International Conference on Applied Economics and Social Science

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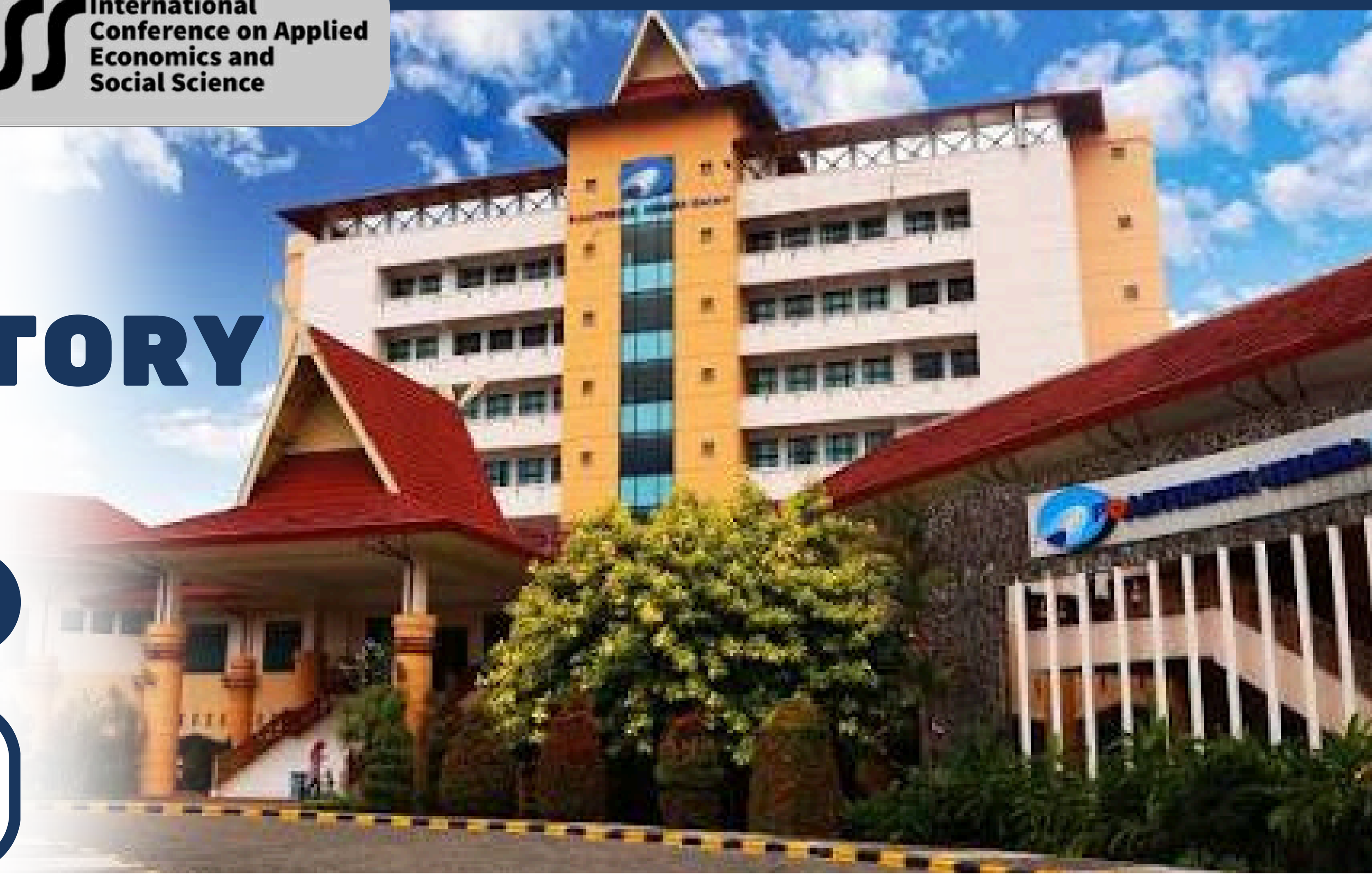
BOOK CHAPTER

INVENTORY: CONCEPTS, RECORDING METHODS, INVENTORY MANAGEMENT



ACCOUNTING STUDY PROGRAM | DEPARTEMENT OF MANAGEMENT BUSINESS

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INTRODUCTION

Background

Inventory is one of the key assets that forms a major component of an organization's financial statements. In accounting, inventory is recorded and valued using specific methods that affect the calculation of cost of goods sold and company profit. Understanding the accounting treatment of inventory is therefore an important part of preparing accurate financial statements.

Purpose

To serve as a learning reference for students in understanding inventory concepts, recording systems, valuation methods, and systematic inventory management.

Benefits

Helps readers apply inventory concepts in making sound operational decisions.

LITERATURE REVIEW

Inventory
Inventory is an asset held by an organization for use in its operations or for resale in the course of business (Kieso, Weygandt, and Warfield, 2018)

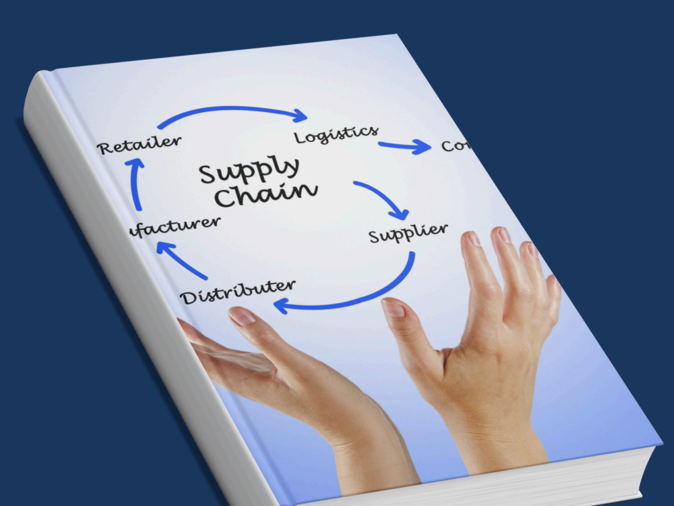
Inventory Recording System
Inventory accounting can be conducted using either the periodic or perpetual inventory system, each of which has different characteristics and recording methods (Warren, Reeve, and Duchac, 2023)

Assessment Methods
Inventory costs are determined using the first-in, first-out (FIFO) method or the weighted average method (Indonesian Institute of Accountants, 2024).

Inventory Management
Inventory management is the process of controlling and monitoring inventory to meet customer needs at the lowest possible cost (Heizer, Render, and Munson, 2020)

Internal Control
Internal control is intended to protect the company's assets from the risks of loss, misuse, and recording errors (Mulyadi, 2016)

OUTPUT



A book chapter was developed as a learning resource that provides a comprehensive explanation of inventory concepts, recording systems, valuation methods, and inventory management. It is designed to help readers understand inventory topics systematically and support both academic learning and practical application.

STRUCTURE OF A BOOK CHAPTER

Inventory
Definition, functions, types, and roles

Recording and Evaluation
Inventory recording systems (perpetual and periodic) and inventory valuation methods

Inventory Manajemen
Definition, objectives, methods, and internal controls

To access the full book chapter, please scan the QR code on the side

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