TABLE OF CONTENTS

4000.1 Merchandising Inventories
4000.1.1 Periodic Inventory System
4000.1.1.1 Purchase of Merchandise for Resale
4000.1.1.1.1 Cash Purchase
4000.1.1.1.2 Purchase on Credit (on Account)
4000.1.1.1.2.1 Purchase Recorded at Invoice (Gross) Amount
4000.1.1.1.2.2 Purchase Recorded Net of Anticipated Cash Discount
4000.1.1.1.2 Payment of Freight-In (Transportation-In)
4000.1.1.1.3 Return of Merchandise to or Price Adjustment by Supplier
4000.1.1.4 Payment for Merchandise Purchased on Credit (on Account)
4000.1.1.4.1 Payment Made Within Discount Period
4000.1.1.4.1.1 Payment Made Within Discount Period When Purchase Was Initially Recorded at Invoice (Gross) Amount
4000.1.1.4.1.2 Payment Made Within Discount Period When Purchase Was Initially Recorded Net of Anticipated Cash Discount
4000.1.1.4.2 Payment Made After Discount Period Ends
4000.1.1.4.2.1 Payment Made After Discount Period Ends and Purchase Was Initially Recorded at Invoice (Gross) Amount
4000.1.1.4.2.2 Payment Made After Discount Period Ends and Purchase Was Initially Recorded Net of Anticipated Cash Discount
4000.1.1.5 Sale of Merchandise
4000.1.1.6 Return of Merchandise by Customer
4000.1.1.7 End of Period Inventory Adjustment
4000.1.1.7.1 Adjusting Entry Method
4000.1.1.7.1.1 Adjusting Inventory and Recording Cost of Goods Sold
4000.1.1.7.1.2 Closing Cost of Goods Sold
4000.1.1.7.2 Closing Entry Method
4000.1.1.8 Application of Lower-of-Cost-or-Market
4000.1.1.8.1 Reduction of Inventory to Market
4000.1.1.8.1.1 Direct Method
4000.1.1.8.1.2 Indirect Method
4000.1.2 Perpetual Inventory System
4000.1.2.1 Purchase of Merchandise for Resale
4000.1.2.1.1 Cash Purchase
4000.1.2.1.2 Purchase on Credit (on Account)
4000.1.2.1.2.1 Purchase Recorded at Invoice (Gross) Amount
4000.1.2.1.2.2 Purchase Recorded Net of Anticipated Cash Discount
4000.1.2.2 Payment of Freight-In (Transportation-In)
4000.1.2.3 Return of Merchandise to or Price Adjustment by Supplier
4000.1.2.4 Payment for Merchandise Purchased on Credit (on Account)
4000.1.2.4.1 Payment Made Within Discount Period
4000.1.2.4.1.1 Payment Made Within Discount Period When Purchase Was Initially Recorded at Invoice (Gross) Amount
4000.1.2.4.1.2 Payment Made Within Discount Period When Purchase Was Initially Recorded Net of Anticipated Cash Discount
4000.1.2.4.2 Payment Made After Discount Period Ends
### 4000.1.2.4.2.1
Payment Made After Discount Period Ends and Purchase Was Initially Recorded at Invoice (Gross) Amount

### 4000.1.2.4.2.2
Payment Made After Discount Period Ends and Purchase Was Initially Recorded Net of Anticipated Cash Discount

