Inventory Turnover Worksheet

Inventory Turnover	
Beginning Inventory 8,000.00	**Ending Inventory** 7,000.00
Cost of Goods Sold 30,000.00	**Inventory Rate** 4.00

This worksheet calculates the number of times the average inventory (INVEN) is sold in a period (stock-turn or inventory turnover rate). The calculation require the cost of the inventory at the beginning (BEGI) and end (ENDI) of the period and the cost of the goods sold (SOLD) in the period.

$$INVEN = \frac{SOLD}{(BEGI + ENDI) \div 2}$$

[Beginning Inventory]	Inventory cost at the beginning of the period (BEGI).
[Ending Inventory]	Inventory cost at the end of the period (ENDI).
[Cost of Goods Sold]	Cost of goods sold in the period (SOLD).
[Inventory Rate]	Stock-turn or inventory turnover rate of the period (INVEN).
If any other key is pressed before one of the **Blue** keys, the displayed number is stored in the corresponding variable. Otherwise, the variable is calculated.	

Example 1:

Last year you start with an inventory of $8,000 and finish the year with an inventory of $7,000. What was the Stock-Turn if the cost of the goods sold was $30,000 ?.

Solution:

Keystrokes	Description
8000 **[Beginning Inventory]**	Stores the beginning inventory. **BEGI = 8,000.00**
7000 **[Ending Inventory]**	Stores the ending inventory. **ENDI = 7,000.00**
30000 **[Cost of Goods Sold]**	Stores the goods sold. **SOLD = 30,000.00**
[Inventory Rate]	Calculates the growth percent per period. **INVEN = 4.00**

Example 2:

With previous example, if you prefer to have an inventory with a 2 months limited shelf life (six times a year). How this change will affect your ending inventory?.

Solution:

Keystrokes	Description
6 **[Inventory Rate]**	Stores the new inventory rate. **INVEN = 6.00**
[Ending Inventory]	Calculates the ending inventory. **ENDI = 2,000.00**