Shown below are net income amounts as they would be determined by Weihrich Steel Company by each of three different inventory costing methods ($ in 000s).



1. Assume that Weihrich used FIFO before 2016, and then in 2016 decided to switch to average cost. Prepare the journal entry to record the change in accounting principle and briefly describe any other steps Weihrich should take to appropriately report the situation. (Ignore income tax effects.)

2. Assume that Weihrich used FIFO before 2016, and then in 2016 decided to switch to LIFO. Assume accounting records are inadequate to determine LIFO information prior to 2016. Therefore, the 2015 ($540) and pre-2015 ($2,280) data are not available. Prepare the journal entry to record the change in accounting principle and briefly describe any other steps Weihrich should take to appropriately report the situation. (Ignore income tax effects.)

3. Assume that Weihrich used FIFO before 2016, and then in 2016 decided to switch to LIFO cost. Weihrich’s records of inventory purchases and sales are not available for several previous years. Therefore, the pre-2015 LIFO information ($2,280) is not available. However, Weihrich does have the information needed to apply LIFO on a prospective basis beginning in 2015. Prepare the journal entry to record the change in accounting principle and briefly describe any other steps Weihrich should take to appropriately report the situation. (Ignore income tax effects.)