### 4000.1.2.5
Sale of Merchandise

### 4000.1.2.6
Return of Merchandise by Customer or Price Adjustment (Allowance) Granted

### 4000.1.2.6.1
Return of Merchandise by Customer

### 4000.1.2.6.2
Price Adjustment (Allowance) Granted

### 4000.1.2.7
End of Period Inventory Adjustment

### 4000.1.2.7.1
Normal Inventory Overage or Shortage

### 4000.1.2.7.2
Adjustment of Inventory for Casualty or Theft Loss

### 4000.1.2.8
End of Period Inventory Adjustment

### 4000.1.2.8.1
Normal Inventory Overage or Shortage

### 4000.1.2.8.2
Adjustment of Inventory for Casualty or Theft Loss

### 4000.2
**Manufacturing Inventories**

#### 4000.2.1
Raw Materials

#### 4000.2.1.1
Periodic Inventory System

<table>
<thead>
<tr>
<th>Subsection</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>4000.2.1.1.1</td>
<td>Purchase of Raw Materials</td>
</tr>
<tr>
<td>4000.2.1.1.1.1</td>
<td>Purchase Recorded at Invoice (Gross) Amount</td>
</tr>
<tr>
<td>4000.2.1.1.1.2</td>
<td>Purchase Recorded Net of Anticipated Cash Discount</td>
</tr>
<tr>
<td>4000.2.1.1.2</td>
<td>Payment of Freight-In (Transportation-In)</td>
</tr>
<tr>
<td>4000.2.1.1.3</td>
<td>Return of Merchandise to or Price Adjustment by Supplier</td>
</tr>
<tr>
<td>4000.2.1.1.4</td>
<td>Payment for Raw Materials</td>
</tr>
<tr>
<td>4000.2.1.1.4.1</td>
<td>Payment Made Within Discount Period</td>
</tr>
<tr>
<td>4000.2.1.1.4.1.1</td>
<td>Payment Made Within Discount Period When Purchase Was Initially Recorded at Invoice (Gross) Amount</td>
</tr>
<tr>
<td>4000.2.1.1.4.1.2</td>
<td>Payment Made Within Discount Period When Purchase Was Initially Recorded Net of Anticipated Cash Discount</td>
</tr>
<tr>
<td>4000.2.1.1.4.2</td>
<td>Payment Made After Discount Period Ends</td>
</tr>
<tr>
<td>4000.2.1.1.4.2.1</td>
<td>Payment Made After Discount Period Ends and Purchase Was Initially Recorded at Invoice (Gross) Amount</td>
</tr>
<tr>
<td>4000.2.1.1.4.2.2</td>
<td>Payment Made After Discount Period Ends and Purchase Was Initially Recorded Net of Anticipated Cash Discount</td>
</tr>
</tbody>
</table>

#### 4000.2.1.1.5
End-of-Period Raw Materials Inventory Adjustment

<table>
<thead>
<tr>
<th>Subsection</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>4000.2.1.2</td>
<td>Perpetual Inventory System</td>
</tr>
<tr>
<td>4000.2.1.2.1</td>
<td>Purchase of Raw Materials</td>
</tr>
<tr>
<td>4000.2.1.2.1.1</td>
<td>Purchase Recorded at Invoice (Gross) Amount</td>
</tr>
<tr>
<td>4000.2.1.2.1.2</td>
<td>Purchase Recorded Net of Anticipated Cash Discount</td>
</tr>
<tr>
<td>4000.2.1.2.2</td>
<td>Payment of Freight-In (Transportation-In)</td>
</tr>
<tr>
<td>4000.2.1.2.3</td>
<td>Return of Raw Materials to or Price Adjustment by Supplier</td>
</tr>
<tr>
<td>4000.2.1.2.4</td>
<td>Payment for Raw Materials</td>
</tr>
<tr>
<td>4000.2.1.2.4.1</td>
<td>Payment Made Within Discount Period</td>
</tr>
<tr>
<td>4000.2.1.2.4.1.1</td>
<td>Payment Made Within Discount Period When Purchase Was Initially Recorded at Invoice (Gross) Amount</td>
</tr>
<tr>
<td>4000.2.1.2.4.1.2</td>
<td>Payment Made Within Discount Period When Purchase Was Initially Recorded Net of Anticipated Cash Discount</td>
</tr>
<tr>
<td>4000.2.1.2.4.2</td>
<td>Payment Made After Discount Period Ends</td>
</tr>
<tr>
<td>4000.2.1.2.4.2.1</td>
<td>Payment Made After Discount Period Ends and Purchase Was Initially Recorded at Invoice (Gross) Amount</td>
</tr>
<tr>
<td>4000.2.1.2.4.2.2</td>
<td>Payment Made After Discount Period Ends and Purchase Was Initially Recorded Net of Anticipated Cash Discount</td>
</tr>
</tbody>
</table>
4000.2.1.2.5 Requisition (Use) of Raw Materials
4000.2.1.2.5.1 Direct Materials Used
4000.2.1.2.5.2 Indirect Materials Used
4000.2.1.2.6 End-of-Period Raw Materials Inventory Adjustments
4000.2.1.2.6.1 Normal Inventory Overage or Shortage
4000.2.1.2.6.2 Adjustment of Raw Materials Inventory for Casualty or Theft Loss

