

- (11) Weighted Average of 100 units is ₹ 280. Out of it total cost of 40 units is ₹ 10,000. What would be per unit cost of remaining units?
 (A) ₹ 300 (B) ₹ 250
 (C) ₹ 280 (D) ₹ 480

[Ans.: (A) ₹ 300.]

- (12) In which method goods remain in the stock of last purchase?
 (A) LIFO method (B) FIFO method
 (C) Weighted Average Method (D) Fixed Price Method

[Ans.: (B) FIFO method.]

- (13) In which method price and quantity both are considered?
 (A) FIFO method (B) LIFO method
 (C) Weighted Average Method (D) None of these

[Ans.: (C) Weighted Average Method.]

C. PRACTICAL:

Ex. 1: The following are the transactions receipts and issues of an item of raw material:

2011		Units	Price per unit ₹
March	1 : Purchases	600	1.50
"	4 : Purchases	1,200	2.00
"	6 : Issued	1,000	—
"	10 : Purchases	1,400	2.00
"	15 : Issued	1,600	—
"	20 : Purchases	600	2.50
"	23 : Issued	200	—

Ascertain the quantity of closing stock as on March 31 and slate what will be its value in each case, if the issues are made under the following methods:

(1) First in First out.

(2) Last in, First out.

[Ans.: Closing stock 1,000 units. Value (1) under FIFO method ₹ 2,300 and (2) under LIFO method ₹ 1,900 (3) Issues under FIFO method: On 6/3, 600 kgs priced it ₹ 1.50 and 400 kgs at 2.00; On 15/3, 800 kgs at ₹ 2.00 and remaining 800 kgs at ₹ 2.00; On 23/3, all issues at ₹ 2; Closing stock 400 kgs at ₹ 2 and 600 kgs at ₹ 2.50 (4) Under Lifo Method: Issue of 6/3 at ₹ 2.00, Issue of 15/3, 1400 kgs at ₹ 2 and 200 also at Rs 2; On 23/3, 200 kgs at issue price ₹ 2.50.]

Ex. 2: Patel Manufacturing Co. provides following details regarding Purchase & Issue (Sales) for raw material for the month of November, 2006. You are required to prepare Stock Register by following 'LIFO' method and you have to find out Closing Stock and its value as on 30/11/2011:

2011		Units	Price per unit ₹
November	1 : Purchases	180	2.00
"	5 : Purchases	360	3.00
"	12 : Issued	300	—
"	18 : Purchases	420	4.00
"	20 : Issued	480	—
"	21 : Purchases	180	5.00
"	27 : Issued	80	—

(N. G. Uni., S.Y. Nov., 2012)

[Ans.: Issue of 12th @ ₹ 3; Issue of 20th 420 units @ ₹ 4 and 60 units @ ₹ 3; Issue of 27th 80 units @ Rs 5. Closing Stock 280 units, Value ₹ 860 (180 units @ ₹ 2 and 100 units @ ₹ 5).]

Ex. 3: The following is a summary of one basic raw-material item used in a chemical product. The following data relate to the month of March, 2011:

- 1/3/11 Opening balance 100 kgs. @ ₹ 4.90 per kg.
- 4/3/11 Received 50 kgs. @ ₹ 5 per kg.
- 10/3/11 Issued 50 kgs.
- 15/3/11 Materials from the above issue returned from process 10 kgs.
- 20/3/11 Received 100 kgs. @ ₹ 5.20 per kg.
- 25/3/11 Issued 150 kgs.
- 28/3/11 Received 80 kgs. @ ₹ 5.25 per kg.

On 31st March, 2011 the stock verifier detected a shortage of 5 kgs.

Prepare a Stock Register under FIFO Method and find the value of closing stock on 31/3/11.

