

# Spreadsheet Guide

## Step-by-Step Instructions

### Problem 25-6 Calculating Gross Profit on Sales

#### Complete the Spreadsheet

- Step 1** Read the instructions for Problem 25-6 in your textbook. This problem involves calculating gross profit on sales using each of the four inventory costing methods.
- Step 2** Launch the Spreadsheet Problem.

PROBLEM 25-6 CALCULATING GROSS PROFIT ON SALES				
(name)				
(date)				
	SPECIFIC IDENTIFICATION METHOD	FIFO METHOD	LIFO METHOD	WEIGHTED AVERAGE COST METHOD
Net Sales				
Purchases Available for Sale				
Cost of Ending Inventory				
Cost of Merchandise Sold	\$0.00	\$0.00	\$0.00	\$0.00
Gross Profit on Sales	\$0.00	\$0.00	\$0.00	\$0.00

- Step 3** Type your name and today's date in the cells containing the *(name)* and *(date)* placeholders.
- Step 4** For each of the four inventory costing methods, type the following data into the appropriate cells of the spreadsheet template: net sales, purchases available for sale, and cost of ending inventory. The spreadsheet will automatically calculate the cost of merchandise sold and the gross profit on sales for each inventory costing method.
- Step 5** Save the spreadsheet using the **Save** option from the **File** menu. You should accept the default location for the save, as this is handled by the Accounting Management System.
- Step 6** Print the completed spreadsheet.
- Step 7** Exit the spreadsheet program.
- Step 8** In the Close Options window, select the location where you would like to save your work.
- Step 9** Complete the Analyze activity from your textbook for this problem.

#### What-If Analysis

If the cost of ending inventory using the last-in, first-out method was \$21,399.13, what would gross profit on sales be?