

E6-4 Andrea's Boards sells a snowboard, Xpert, that is popular with snowboard enthusiasts. Information relating to Andrea's purchases of Xpert snowboards during September is shown below. During the same month, 121 Xpert snowboards were sold. Andrea's uses a periodic inventory system.

Compute inventory and cost of goods sold using FIFO and LIFO.
(SO 2)

<u>Date</u>	<u>Explanation</u>	<u>Units</u>	<u>Unit Cost</u>	<u>Total Cost</u>
Sept. 1	Inventory	26	\$ 97	\$ 2,522
Sept. 12	Purchases	45	102	4,590
Sept. 19	Purchases	20	104	2,080
Sept. 26	Purchases	50	105	5,250
	Totals	<u>141</u>		<u>\$14,442</u>

Instructions

- Compute the ending inventory at September 30 and cost of goods sold using the FIFO and LIFO methods. Prove the amount allocated to cost of goods sold under each method.
- For both FIFO and LIFO, calculate the sum of ending inventory and cost of goods sold. What do you notice about the answers you found for each method?