[Ans.: Closing stock 105 kgs of which 80 kgs valued at ₹ 5.25 and 25 kgs. at ₹ 5.20. Total value of closing stock ₹ 550. On 25/3/2011 issue 150 kgs. of which 20 kgs at ₹ 4.90; 50 kgs. at ₹ 5.00, 10 kgs. at ₹ 4.90 and 80 kgs. At ₹ 5.20. Shortage of 5 kgs. on 31/3/2011 at ₹ 5.20.]

Ex. 4: The following is the record of receipts and issues of a certain material in the factory during July, 2011:

2011

July	1 : Opening Bal.	100 Tons at ₹ 10 per ton
"	3 : Issued	60 Tons
"	7 : Received	120 Tons at ₹ 10.10 per ton
"	15 : Issued	50 Tons
"	19 : Received back	20 Tons (Previously issued at ₹ 9.90 per ton)
"	22 : Issued	80 Tons
"	25 : Received	44 Tons at ₹ 10.20 per ton
"	30 : Issued	66 Tons

Prepare Stock Register, assuming that issues are priced on (1) FIFO and (2) LIFO method.

[Ans.: Closing stock 26 tons. Value at FIFO method ₹ 265.20 @ ₹ 10.20; at LIFO method ₹ 260 @ ₹ 10. Shortage will be recorded as an issue and return from stores will be entered as a receipt.]

Ex. 5: The following transactions are recorded in respect of materials used by a company manufacturing cosmetics:

Date	Qty. received Units	Rate per unit (₹)	Qty. issued Units
3/12/2011	400	2.10	—
15/12/2011	500	2.20	—
20/12/2011	—	—	500
26/12/2011	600	2.50	—
28/12/2011	—	—	900

Prepare Stock Register assuming that the issues are priced by weighted average method.

[Ans.: Issue dated 20/12 priced at ₹ 2.16; issue dated 28/12 priced at ₹ 2.36; Closing stock 100 units valued at ₹ 2.36; Total value ₹ 236]

Ex. 6: From the following information, prepare a Stock Register adopting the "Weighted Average" method of pricing out issues:

2011

Aug. 1 : Opening balance: 50 units @ ₹ 3 per unit

" 5 : Issued out to production: 20 units

" 7 : Purchased 48 units @ ₹ 4 per unit

" 9 : Issued out to production: 20 units

" 19 : Purchased 56 units @ ₹ 3 per unit

" 24 : Received back into stores 9 units out of 20 units issued on 9th August, 2011

" 27 : Issued out to production; 20 units

[Ans.: Issue of 5th Aug. priced at ₹ 3; that of 9th Aug. priced at ₹ 3.62; issue of 27th will be priced at ₹ 3.34; after purchases on 7th the average comes to ₹ 3.62; after purchases on 19th the average is ₹ 3.31 and on 24th the average would be ₹ 3.34; Closing stock 103 units valued at ₹ 343.38.]

Ex. 7: The following are the transactions of the material used by one company:

Date	Qty. received Units	Rate per unit (₹)	Qty. issued Units
4/12/2011	200	4.20	—
16/12/2011	250	4.56	—
21/12/2011	—	—	250
27/12/2011	300	5.00	—
29/12/2011	—	—	400

Prepare the Stock-Register, assuming that pricing of the issues is done by Weighted Average Method.

(North Guj. Uni., S.Y., Nov. 2013)

[Ans.: Closing stock 100 units, value ₹ 476; Issue priced on 21/12 @ ₹ 4.40 and on 29.12 @ ₹ 4.76.]

Ex. 8: In a company, the stores record shows the following:

Opening stock on 1st January, 2011 was 1,000 units at ₹ 10 per unit.

Date	Receipts Units	Rate per Unit (₹)	Date	Issues Units
Jan. 10	2,000	12	Jan. 15	1,500
Feb. 15	5,000	13	Feb. 16	2,500
Mar. 25	10,000	15	Mar. 27	6,000
April 15	2,000	13	April 20	4,000

How would the cost of each month be affected, if the issues are charged on the basis of LIFO and Weighted Average Methods?