4000.2.2 Work-in-Process Inventory
4000.2.2.1 Periodic Inventory System
4000.2.2.1.1 Transfer of Raw Materials, Direct Labor, and Factory Overhead (Manufacturing Overhead) to Work-in-Process Inventory
4000.2.2.1.2 Transfer of Work-in-Process Inventory to Finished Goods Inventory
4000.2.2.1.3 End-of-Period Work-in-Process Inventory Adjustment
4000.2.2.2 Perpetual System
4000.2.2.2.1 Transfer of Raw Materials, Direct Labor, and Factory Overhead (Manufacturing Overhead) to Work-in-Process Inventory
4000.2.2.2.2 Transfer of Work-in-Process Inventory to Finished Goods Inventory

4000.2.3 Finished Goods Inventory
4000.2.3.1 Periodic Inventory System
4000.2.3.1.1 Transfer of Work-in-Process Inventory to Finished Goods Inventory
4000.2.3.1.2 Transfer of Finished Goods Inventory to Cost of Goods Sold
4000.2.3.1.3 End-of-Period Finished Goods Inventory Adjustment
4000.2.3.2 Perpetual Inventory System
4000.2.3.2.1 Transfer of Work-in-Process Inventory to Finished Goods Inventory
4000.2.3.2.2 Sale of Finished Goods

4000.3 Changes in Valuation Method
4000.3.1 Change or Adjustment from First-In-First-Out (FIFO) or Weighted Average to Last-In-First-Out (LIFO)
4000.3.1.1 Permanent Change from First-In-First-Out (FIFO) or Weighted Average to Last-In-First-Out (LIFO)
4000.3.1.2 Temporary Adjustment from First-In-First-Out (FIFO) or Weighted Average to Last-In-First-Out (LIFO)
4000.3.2 Change from Last-In-First-Out (LIFO) to First-In-First-Out (FIFO) or Weighted Average
4000.3.3 Change in Valuation Method Other Than from or to LIFO
4000.3.4 Temporary Reduction in LIFO Inventory in Interim Period Financial Statements

4000.4 Correction of Errors in Inventory
4000.4.1 Ending Inventory Overstated
4000.4.1.1 Error Corrected Before the Books Are Closed for the Period in Which the Error Was Made
4000.4.1.2 Error Corrected After the Books Are Closed for the Period in Which the Error Was Made
4000.4.2 Ending Inventory Understated
4000.4.2.1 Purchases Properly Recorded
4000.4.2.1.1 Error Corrected Before the Books Are Closed for the Period in Which the Error Was Made
4000.4.2.1.2  Error Corrected After the Books Are Closed for the Period in Which the Error Was Made
4000.4.2.2  Purchases Not Recorded
4000.4.2.2.1  Error Corrected Before the Books Are Closed for the Period in Which the Error Was Made
4000.4.2.2.2  Error Corrected After the Books Are Closed for the Period in Which the Error Was Made

4000.5  Purchase Commitments
4000.5.1  Contracted for and Executed Within the Same Fiscal Year
  4000.5.1.1  When Contract Is Signed
  4000.5.1.2  When Contract Is Executed (Delivery Is Taken)
  4000.5.1.2.1  Market Price Is Greater than or Equal to the Contract Price
  4000.5.1.2.2  Market Price Is Below the Contract Price
4000.5.2  Purchase Contract Extends Beyond the End of the Buyer's Fiscal Year
  4000.5.2.1  Year-End Market Price Is Below Contract Price and the Price Decline Is a Reasonable Estimate of the Probable Loss at the Time of Actual Purchase
  4000.5.2.2  Purchase Commitment Is Executed (Delivery of Goods Is Taken)—Market Price Is Equal to or Greater than the Market Price at the Last Time the Estimated Liability Account Was Adjusted to Reflect End-of-Year Market Prices
  4000.5.2.3  Purchase Commitment Is Executed (Delivery of Goods Is Taken)—Market Price Is Less than the Market Price at the Last Time the Estimated Liability Account Was Adjusted to Reflect End-of-Year Market Prices

4000.6  Consignments of Inventory
4000.6.1  Accounting for Consigned Inventory by Consignee
4000.6.2  Accounting for Consigned Inventory by Consignor
  4000.6.2.1  Shipment of Inventory on Consignment to Consignee
  4000.6.2.2  Sales and Remittance by Consignee