

Inventory Valuation

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There are in fact three ways of calculating inventory valuation in All Orders:

- 1) Purchase Cost * Quantity This basically calculates the cost as entered or last vendor cost times the Quantity On Hand (see the faq about understanding Quantities in All Orders)
 - 2) FIFO. This costing method basically is the one use by the All Orders Valuation Report and it calculates cost based on the contents of a stack of costs for this item, the oldest cost (first in) is the one picked for the calculation.
 - 3) Average Cost. This is a costing method perpetuated in QB. However the cost of the item is read from QB but calculated in QB.
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