

Inventory valuation is one of the ways in which you can find out the amount of cash associated with the goods in stock at the end of the accounting period. This value can help you determine the inventory turnover ratio, which in turn will help you plan your purchasing decisions, sold, and ultimately determine your profitability, and in this article on Fastco we will show you what is meant by stock valuation, its importance, and the most important methods. The process of valuing inventory depends on the costs incurred in acquiring and preparing the stock for sale.