


Accounting II - Simplified for You



Last-In, First-Out (LIFO)

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Last-In, First-Out (LIFO)

Cost of units sold are associated with most recent units purchased.

Item 123V -Floor Mats			
Purchases			
Date	Quantity	Unit Cost	Total Cost
7/1/2014	5	20	100
7/15/2014	10	23	230
7/27/2014	8	25	200
	23		\$ 530

Quantity (Units) available for sale: 23
Cost of Goods Available for sale: \$530

Last-In, First-Out (LIFO)

- Assume we sold 1 unit at \$50 selling price, unit sold is from purchase made

Cost of Goods Sold = \$25
1 unit x \$25 = \$25

Merchandise Ending Inventory = \$505

Item 123V -Floor Mats			
Purchases			
Date	Quantity	Unit Cost	Total Cost
7/1/2014	5	20	100
7/15/2014	10	23	230
7/27/2014	8	25	200
	23		\$ 530

Quantity (Units) available for sale: 23
Cost of Goods Available for sale: \$530

Item 123V -Floor Mats			
Purchases			
Date	Quantity	Unit Cost	Total Cost
7/1/2014	5	20	100
7/15/2014	10	23	230
7/27/2014	7	25	175
	22		\$ 505

Quantity (Units) available for sale: 22
Cost of Goods Available for sale: \$ 505

Income Statement

Unique Designs	
Income Statement	
For the Month Ended July 31, 20XX	
Sales Revenues	\$ 50
Cost of Goods Sold	\$ (25)
Gross Profit	\$ 25
Operating Expenses	XX
Net Income	XX

Item 123V -Floor Mats			
Purchases			
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7/1/2014	5	20	100
7/15/2014	10	23	230
7/27/2014	8	25	200
	23		\$ 530


Quantity (Units) available for sale: 23
Cost of Goods Available for sale: \$530

Balance Sheet

Unique Designs Balance Sheet July 31, 20XX			
Assets		Liabilities	
Cash	XXX	Accounts Payable	XXX
Accounts Receivable	XXX	Salaries Payable	XXX
Merchandise Inventory	\$ 505	Owner's Equity	
Office Equipment	XXX	Mary Smith, capital	XXX
Total Assets	XXX	Total liabilities and	XXX

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Item 1234 - flower Mats			
Purchases			
Date	Quantity	Unit Cost	Total Cost
7/1/2014	5	20	100
7/15/2014	10	23	230
7/22/2014	7	25	175
	22		\$ 505
Quantity (Units) available for sale: 22			
Cost of Goods Available for sale: \$ 505			




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Keep
Educating
Yourself



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