



Subject-Accounting

Grade-13

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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?

- Inventory value as at 31.03.2016
  - Cost of sales for the month of March, 2016.
  - 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.

