**Solution:**

The company uses FIFO, which means that it sells the stock it acquired the earliest first.

Moreover, the company uses a perpetual inventory system, so the inventory gets updated at the time of sales. So, we need to keep track of the inventory at the point of sales. Thus, we will create a table to keep track of inventory and the sales.

Thus, the following table is formed:

|  |  |  |  |
| --- | --- | --- | --- |
| TRACKING THE FLOW OF INVENTORY | | | |
| Date | Inventory Prior | Changes (FIFO) | Inventory Net |
| Dec 31, 2017 | 100 @ $5 | (None) | 100 @ $5 |
| Feb 10, 2018 | 100 @ $5 | +80 @ $6 | 100 @ $5  80 @ $6 |
| Apr 14 | 100 @ $5  80 @ $6 | -60 @ $5 | 40 @ $5  80 @ $6 |
| May 9 | 40 @ $5  80 @ $6 | +110 @ $7 | 40 @ $5  80 @ $6  110 @ $7 |
| Jul 14 | 40 @ $5  80 @ $6  110 @ $7 | -40 @ $5  -80 @ $6 | 110 @ $7 |
| Oct 21 | 110 @ $7 | +100 @ $8 | 110 @ $7  100 @ $8 |
| Nov 12 | 110 @ $7  100 @ $8 | -75 @ $7 | 35 @ $7  100 @ $8 |

Thus, at the end of November 12, 2018, the ending inventory consists of

* 35 @ $7 &
* 100 @ $8,

resulting in $1,045 worth of 135 units remaining.