

# EXAMPLE: COST OF GOODS SOLD WORKSHEET

COST OF GOODS SOLD: <i>Calves</i>													
	PURCHASES				SALES			DEATH LOSS			BALANCE		
	Head	Amount		\$/Head	Head	Amount		Head	Amount		Head	Amount	
Beginning Bal.											87	37,845 00	
January	61	28,477	52	466	84	42	18,270	00			106	48,052 52	
February	35	16,275	00	465	00				1	465	00	140	63,862 52
March									1	435	00	139	63,427 52
April												139	63,427 52
May					44	19,140	00					95	44,287 52
June												95	44,287 52
July												95	44,287 52
August												95	44,287 52
September					95	44,287	52					-0-	- 0 -
October												-0-	- 0 -
November	52	25,402	00	488	50							52	25,402 00
December									2	977	00	50	24,425 00
<b>Totals</b>	<b>148</b>	<b>70,154</b>	<b>52</b>		<b>181</b>	<b>81,697</b>	<b>52</b>		<b>4</b>	<b>1,877</b>	<b>00</b>		
Cost of Goods Sold (Sales Amount + Death Amount)						<b>83,574</b>	<b>52</b>						

NOTES
<i>Ave. Cost = 435.00</i>
<i>Killed by lightning</i>

- Year \_\_\_\_\_
1. Jan \_\_\_\_\_ Carried forward 87 head of steers purchased the previous Oct. for \$37,845. ( $\$37,845 \div = \$435.00$  average cost/head)  
 \_\_\_\_\_ Sold 42 heads of the Oct. purchased calves during January.  
 \_\_\_\_\_ Purchased 61 heads of steers for \$28,477.52 during January. ( $\$28,477.52 \div 61 = \$466.84$ )
  2. Feb \_\_\_\_\_ Purchased 35 heads of steers for \$465 per head. One of these calves died during the month.
  3. Mar. \_\_\_\_\_ One of the calves from the Oct. group was killed by lightning. (Remember they cost \$435/hd.)
  4. May \_\_\_\_\_ Sold the remaining 44 heads of Oct. purchased calves during May. ( $(\$435 \times 44 = \$19,140)$ )
  5. Sep \_\_\_\_\_ Sold the 95 heads of Jan. – Feb. purchased calves during September. (Remember 1 hd. Purchased Feb. also died in Feb.)
  6. Nov \_\_\_\_\_ Purchased 52 heads of steers for \$25,402 during November. ( $\$25,402 \div 52 + \$488.50$ )
  7. Dec \_\_\_\_\_ Two of the calves purchased this November died during December. ( $\$488.50 \times 2 = \$977.00$ )

NOTE: The cost of any items purchased for resale must be inventoried (not considered an operational expense) at their purchase price. The cost of items purchased for resale are used in calculating the "cost of goods sold". The deduction of the cost of these items is allowed in the tax year the items are disposed of – not in the year acquired.

