AC 40S

**LEGO Inventory Challenge**

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Step 1**:

Take a handful of LEGO. This will count as your Beginning Inventory. Assume each piece costs $0.25. Calculate the value of your beginning inventory and place in the chart below.

**Step 2**:

Start building…best creation wins a prize!

**Step 3**:

You need more inventory. Take another handful of LEGO. This will count as Purchase #1. Assume each piece costs $0.35. Calculate the value of your first purchase and place in the chart below.

**Step 4**:

Keep building!

**Step 5**:

You will need more inventory. Take another handful of LEGO. This will count as Purchase #2. Assume each piece costs $0.48. Calculate the value of your second purchase and place in the chart below.

**Step 6**:

Keep building!

**Step 7**:

You will need more inventory. Take another handful of LEGO. This will count as Purchase #3. Assume each piece costs $0.52. Calculate the value of your third purchase and place in the chart below.

**Step 8**:

Finish your creation!

|  |  |  |  |
| --- | --- | --- | --- |
|  | Units | Cost per Unit | Total Cost |
| Beginning Inventory |  |  |  |
| Purchase #1 |  |  |  |
| Purchase #2 |  |  |  |
| Purchase #3 |  |  |  |
| Totals |  | ------------------------------- |  |

**Challenge Questions**:

1. After “the incident” how many units do you have left on your LEGO creation?
2. Calculate the value of your LEGO creation (or inventory) using the FIFO method.
3. Calculate the value of your LEGO creation (or inventory) using the LIFO method.
4. Calculate the value of your LEGO creation (or inventory) using the Weighted Average method.