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  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