PROBLEMS

Prob. 7–1A

1.

Date	Purchases			Cost of Merchandise Sold			Inventory		
	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost	Quantity	Unit Cost	Total Cost
Mar. 3							60	1,500	90,000
8	120	1,800	216,000				60 120	1,500 1,800	90,000 216,000
11				60 20	1,500 1,800	90,000 36,000	100	1,800	180,000
30				50	1,800	90,000	50	1,800	90,000
Apr. 8	100	2,000	200,000				50 100	1,800 2,000	90,000 200,000
10				50 10	1,800 2,000	90,000 20,000	90	2,000	180,000
19				30	2,000	60,000	60	2,000	120,000
28	100	2,200	220,000				60 100	2,000 2,200	120,000 220,000

Continued

Prob. 7–1A Concluded

Date	Purchases Quantity	Purchases Unit Cost	Purchases Total Cost	Cost of Merchandise Sold Quantity	Cost of Merchandise Sold Unit Cost	Cost of Merchandise Sold Total Cost	Inventory Quantity	Inventory Unit Cost	Inventory Total Cost
May 5				60	2,000	120,000			
							100	2,200	220,000
16				80	2,200	176,000	20	2,200	44,000
21	180	2,400	432,000				20	2,200	44,000
							180	2,400	432,000
28				20	2,200	44,000			
				70	2,400	168,000	110	2,400	264,000
31	Balances					894,000			264,000

2. Accounts Receivable	2,307,500	
Sales		2,307,500
Cost of Merchandise Sold	894,000	
Merchandise Inventory		894,000

3. $1,413,500 ($2,307,500 – $894,000)

4. $264,000 (110 units × $2,400)