



Department of Education, Sabaragamuwa/weekly school

week- May 4

Subject-Accounting

Prepared by -  
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Grade-13

Competency 11.0 – Uses Sri Lanka Accounting Standards for the preparation and presentation of financial statements.

Competency Level 11.4 - Explaining the main concepts relating to inventory and accounting for Inventory.

05. Following are the stocks receipts and issues details of Wansan's business for the year ended 31.03.2016

| Date       | Description       | Quantity (units) | Unit price (Rs.) |
|------------|-------------------|------------------|------------------|
| 01.03.2016 | Opening inventory | 100              | 45               |
| 02.03.2016 | Purchases         | 300              | 45               |
| 05.03.2016 | Issues            | 200              | -                |
| 10.03.2016 | Purchases         | 800              | 60               |
| 15.04.2016 | Issues            | 400              | -                |
| 21.03.2016 | Issues            | 400              | -                |
| 25.03.2016 | Purchases         | 600              | 75               |
| 30.03.2016 | Issues            | 400              | -                |

Calculate the following based on First In First Out method (FIFO) and weighted Average Cost of method?

- (i) Inventory value as at 31.03.2016
  - (ii) Cost of sales for the month of March, 2016.
  - (iii) Gross profit if all the stocks mentioned above will be sold at Rs. 80
5. Mention the two situations where the inventories could be recognized as expenses.