[Ans.: Value of closing stock under LIFO method 6,000 units @ ₹ 78,500; under Weighted Average method 6,000 units @ ₹ 84,328.50]

Ex. 9: Bombay Tin Ltd. had a stock of tins 10,000 kgs. at ₹ 2 per kg. in the beginning of October, 2011. Other purchases made during the month were as under:

October 3 : 2,000 kgs. at ₹ 2.50 per kg.

10 : 5,000 kgs. at ₹ 3.00 per kg.

20 : 10,000 kgs. at ₹ 3.50 per kg.

Issues for production were as under:

October 12 : 16,000 kgs.

28 : 10,000 kgs.

If the issues are priced on (i) FIFO Method, (ii) LIFO Method (iii) Weighted Average Method, what would be the value of closing stock at the end of the month?

[Ans.: Value of Closing stock (i) Fifo method ₹ 3,500, (ii) Lifo method ₹ 2,000; (iii) Weighted average method ₹ 3,396.]

Ex. 10: The following information relates to material M used in a factory:

Date	Particulars	Units	Per Unit	Amount ₹
15/1/'11	Receipts	250	1.25	312.50
22/1/'11	Receipts	100	1.30	130.00
24/1/'11	Receipts	50	1.35	67.50
5/2/'11	Issues	55	—	—
19/2/'11	Receipts	50	1.40	70.00
26/2/'11	Issues	350	—	—
28/2/'11	Receipts	100	1.35	135.00
3/3/'11	Issues	40	—	—

The issues dated 5/2/'11 and 26/2/'11 are priced on LIFO and FIFO methods respectively. From 1/3/'11 it was decided to use Weighted Average Method for pricing issues.

Prepare Stock Register for material 'M'.

[Ans.: Issue dated 5/2/'08 priced at ₹ 74.00; Issue dated 26/2/'11 priced at 443.00 (250 units at ₹ 312.50 + 95 units at ₹ 123.50 + 5 units at ₹ 7.00); Issue dated 3/3/'11 priced at ₹ 56.40; Value of closing stock ₹ 143.40 (105 units x ₹ 1.366).]

Ex. 11: Receipts and issues of goods of Ashok Traders were as follows. Prepare Stock Register on Weighted Average Method. The stock on 1st April, 2011 was 6 dozens at ₹ 8 per piece.

Date	Receipts	Qty. Doz.	Rate Per piece ₹	Date	Issues	Quantities (pieces) ₹
2011				2011		
Apr. 2	Purchases	16	9	April 10	Issued to jobs	180 pieces
" 6	Purchases	18	10	" 17	Issued to jobs	120 pieces
" 14	Purchases	240	₹ 144 per doz.	" 22	Shortage	15 pieces
" 21	Purchases	20	₹ 8	" 25	Issued to jobs	14 doz.
" 26	Purchases	324	₹ 132 per doz.	" 27	Issued to jobs	46 pieces
" 29	Return from Job (From issue of 27)	6 pieces		" 30	Shortage	20 pieces

[Ans.: Closing stock 757 pieces at average price of ₹ 10.16 and total amount ₹ 7,693; Average price after purchase of 6/4, ₹ 9.30 (4,464 + 480 pieces); Issue of 17/4 at a price of ₹ 10.50. (₹ 5670 + 540 pieces) Average price after purchase of 21/4, ₹ 9.59 (6,330 + 660 pieces); Shortage of 22/4 to be recorded at ₹ 9.59, ₹ 144; Issue of 25/4 at ₹ 9.59 ₹ 1,611 Average price after purchase of 26/4 ₹ 10.16 (8,139 + 801 pieces); Issue of 27/4 at ₹ 10.16, ₹ 975; Receipt on 29/4 at ₹ 10.16 ₹ 732; Shortage of 30/4 at ₹ 10.16, ₹ 203; Closing stock 757 pieces at ₹ 10.16, ₹ 7,693.]

