

Quick Glance Cost Comparison – Three Exchange Costing Methods

	FLAT RATE	COST + OVERHAUL	DEPRECIATE CORES
Original Stockline Cost	25,000	25,000	25,000
Sell Price on Sales Order	3,000	3,000	3,000
Accumulated Cost on Sales Order	25,000	0	3,000
General Ledger Entries	DB COGS 25,000 CR Inventory 25,000	DB Awaiting Core 25,000 CR Inventory 25,000	DB Awaiting Core 22,000 CR Inventory 22,000 DB COGS 3,000 CR Inventory 3,000
Returning Core Stockline Cost	0	25,000	22,000
GL ENTRIES	N/A	DB Inventory 25,000 CR Awaiting Core 25,000	DB Inventory 22,000 CR Awaiting Core 22,000
Repair Cost on Core	500	500	500
Stockline Cost after Repair	500	25,500	22,500
NEXT EXCHANGE SALE ON CORE			
Original Stockline Cost	500	25,500	22,500
Sell Price on Sales Order	3,000	3,000	3,000
Accumulated Cost on Sales Order	500	25,000	3,000
General Ledger Entries	DB COGS 500 CR Inventory 500	DB Awaiting Core 25,500 CR Inventory 25,500 DB COGS 25,000 CR Inventory 25,000	DB Awaiting Core 19,500 CR Inventory 19,500 DB COGS 3,000 CR Inventory 3,000
Returning Core Stockline Cost	0	25,500	19,500

*PLEASE NOTE THAT THE GL TRANSACTIONS ON THIS COST COMPARISON DO NOT INCLUDE THE ENTRIES TO REVENUE AND ACCOUNTS RECEIVABLE.