

# Accounting I

## LAP 25 - Inventories



Name \_\_\_\_\_

Period \_\_\_\_\_

Date Started \_\_\_\_\_

Date Completed \_\_\_\_\_

### DoDEA Standards

- ◆ **PT1b** Use accounting procedures for planning, organizing, and allocating resources
- ◆ **PT1f** Be proficient in the use of technology
- ◆ **PT1h** Apply trouble shooting techniques and processes
- ◆ **PT3d** Use technology tools and resources for managing and communicating personal/professional information, e.g., finances, schedules, addresses, purchases, and correspondence
- ◆ **PT4** Use information-gathering techniques, analyze and evaluate information, and use information technology to assist in collecting, analyzing, organizing, and presenting information

### Objectives

- ◆ Explain the importance of maintaining accurate inventory records.
- ◆ Explain the difference between a periodic and a perpetual inventory system.
- ◆ Determine the cost of merchandise inventory using the specific identification; first-in, first-out; last-in, first-out; and weighted average cost methods.
- ◆ Assign a value to merchandise inventory using the lower-of-cost-or-market rule.
- ◆ Explain the accounting principles of consistency and conservatism.
- ◆ Define the accounting terms introduced in this chapter.

**Resources** Accounting-Real World Applications & Connections – First-Year Course  
 Chapter Reviews and Working Papers (Accounting Workbook)  
 CD ROM  
 Electronic Field Trip

**Time Frame** 5 hours

### Introduction

**In chapter 25 you will learn about different methods of determining the quantity of merchandise on hand and four methods for assigning a value to that merchandise.**

### Assignments

**Where appropriate and possible, written answers must be in complete sentences and keyed. Turn in completed activities as directed by instructor.**

- \_\_\_\_\_ View Electronic Field Trip, Inventory
- \_\_\_\_\_ Read, Inventories, pp. 678-679
- \_\_\_\_\_ Read Section 1, Determining the Quantity of Inventories, pp. 680-682
- \_\_\_\_\_ Complete the following exercises on p. 683: Thinking Critically, Communicating Accounting and Problem 25-1 using appropriate working papers
- \_\_\_\_\_ Read Section 2, Determining the Cost of Inventories, pp. 684-687

- \_\_\_\_\_ Complete the following exercises on p. 688: Thinking Critically, Computing in the Business World and Problem 25-2 using appropriate working papers
  - \_\_\_\_\_ Read Accounting Careers and Focus, p. 689 and complete the Thinking Critically question
  - \_\_\_\_\_ Read Section 3, Analyzing the Inventory Costing Methods, pp. 690-691
  - \_\_\_\_\_ Complete the following exercises on p. 692 Thinking Critically, Analyzing Accounting and Problem 25-3 using appropriate working papers
  - \_\_\_\_\_ Review the Chapter 25 Summary on p. 693
  - \_\_\_\_\_ Complete Understanding Accounting Concepts and Procedures on p. 694
  - \_\_\_\_\_ Complete Chapter 25 Review and Activities on p. 695 (see instructor)
  - \_\_\_\_\_ Read Chapter 25 Computerized Accounting, p. 696
  - \_\_\_\_\_ Complete End-of-Chapter Problems on pp. 697-699, Problems 25-4, 25-5, 25-7 and 25-8 using the appropriate working papers
  - \_\_\_\_\_ Complete Spreadsheet Problem 25-6, p. 698 using appropriate working papers (see instructor for computer directions)
  - \_\_\_\_\_ Complete Chapter 25 Review on pp. 730-731 of the Working Papers
  - \_\_\_\_\_ Complete Self-Test on pp. 745-746 of the Working Papers
  - \_\_\_\_\_ Complete CD Rom (see instructor for directions)
- \_\_\_\_\_ **Take Chapter 25 Test**

**Self Assessment - "I/I can . . . "**

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