Ex. 12: From the following transactions of purchases and issues of material "S" during the period from 1st January, 2011 to 31st March 2011:

Prepare Stock Register as per LIFO (last in first out) method:

Date	Units	Rate per Unit ₹	Date	Units
2011			2011	
Jan. 3	4000	5-00	Feb. 1	2000
" 23	500	4-00	" 15	4000
Feb. 9	6000	6-00	March 3	1000
March 13	4500	5-00	March 20	5000

Additional Information:

- (1) Stock on 1st Jan., 2011 was 1,000 units at the rate of ₹ 4 per-unit.
- (2) From the issues of 3rd March, 200 units have been returned back to store on 5th March.
- (3) Physical checking of stores on 31st March revealed shortage of 100 units.

[Ans.: Closing Stock 4,100 units and its value ₹ 20,100 (1,000 units @ ₹ 4 + 2,500 units @ ₹ 5 and + 600 units @ ₹ 6 = ₹ 20,100) Issue prices: on 1/2 out of 2000 units, 500 units at ₹ 4.00 and 1,500 units at ₹ 5; On 15/2, 4,000 units at ₹ 6; on 3/3, 1000 units at ₹ 6.00; On 20/3 out of 5,000 units, 4,500 units at ₹ 5.00 and 500 units at ₹ 6; Shortage of 100 units at ₹ 6.00.]

Ex. 15: Vasudhara Ltd. has on 1st March, 2011 opening stock of 600 kgs of Material 'P' at ₹ 1 per kg.

The following transactions of receipts and issues were made:

Date	Particulars	Qty (Kgs.)	₹
2011			
March 4	Purchase	800	960
" 14	Issue	400	—
" 22	Purchase	600	540
" 26	Issue	395	—
" 26	On verification shortage of 5 kgs was found		
April 8	Issue	500	—
" 18	Purchase	200	220
" 24	Issue	150	—
" 27	Issue	300	—
" 28	Returned back from production to stores (Out of materials issued on 8 th April, '07)	100	

Issues of March, 2011 and April, 2011 are to be priced on FIFO and LIFO basis respectively.

Prepare Stock Ledger for Material 'P'.

[Ans.: Issue dated 14/3 priced at ₹ 1; Issued dated 26/3: 200 units priced at ₹ 1 and 195 units at ₹ 1.20; Shortage 5 units priced at ₹ 1.20; Issue dated 8/4: 500 units priced at ₹ 0.90; Issued dated 24/4: 150 units priced at 2.20; Issue dated 27/4: 300 units of which 50 units priced at ₹ 2.20, 100 units at ₹ 0.90 and 150 units at ₹ 1.20; Closing stock by Lifo method (30/4) 450 units, at ₹ 1.20 and 100 units at ₹ 0.90; Total 550 units at ₹ 6.30).]

Ex. 14: The following is a summary of receipts and issues of Materials X:

- 2011
 March 1 : Opening stock 200 units, per unit ₹ 5
 " 3 : Issued to 'A' Department 50 units
 " 8 : Receipts 350 units, per unit ₹ 6
 " 11 : Issued to 'B' Department 20 units
 " 14 : Received back from 'A' Department 20 units
 " 16 : Returned to vendor 30 units (Out of those received of 8th Mar.)
 " 20 : Receipts 150 units, per unit ₹ 7
 " 25 : Issued to 'B' Department 220 units
 " 30 : Receipts 120 units, per unit ₹ 6.50

Prepare stock ledger of Material 'X' assuming that the issues are priced by weighted average method.

[Ans.: Issue price: 3/3 at ₹ 5; 11/3 at ₹ 5.70; 16/3 return at ₹ 6, 25/3 at ₹ 6.10; 220 units (₹ 1,340), Cl. St. 350 units, ₹ 2,120 (WA. per unit ₹ 6.24)]

Ex. 16: The following is a summary of receipts and issues of Material Z in a factory during January, 2008.

