

14.8 Carrying Inventory (Pg 541)

$$\text{Annual Cost of Carrying Inv.} = \frac{\text{Inventory Value}}{\text{Value}} \times \%$$

Ex #1: $AC = IV \times \%$
 $500,000 \times .25$
 $AC = 125,000$

(1.) $AC = IV \times \%$
 $200,000 \times .30$
 $AC = 60,000$

Ex #2: $AC = IV \times \%$
 $45,000 = X \cdot (.15 + .10 + .05)$
 $45,000 = X \cdot .30$
 $\frac{45,000}{.30} = X$

$150,000 = X$

(4.) $AC = IV \cdot \%$
 $12,500 = X \cdot (.15 + .08 + .02)$
 $12,500 = X \cdot .25$
 $\frac{12,500}{.25} = X$

$50,000 = X$

(16.) a (1) Spoil + Pd $.04 \cdot 380,000 = 15,200$
 $.08 \cdot 380,000 =$

b) $95,000 \left(\frac{3}{4}\right) = 71,250$ Total $95,000$
 $95,000 - 71,250 =$

(18) $AC = IV \times \%$
 $150,000 \cdot .27$
 $AC = 40,500$
 $40,500 = X + 2X + 3X$
 $40,500 = 6X$
 $\frac{40,500}{6} = X$

$6750 = X$

Tax + Ins = 6750

Interest = $2X = 13,500$

Storage = $3X = 20,250$

14.8 Carrying Inventory (Pg 541)

Annual Cost of Carrying Inv. = Inventory Value \times %

Ex #1: $AC = IV \times \%$
 $500,000 \times .25$
 $AC = 125,000$

(1) $AC = IV \times \%$
 $200,000 \times .30$
 $AC = 60,000$

Ex #2: $AC = IV \times \%$
 $45,000 = X \cdot (.15 + .10 + .05)$
 $\frac{45,000}{.3} = \frac{X \cdot .30}{.3}$
 $\$150,000 = X$

(4) $AC = IV \cdot \%$
 $12,500 = X (.15 + .08 + .02)$
 $\frac{12,500}{.25} = \frac{X \cdot .25}{.25}$
 $\$50,000 = X$

(16) a (1) Spoil + Pd $.04 \cdot 380,000 = 15,200$
 $.08 \cdot 380,000 =$

b) $95,000 \left(\frac{3}{4}\right) = 71,250$ Total $\overline{95,000}$
 $95,000 - 71,250 =$

(18) $AC = IV \times \%$
 $150,000 \cdot .27$
 $AC = 40,500$
 $40,500 = X + 2X + 3X$
 $\frac{40,500}{6} = \frac{6X}{6}$
 $6,750 = X$

Tax + Ins = 6,750
 Interest = $2X = 13,500$
 Storage = $3X = 20,250$