

Name:

I-08.01

Date:

Section:

CORRECTIONS ARE NOTED IN BLUE:

QUESTION Are "finished goods" synonymous with "cost of goods sold?"

ANSWER

QUESTION How does the negotiation of freight terms impact total inventory?

ANSWER

QUESTION Are consigned goods included in inventory?

ANSWER

QUESTION Is "inventory" also called "cost of goods available for sale"?

ANSWER

QUESTION How does LIFO result in cash savings during a period of rising prices?

ANSWER

QUESTION Will a periodic and perpetual system give me the same results?

ANSWER

QUESTION If I know I can sell my inventory at more than cost, will I ever need to record a lower of cost or market adjustment?

ANSWER

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QUESTION It seems like the "gross profit" method is much simpler than FIFO, LIFO, or average costing. Can I use it as my primary inventory valuation technique?

ANSWER

QUESTION How can I use the retail inventory technique to estimate inventory theft?

ANSWER

QUESTION What's the big deal if I undercount ending inventory? The goods are still there so there is no real problem, right?

ANSWER