Date	Receipts		Issues	
	Units	Rate per Unit (₹)	Date	Units
1/1/08	90	4	12/1/08	150
5/1/08	180	6	20/1/08	240
14/1/08	210	6	29/1/08	30
25/1/08	90	8		

The issue on 12/1/08 and 20/1/08 are priced on LIFO and FIFO basis respectively. It was decided to price the issues of 25/1/08 on Weighted Average Method. Prepare Stock Register for material.

(Guj. Uni., S. Y., B.Com., March, 2008)

[Ans.: Issue dated 12/1/08 priced at ₹ 900 (150 units at ₹ 6). Issue dated 20/1/08 priced at ₹ 1,260 (90 units at ₹ 4 + 30 units at ₹ 6 + 120 units at ₹ 6); Issue dated 25/1/08 priced at ₹ 210 (30 units × weighted average ₹ 7); value of closing stock ₹ 1,050 (150 units × ₹ 7).]

Ex. 17: The following is a summary of receipts and issues of Material 'B' in a factory during March, 2010:

Date	Particulars	Quantity (Kg.)	Total Amount ₹
1/3/10	Opening Balance	250	5,000
5/3/10	Purchased	1,750	31,500
8/3/10	Purchased	1,000	22,000
13/3/10	Issued	1,200	—
15/3/10	Purchased	200	5,000
19/3/10	Issued	1,000	—
20/3/10	Purchased	1,000	15,200
25/3/10	Issued	1,500	—

The material issued on 13/3/'10 and 18/3/'10 were priced on 'FIFO' and LIFO basis respectively. It was decided to price the issues by "Weighted Average Method" from 20/3/'10. Prepare Stock Register for material.
(Guj. Uni., S.Y., March, 2011)

[Ans.: Closing stock 500 kg ₹ 8,500]

(1) Issue of 13/3 250 kg @ ₹ 20 and 950 kg @ ₹ 18; (2) Issue of 18/3 200 kg @ ₹ 25 and 800 kg @ ₹ 22; (3) Issue of 20/3 1,500 kg @ ₹ 17; (4) Cl. Stock 500 kg @ ₹ 17 = ₹ 8,500.]

Ex. 18: On 1st November, 2011, A Ltd. has 10,000 DVDs in stock at ₹ 100. During the month they purchased as under:

November - 8 : 4,000 DVDs at ₹ 125 per DVD

November - 15 : 6,000 DVDs at ₹ 150 per DVD

November - 22 : 8,000 DVDs at ₹ 165 per DVD

For production they supplied as under:

November - 16 : 16,000 DVDs

November - 30 : 10,000 DVDs

What is the closing stock value if (1) FIFO Method; (2) Weighted Average Method is applied?
(Guj. Uni., S. Y., April, 2012)

[Ans.: (1) As per FIFO Method: 16th Nov. issue of 10,000 priced at ₹ 100, 4,000 at ₹ 125 and 2,000 at ₹ 150, Issue of 30th Nov. 4,000 at ₹ 150 and 6,000 at ₹ 165, Value of closing stock 2,000 at ₹ 165 = ₹ 3,30,000.

(2) As per Weighted Average Method: 16th Nov. 16,000 at ₹ 120 and 30th Nov. 10,000 at ₹ 150, Value of Closing Stock 2,000 at ₹ 150, ₹ 3,00,000.]

Ex. 19: The following are the transactions of Jaya Ltd. for receipts and issues of an item of material:

October, 2012	Particulars	Units	Price per unit
1	Purchases	180	4.00
5	Purchases	360	6.00
12	Issue	300	—
14	Purchases	420	6.00
20	Issue	480	—
25	Purchases	180	8.00
29	Issue	60	—

The issue on 12/10/2012 and 20/10/2012 are priced on LIFO and FIFO basis respectively. It was decided to price the issues from 25/10/2012 on Weighted Average Method. Prepare Stock Register for material.

