

ACCT 2310 Chapter 5 Activity

Bear Company buys and sells one product and uses the perpetual method of accounting for inventory. A summary of its inventory activity and sales for the year is below.

Date	Activity	Units Acquired at Cost		Units Sold at Retail Sales Price			Number of Units in Inventory
		Units Purchased	Cost per Unit Purchased	Units Sold	Sales Price per Unit		
1/1/2023	Beg. Inv	100	\$ 4				100
2/20/2023	Purchases	200	5				300
2/28/2023	Sales			40	\$ 10		260
3/10/2023	Sales			10	10		250
4/15/2023	Sales			120	11		130
6/10/2023	Purchases	50	6				180
8/15/2023	Sales			10	12		170
12/30/2023	Sales			20	13		150
Totals for the year		250		200			150

Unit Activity in Summary

	Units
Beg Inventory in Units	100
Total Units Purchased	250
Subtotal: Units Available for Sale	350
Total Units Sold	-200
Ending Inventory in Units	150

Required: Using the perpetual inventory method,

1. Calculate the Cost of Goods Available for Sale
2. Calculate Cost of Goods Sold and Ending Inventory under the FIFO, LIFO, and Weighted Average Methods.
3. Compute Gross Profit Under Each Method.
4. Prove that the Cost of Goods Available for Sale is the same amount under each method.