

Q 1//:

**NUGGET MINING COMPANY**

**Bank Reconciliation 30,Nov. 2018**

Balance per bank statement			\$ 22190
Add: deposit in transit	(1)	\$ 3680	
Bank error:incorrect check	(7)	<u>175</u>	3855
Deduct: outstanding check	(2)		<u>(5001)</u>
Adjusted balance			<u>\$ 21044</u>
Balance per book			\$ 20502
Add: Interest collected by bank	(3)	\$ 600	
Error in recording check No.7322	(6)	<u>180</u>	780
Deduct: Bank service charge	(4)	18	
NSF check retured	(5)	<u>220</u>	<u>(238)</u>
Adjusted balance			<u>\$ 21044</u>

b//

Cash	542	
Service charge	18	
A/R	220	
	A/P	180
	<u>Interest revenue</u>	<u>600</u>

Q 2//

**MICKIEWICZ CORPORATION**

**Schedules of Cost of Goods Sold**

**For the First Quarter Ended March 31, 2017**

	<b>Schedule 1 First-in, First-out</b>	<b>Schedule 2 Last-in, First-out</b>
<b>Beginning inventory</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>
<b>Plus purchases</b>	<b><u>150,600*</u></b>	<b><u>150,600</u></b>
<b>Cost of goods available for sale</b>	<b>190,600</b>	<b>190,600</b>
<b>Less ending inventory</b>	<b><u>65,700</u></b>	<b><u>61,000</u></b>
<b>Cost of goods sold</b>	<b><u>\$124,900</u></b>	<b><u>\$129,600</u></b>

\*( $\$33,600 + \$25,500 + \$38,700 + \$52,800$ )

**Schedules Computing Ending Inventory**

	<b>Units</b>
<b>Beginning inventory</b>	<b>10,000</b>
<b>Plus purchases</b>	<b><u>35,000</u></b>
<b>Units available for sale</b>	<b>45,000</b>
<b>Less sales (<math>\\$150,000 \div 5</math>)</b>	<b><u>30,000</u></b>
<b>Ending inventory</b>	<b><u>15,000</u></b>

The unit computation is the same for both assumptions, but the cost assigned to the units of ending inventory are different.

**First-in, First-out (Schedule 1)**

---

<b>12,000</b>	<b>at \$4.40 =</b>	<b>\$52,800</b>
<u><b>3,000</b></u>	<b>at \$4.30 =</b>	<u><b>12,900</b></u>
<u><b>15,000</b></u>		<u><b>\$65,700</b></u>

**Last-in, First-out (Schedule 2)**

---

<b>10,000</b>	<b>at \$4.00 =</b>	<b>\$40,000</b>
<u><b>5,000</b></u>	<b>at \$4.20 =</b>	<u><b>21,000</b></u>
<u><b>15,000</b></u>		<u><b>\$61,000</b></u>