(Sau. Uni., S.Y., Nov. 2012)

[Ans.: (1) Issue of 12th 300 units at ₹ 6 (ii) Issue of 20th 180 units at ₹ 4, 60 units at ₹ 6 and 240 units at ₹ 6 (iii) Issue of 29th 60 units at ₹ 7 (iv) Closing Stock 300 units at ₹ 7 = ₹ 2,100.]

Ex. 20: The transactions of Material A in Shyam Ltd :

July, 2011	Transactions	Units	Total Amt. ₹
1	Purchase	250	750
8	Purchase	250	1,000
13	Issued	200	FIFO
15	Purchase	500	2,500
21	Issued	300	LIFO
23	Purchase	300	1,500
30	Issued	400	Weighted Average

Prepare Store Ledger for the month of July.

(South Guj. Uni., S.Y., Nov. 2012)

[Ans.: Cl. Stock 400 units, ₹ 1,825 (i) Issue of 13th : July 200 units at ₹ 3, ₹ 600 (ii) Issue of 21st July: 300 units at ₹ 5, ₹ 1,500 (iii) Issue of 30th July: 400 units at ₹ 4.5625, ₹ 1,825 (iv) Closing Stock 400 units at ₹ 4.5625, ₹ 1,825.]

Ex. 21: Find out the closing stock value according to FIFO, LIFO and Weighted Average Method.

Receipts:

1/4/2012 : 500 units at ₹ 4.50 per unit

21/6/2012 : 750 units at ₹ 6.00 per unit

Issues:

11/4/2012 : 400 units

25/6/2012 : 600 units

[Ans.: Value of closing stock: (1) As per FIFO Method: 250 unit × ₹ 6 = ₹ 1,500 (2) As per LIFO Method: (100 units × ₹ 4.5) + (150 units × ₹ 6) = 450 + 900 = ₹ 1,350. (3) As per weighted average method (4,950 / 850) = 5.8235 × 250 units = ₹ 1,456.]

Ex. 22: The following is a summary of receipts and issues of Material 'M' in a factory during March, 2013:

Date	Particulars	Quantity (Kg.)	Total Amount ₹
01/3/13	Opening Balance	1,000	20,000
05/3/13	Purchased	7,000	1,26,000
08/3/13	Purchased	4,000	88,000
13/3/13	Issued	4,800	—
15/3/13	Issued	800	20,000
19/3/13	Purchased	4,000	—
20/3/13	Issued	4,000	60,800
25/3/13	Purchased	6,000	—
	Issued		

The material issued on 13/3/13 and 19/3/13 were priced on "FIFO" and "LIFO" basis respectively. It was decided to price the issues by "Weighted Average Method" from 20/3/13.

Prepare Stock Register for material.

(Guj. Uni., S.Y., Nov. 2013)

[Ans.: Closing stock 2,000 kgs. ₹ 34,000 (1) Issue of 13/3: 1,000 kgs. At ₹ 20 and 3,800 kgs. at ₹ 18 (2) Issue of 19/3: kgs. at ₹ 25 and 3,200 kgs. At ₹ 22 (3) Issue of 25/3: 6,000 kgs. at ₹ 17 (4) Closing stock 2,000 kgs. At ₹ 17 = ₹ 34,000.]

Ex. 23: The following information of materials 'M' of Malav Ltd. is given for the month of January 2013. Opening stock is nil.

Prepare stores ledger under:

(1) FIFO method; (2) LIFO method; (3) Weighted average method

Purchases:

January 1 : 100 units at ₹ 1 per unit

January 20 : 100 units at ₹ 2 per unit

Issues for Jobs:

January 22 : 60 units for Job No. 16

January 27 : 60 units for Job No. 17

(South Guj. Uni., S.Y., Nov. 2013)

[Ans.: Value of Closing Stock: (1) FIFO Method ₹ 160; (2) LIFO Method ₹ 80 and (3) Weighted average Method ₹ 120.]

