

Solution:

The FIFO assumption is that the inventory, which was bought first in, should be the one that should go out first i.e. the company tries to empty the stock it owns earliest first.

Using this concept, let us now tabulate the flow of goods from inventory on the specified dates. This will ease the question a bit:

<i>Date</i>	<i>Inventory Balance</i>	<i>Total units, Inventory value (in \$)</i>
31 Dec, 2017	100 @ \$5	100, 500
10 Feb, 2018	100 @ \$5 80 @ \$6	180, 980
14 Apr, 2018	40 @ \$5 80 @ \$6	120, 680
9 May, 2018	40 @ \$5 80 @ \$6 110 @ \$7	230, 1450
14 Jul, 2018	110 @ \$7	110, 770
21 Oct, 2018	110 @ \$7 100 @ \$8	210, 1570
12 Nov, 2018	35 @ \$7 100 @ \$8	135, 1045

Ending inventory is given by:

$$\text{Ending Inventory Balance} = \$1,045$$

$$\text{Ending Inventory Units} = 135$$