

# Pricing the issues

**The following are the details  
supplied by J.K. Corporation in  
respect of its raw**

# EXAMPLE OF PRICING ISSUES

<i>Date</i>	<i>Receipts (units)</i>	<i>Price Per unit (Rs.)</i>	<i>Issued (units)</i>
1.12.88	2,000 (opening)	5.00	
7.12.88	1,000	6.00	
10.12.88			2,500
15.12.88	2,000	6.50	
31.12.88			2,200

- **materials for the month of December 1988:**
- On 31.12.88 a shortage of 100 units was found. Find the values of issues and resulting stocks on different dates using (i) LIFO. (ii) FIFO; and
- (iii) Simple Average methods

### Stores Ledger Account—FIFO Method

Date	Receipts				Issues				Balance		
	G.R. No.	Qty. Kg.	Rate Rs.	Amount Rs.	S.R. No.	Qty. kg.	Rate Rs.	Amount Rs.	Qty. kg.	Rate Rs.	Amount Rs.
1.12.88		—	—	—		—	—	—	2,000	5.00	10,000
7.12.88		1,000	6.00	6,000		—	—	—	2,000	5.00	10,000
									1,000	6.00	6,000
10.12.88		—	—	—		2,000	5.00	10,000			
						500	6.00	3,000	500	6.00	3,000
15.12.88		2,000	6.50	13,000		—	—	—	500	6.00	3,000
									2,000	6.50	13,000
31.12.88		—	—	—		500	6.00	3,000			
						1,700	6.50	11,050			
						100	6.50	650	200	6.50	1,300

### Stores Ledger Account—LIFO Method

Date	Receipts				Issues				Balance		
	G.R. No.	Qty. Kg.	Rate Rs.	Amount Rs.	S.R. No.	Qty. kg.	Rate Rs.	Amount Rs.	Qty. kg.	Rate Rs.	Amount Rs.
1.12.88		—	—	—		—	—	—	2,000	5.00	10,000
7.12.88		1,000	6.00	6,000		—	—	—	3,000	$\left\{ \begin{array}{l} 2,000 \text{ } 5.00 \text{ } 10,000 \\ 1,000 \text{ } 6.00 \text{ } 6,000 \end{array} \right\}$	16,000
10.12.88		—	—	—		2,500	$\left\{ \begin{array}{l} 1,000 \text{ } 6.00 \text{ } 6,000 \\ 1,500 \text{ } 5.00 \text{ } 7,500 \end{array} \right\}$	13,500	500	5.00	2,500
15.12.88		2,000	6.50	13,000		—	—	—	2,500	$\left\{ \begin{array}{l} 500 \text{ } 5.00 \text{ } 2,500 \\ 2,000 \text{ } 6.50 \text{ } 13,000 \end{array} \right\}$	15,500
31.12.88		—	—	—		2,200	$\left\{ \begin{array}{l} 2,000 \text{ } 6.50 \text{ } 13,000 \\ 200 \text{ } 5.00 \text{ } 1,000 \end{array} \right\}$	14,000	100	5.00	500
									200	5.00	1,000

## Stores Ledger Account—Simple Average Method

<i>Date</i>	<i>Receipts</i>				<i>Issues</i>				<i>Balance</i>		
	<i>G.R. No.</i>	<i>Qty. kg.</i>	<i>Rate Rs.</i>	<i>Amount Rs.</i>	<i>S.R. No.</i>	<i>Qty. kg.</i>	<i>Rate Rs.</i>	<i>Amount Rs.</i>	<i>Qty. kg.</i>	<i>Rate Rs.</i>	<i>Amount Rs.</i>
1.12.88		—	—	—		—	—	—	2,000	5.00	10,000
7.12.88		1,000	6.00	6,000		—	—	—	3,000	—	16,000
10.12.88		—	—	—		2,500	5.50 <sup>1</sup>	13,750	500	—	2,250
15.12.88		2,000	6.50	13,000		—	—	—	2,500	—	15,250
31.12.88		—	—	—		2,200	6.25 <sup>2</sup>	13,750	200	6.50	1,300
						100	6.50	650			