**Question 34**

Grimshaws purchase units, which are then manufactured into finished products and sold   
to customers.

The following information relates to the first week of March:

Mar 01 Balance 600 units costing £2·50 each

Mar 02 Issued 200 units to Job 534

Mar 03 Purchased 500 units costing £2·60 each

Mar 04 Issued 300 units to job 535

Mar 05 Issued 250 units to job 536

Using the ‘first in, first out’ (FIFO) method, complete the Inventory Record Card provided for the month of March.

**Total marks 10**

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| **Worksheet for question 34** | | | | | | | | | |
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| **Inventory Record Card — FIFO** | | | | | | | | | |
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|  | **RECEIPTS** | | | **ISSUES** | | | **BALANCE** | | | |
| **Date** | **Qty** | **CPU (£)** | **Value**  **(£)** | **Qty** | **CPU**  **(£)** | **Value**  **(£)** | **Qty** | **CPU**  **(£)** | **Value**  **(£)** | |
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| **Question** | **Expected answer(s)** | **Max mark** | **Additional guidance** |
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| **34.** | **Grimshaws — Inventory Record Card (FIFO)**     |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | |  | **Receipts** | | | **Issues** | | | **Balance** | | | | **Date** | **Qty** | **CPU (£)** | **V**  **(£)** | **Qty** | **CPU**  **(£)** | **V**  **(£)** | **Qty** | **CPU**  **(£)** | **V**  **(£)** | | 01 March | 600 | 2·50 | 1,500 |  |  |  | 600 | 2·50 | 1,500 | | 02 March |  |  |  | 200 | 2·50 | 500 | 400 | 2·50 | 1,000 | | 03 March | 500 | 2·60 | 1,300 |  |  |  | 400  500 | 2·50  2·60 | 1,000  1,300  2,300 | | 04 March |  |  |  | 300 | 2·50 | 750 | 100  500 | 2·50  2·60 | 250  1,300  1,550 | | 05 March |  |  |  | 100  150 | 2·50  2·60 | 250  390 | 350 | 2·60 | 910 |   **Important**  If two separate groups of inventory are not shown in 03 March balance and then subsequent balances (ie completed using AVCO), **do not award mark** for balance on  03 March and the 5 marks awarded for issue on 4 and 5 March (ie maximum overall 4 marks). The final balances on 04 and 05 March are consequential.  The balance column may contain extra entries due to candidates having a simple calculation to arrive at the balance. This is acceptable — use professional judgement. If extra entries in balance column are at all unclear — **do not award marks**. | **10** | Watch for consequentiality throughout.  For **1 mark** allocation, all items in the receipts/issues column must be correct to receive mark.  If there is a mistake in **2 mark** allocations, candidates can gain **1 mark** provided they have the correct Qty and CPU of inventory issued (eg arithmetic error, missing balance) — otherwise  **0 marks**.  The final mark in the balance column is for correct balances on 01 March, 02 March and 05 March and also for correct dates.  If balance has 2 separate inventories, it need to show a total value of both inventories to gain balance mark. If candidate repeats this, treat as consequential.  Where 2 separate inventories and total value is shown but individual totals are not — accept, eg 03 March only has £2,300 in balance. |