Falcon's Fruit Stand
Cost of Merchandise Sold

Objective:
This lesson is a way to teach the abstract concept of Cost of Merchandise Sold in a more concrete format.

Supplies Needed:
3 snack Ziploc bags for each group
4 oz. Box of Runts for each group

Preliminary Planning:
Prior to the lesson, label and fill the bags as follows for each group-

January 1 Inventory	Various Runts-approx. 2/3 of the box
Purchases	Various Runts-approx. 1/3 of the box
Merchandise Sold	Empty

Procedure:
Students move into groups of four and complete the work sheet below. The teacher facilitates each step as follows-
1. Give each group the January 1 inventory bag and have students count and calculate January 1 inventory.
2. Give each group a Purchases bag and have students count and calculate Purchases and Total Cost of Merchandise Available for Sale.
3. Have students put a handful of Runts in the empty Merchandise Sold bag.
4. Have students count and calculate the remaining Runts and record the December 31 Inventory.
5. Calculate Cost of Merchandise Sold
6. Count and calculate the Runts in the Merchandise Sold bag to prove the accuracy of their work.
7.

Falcon's Fruit Stand Cost of Merchandise Sold						
January 1 Inventory						
	Apples			X	$2	=	
	Oranges			X	$3	=	
	Strawberries			X	$5	=	
	Limes			X	$1	=	
	Bananas			X	$4	=	
					January 1 Inventory =	$

Purchases						
	Apples			X	$2	=
	Oranges			X	$3	=
	Strawberries			X	$5	=
	Limes			X	$1	=
	Bananas			X	$4	=
			+ Purchases			$

Total Cost of Merchandise Available for Sale (Inventory + Purchases) = $

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December 31 Inventory						
	Apples			X	$2	=
	Oranges			X	$3	=
	Strawberries			X	$5	=
	Limes			X	$1	=
	Bananas			X	$4	=
			- December 31 Inventory =			$

Total Cost of Merchandise Available for Sale - December 31 Inventory = $

(This amount of the Cost of Merchandise Sold)

Proof of Merchandise Sold								
	Apples			X	$2	=		
	Oranges			X	$3	=		
	Strawberries			X	$5	=		
	Limes			X	$1	=		
	Bananas			X	$4	=		
					Cost of Merchandise Sold			$
Do your amounts match????								