

**Solution:**

Let us tabulate all the values to arrive at an estimate for the cost of goods that is absconded by the clerk.

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**STATEMENT OF INCOME**  
**(Amount in thousands of \$)**

**Name: Blakely Company**

<b>Particulars</b>	<b>Amount</b>
<b>Net Sales</b>	<b>300</b>
<b>Cost of Goods Sold:</b>	
Cost of Acquisition of Goods	210
Inventory, January 1	55
Cost of Goods Available for Sale	265
Deduct: Inventory, May 14	(40)
<b>Net Cost of Goods Sold</b>	<b>225</b>
<b>Gross Profit</b>	<b>75</b>

The calculations supporting the above table are as follows:

- The gross profit is 25% of the sales i.e. 25% of 300 = 75.
- The net cost of goods sold is  $300 - 75 = 225$
- The other values are added as per their importance.

Thus, based on above table, we see that the inventory on May 14 was valued at \$40,000.

Since the entire truck was absconded, this means that the estimated cost of inventory stolen was \$40,000.