

Periodic inventory accounting systems are normally better suited to small businesses due to the expense of acquiring the technology and staff to support a perpetual system. The technological aspect of the perpetual inventory system has many advantages such as the ability to more easily identify inventory-related errors. Businesses with high sales volume and multiple retail outlets (like grocery stores or pharmacies) need perpetual inventory systems. Under the perpetual system, managers are able to make the appropriate timing of purchases with a clear knowledge of the quantity of goods on hand at various locations.