Valuation of Inventory   NAME:

Be sure to use dollar signs where appropriate.

1. A flower shop has the following inventory amounts. Find the shop's average inventory.

Date	Inventory amount
Jan. 15	$4,500
April 15	$5,200
July 15	$4,000
Oct. 15	$4,250

2. My father has a tobacco shop. At the beginning of the year, his inventory contained 250 cigars that were purchased at $4 each. On Feb. 20, he purchased 220 cigars at $3.50 each. On May 20, he purchased 210 cigars at $5 each. On July 20, he purchased 150 cigars at $4.25 each. An inventory in August showed that 320 cigars remained. Find the inventory using the FIFO method. Follow these steps.

a.) Considering we are using the FIFO method, which of the cigars mentioned do we assume the shop still has in its inventory?

b.) Find the total cost of the cigars from part *a*. This is the inventory we are asked for.

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3. My father has a tobacco shop. At the beginning of the year, his inventory contained 250 cigars that were purchased at $4 each. On Feb. 20, he purchased 220 cigars at $3.50 each. On May 20, he purchased 210 cigars at $5 each. On July 20, he purchased 150 cigars at $4.25 each. An inventory in August showed that 320 cigars remained. Find the inventory using the weighted-average method. Complete the table and follow the instructions below.

Beginning inventory	250 cigars × $4 per cigar	Cost for cigars =
February	220 cigars × $3.50 per cigar	Cost for cigars =
May	210 cigars × $5 per cigar	Cost for cigars =
July	150 cigars × $4.25 per cigar	Cost for cigars =
	= Total number of cigars	Total cost for cigars =

The weighted-average of the cost of a unit is the total cost divided by the number of units. Multiply this by the number of units *currently* in inventory.