

VALUATION OF STOCK --- EXAMPLE

A business performs a stocktake at its year end of 31st December. The results are as follows :

Category	Quantity	Cost	Selling Price
A	11	85.12	119.20
B	5	43.00	87.65
C	1	221.00	332.99
D	45	11.00	16.00
E	15	9.45	13.16
F	65	3.50	4.25
G	3	116.47	185.65
H	12	54.00	65.99
I	1	6.75	8.55
J	8	5.42	7.31

The following points were also noted after discussion with Brian , the stores manager :

- All stock of Item B is slightly damaged and Brian decides that in order to sell it a discount of 25% will have to be given to all customers
- Item C has become technologically outdated and Brian has arranged to deliver it to a scrap - merchant in the New Year . The scrap value is estimated at £54
- One box of stock line F containing 6 items was dropped during the stock - take and the goods can now only be sold for half their original selling price
- A box of stock line H which contained 4 items was found in the managing director's office after the stock take was completed . The results have not yet been updated for this fact .
- A special promotion is going to be performed on stock line J in January whereby the product will be offered for sale to the public at a special reduction of 15% on the normal selling price

REQUIREMENT

Calculate the total valuation of the stock of the business at 31st December