u>	<u>Purchases</u>
7-Jan	50 units @ \$15,000 each
15-Mar	70 units @ \$16,000 each
16-Jun	30 units @ \$16,500 each
3-Aug	90 units @ \$17,000 each
11-Oct	25 units @ \$17,200 each

Sales for this first year of operation amounted to 210 units and totaled \$4,250,000.

- If Adriaan Taylor 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 Adriaan Taylor 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 Adriaan Taylor 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?
- Which of the above techniques produces the highest profit? Which of the above techniques reports the most "current" cost on a balance sheet? Which of the above techniques report the most "current" cost in measuring income? Which of the above techniques results in the lowest income tax obligation?