

Solution:

(1)

The comparative statements of the gross margin using the different methods are as follows:

Particulars	Amount (in thousands of \$) using			
	FIFO	LIFO	Avg. Cost	Specific
Purchase of Goods	196	196	196	196
Beginning Inventory	40	40	40	40
Goods Available for Sale	236	236	236	236
Deduct: End Inventory	(90)	(65)	(76.96)	(81)
Cost of Goods Sold	146	171	159.04	155

(2)

(a) The difference would be:

$$\text{Difference} = 0.4 \times \$ (171 - 146) = \$10,000$$

(b) The difference would be:

$$\text{Difference} = 0.4 \times \$ (171 - 159.04) = \$4,784$$