

Paper 2 ~ Question 4

(c) Closing inventory as at 31 March 2010 (as per physical count):

		\$
Standard	(60 x \$450 + 90 x 440)	66,600
Intermediate	(55 x 495)	27,225
Advanced	(60 x 540)	32,400
		<u>126,225</u>
		(4)

Amount of inventory to be written off:

		<u>Standard</u>		<u>Intermediate</u>	<u>Advanced</u>
		\$		\$	\$
Stock surplus/(deficiency)	50*450	(22,500)		5*495	2,475
Written down to NRV	(150-60)*(450-440)	<u>(900)</u>	50*(500-495)	<u>(250)</u>	-
		(23,400)		2,225	
	=	<u>21,175</u>			
		(4)			

OR

Amount of inventory to be written off:

Closing inventory as at 31 March 2010

	<u>per physical count</u>		<u>per ledger account</u>		<u>Difference</u>
	\$		\$		\$
Standard	66,600	(200 x 450)	90,000		(23,400)
Intermediate	27,225	(50 x 500)	25,000		2,225
Advanced	32,400	(60 x 540)	32,400		-
				Total amount of inventory to be written off	<u>(21,175)</u>
					(4)