

Remember to follow to table layout and keep a running total of the units and the unit cost / total.

This information is relevant for the following questions

A business has stocks of material B of 1000 units valued at £4.80 per unit at 1 June. During the month of June the movements of material B were as follows:

4 June Receipt 300 units @ £5 per unit
12 June issue 800 units
14 June Receipt 520 units @ £5.20 per unit

What is the cost of receipts using the FIFO method?

- A 4,000
- B 4,100 4204
- C 5,060
- D 5,100

What is the value of closing stock using the FIFO method?

- A. 5,060 5164
- B. 4,000
- C. 5,000
- D. 4,100

What is the value of receipts using the LIFO method?

- A. 4,100
- B. 5,100
- C. 4,000
- D. 5,060

What is the value of closing stock using the LIFO method?

- A. 4,000
- B. 5,060
- C. 5,000
- D. 4,100

What is the value of issues using the LIFO method?

- A. 2,400
- B. 3,400
- C. 3,500
- D. 2,500

FIFO

Date	Issue	receipts	Total
01/06			1000 x £4.80 = 4800
04/06		300 x £5 = 1500	1000 x £4.80 = 4800 300 x £5 = 1500 <u>6300</u>
12/06	800 x £4.80 = 3840		200 x £4.80 = 960 300 x £5 = 1500 <u>2460</u>
14/06		520 x £5.20 = 2704	200 x £4.80 = 960 300 x £5 = 1500 520 x £5.20 = 2704 <u>5164</u>
		4204	

LIFO

Date	Issue	receipts	Total
01/06			1000 x £4.80 = 4800
04/06		300 x £5 = 1500	1000 x £4.80 = 4800 300 x £5 = 1500 <u>6300</u>
12/06	300 x £5 = 1500 500 x £4.80 = 2400 <u>3900</u>		500 x £4.80 = 2400
14/06		520 x £5.20 = 2704	500 x £4.80 = 2400 520 x £5.20 = 2704 <u>5104</u>

What is the value of issues using the weighted average cost method?

- A. 3,800
- B. 3,660
- C. 3,880
- D. 3,000

What is the value of closing stock using the weighted average cost method?

- A. 5,305
- B. 5,405
- C. 5,000
- D. 5,025 **5129**

AVCO

Date	Issues	Receipts	Total
0B			1000 @ £4.80 = 4800
04/06		300 x £5 = 1500	1300 @ 4.85 = 6300
12/06	800 x 4.85 = 3880		500 @ 4.85 = 2425
14/06		520 x 5.20 = 2704	1020 @ 5.03 <u>5129</u>