Solution:

Let us prepare a table that summarizes these changes in the prices, as per both U.S. GAAP & IFRS.

In either case, the LCM method is applied. However, the price to be decided as market price is called "replacement cost" in US GAAP and IFRS uses the net realizable value of the inventory.

Thus, the table is prepared as follows:

Date	Price of Inventory Under	
	U.S. GAAP	IFRS
Dec 31, 2011	$185,000 (Write down since inventory was more than the replacement cost)	$195,000 (Write down since the inventory is more than the realizable value.)
Apr 30, 2012	$185,000 (No effect)	$200,000 (Reversal of write down)
Aug 31, 2012	$185,000 (No effect)	$200,000 (No effect)
Dec 31, 2012	$180,000 (Write down since inventory was more than the replacement cost)	$190,000 (Write down since the inventory is more than the realizable value.)

The U.S. GAAP does not allow replacement of value, but IFRS allows it if the net realizable value goes up.