**APPLICATION EXERCISE 6 – SUGGESTED SOLUTION**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **ITEM:** ‘Dhawan’ rug **Cost method:** Identified Cost Method  **SUPPLIER:** Tonka Threads | | | | | | | | | | |
|  | | **IN** | | | **OUT** | | | **BALANCE** | | |
| Date | Document | Qty | Cost | Total | Qty | Cost | Total | Qty | Cost | Total |
| 01/06 | Balance |  |  |  |  |  |  | 8 | 580 | 4 640 |
| 05/06 | Inv. 175 | 15 | 600 | 9 000 |  |  |  | 8 | 580 | 4 640 |
|  |  |  |  |  |  |  |  | 15 | 600 | 9 000 |
| 09/06 | Rec. 412 |  |  |  | 2 | 600 | 1 200 | 8 | 580 | 4 640 |
|  |  |  |  |  |  |  |  | 13 | 600 | 7 800 |
| 16/06 | Inv. 309 |  |  |  | 3 | 580 | 1 740 | 5 | 580 | 2 900 |
|  |  |  |  |  | 5 | 600 | 3 000 | 8 | 600 | 4 800 |
| 18/06 | C/N. 24 | 3 | 600 | 1 800 |  |  |  | 5 | 580 | 2 900 |
|  |  |  |  |  |  |  |  | 11 | 600 | 6 600 |
| 20/06 | C/N. 47 |  |  |  | 3 | 600 | 1 800 | 5 | 580 | 2 900 |
|  |  |  |  |  |  |  |  | 8 | 600 | 4 800 |
| 30/06 | Memo 52 |  |  |  | 2 | 580 | 1 160 | 3 | 580 | 1 740 |
|  |  |  |  |  |  |  |  | 8 | 600 | 4 800 |