Ex. 24: Aditya Co. provides details of material for March 2013. Prepare Stock Register as per FIFO Method:

2013

March 1 : Opening Stock 300 units at ₹ 40

" 3 : Purchases 400 units at ₹ 50

" 7 : Given for production 500 units

" 10 : Purchases 600 units at ₹ 52

" 15 : Given for production 400 units

" 20 : Purchases 1,000 units at ₹ 55

" 22 : Given for production 600 units

" 25 : Purchases 800 units at ₹ 60

" 28 : Given for production 900 units

(Sau. Uni., S.Y., Nov. 2013)

[Ans.: Closing Stock 700 units at ₹ 60 = ₹ 42,000.

(1) Issue of 7th: 500 units, of which 300 units at ₹ 40 and 200 units at ₹ 50; (2) On 15th issue: 400 units, of which 200 units at ₹ 50 and 200 units at ₹ 52; (3) On 22nd issue: 600 units, of which 400 units at ₹ 52 and 200 units at ₹ 55; (4) On 28th issue: 900 units, of which 800 units at ₹ 55 and 100 units at ₹ 60; (5) Closing Stock: 700 units at ₹ 60 = ₹ 42,000.]

Ex. 25: The following information regarding receipt and issue of a colour item are obtained for January, 2014 from the stores of a factory:

January, 2014	Particulars	Kgs.	₹
1	Opening stock	5,000	2.00
2	Issue	2,600	—
3	Issue	400	—
15	Purchases	6,000	4.00
16	Issue	2,000	—
28	Issue	1,000	—
29	Purchases	2,000	5.00
30	Issue	1,000	—

The stock verification revealed a shortage of 100 kgs. On 28/01/2014. Prepare Stores Ledger as per FIFO and LIFO method.

(Sau. Uni., S.Y., Nov. 2014)

[Ans.: As per FIFO Method: Closing Stock 5,900 kg., ₹ 25,600 (3,900 kg. at ₹ 4 + 2,000 kg. at ₹ 5), Issue Prices: On 2/1: 2,600 kg. at ₹ 2, 3/1: 400 kg. at ₹ 2, 16/1: 2,000 kg. at ₹ 2, 28/1: 1,000 kg. at ₹ 4 and 28/1: Shortage 100 kg. at ₹ 4, 30/1: 1,000 kg. at ₹ 4.

As per LIFO Method: Closing Stock 5,900 kg., ₹ 20,600 (2,000 kg. at ₹ 2 + 2,900 kg. at ₹ 4 + 1,000 kg. at ₹ 5), Issue prices: On 2/1: 2,600 kg. at ₹ 2, 3/1: 400 kg. at ₹ 2, 16/1: 2,000 kg. at ₹ 4, 28/1: 1,000 kg. at ₹ 4 and 28/1: Shortage 100 kg. at ₹ 4, 30/1 1,000 kg. at ₹ 5.]

Ex. 26: The following is a summary of receipts and issues of Material J in a factory during March, 2013:

Receipts:

1/3/2013 : 800 units at ₹ 6 per unit
10/3/2013 : 900 units at ₹ 8 per unit
20/3/2013 : 600 units at ₹ 7 per unit

Issues:

8/3/2013 : 600 units
15/3/2013 : 800 units
25/3/2013 : 500 units

Prepare Stock Register as per FIFO method.

(Guj. Uni., S.Y., Dec. 2014)

[Ans.: Closing stock 400 units, value ₹ 2,800 (400 units at ₹ 7), Issue of 8th 600 units at ₹ 6, Issue of 15th 200 units at ₹ 6 and 600 units at ₹ 8, Issue of 25th 300 units at ₹ 8 and 200 units at ₹ 7, Closing stock 400 units, value ₹ 2,800 (400 × 7).]

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