The behaviour of the system if the "Adjust Receipt Cost" flag is selected or NOT selected on the product valuation method:

All > Parameters > Inventory				
Valuation method				ОК
Valuation methods 1 Valuation				
Valuation source	Valuation alternate	Receipt value	Receipt alternate	
FIFO Cost	Standard Cost 👻	Order Cost 👻	Standard Cost 👻	
Counts				
Difference < 0	Negative alternate	Difference > 0	Positive alternate	
FIFO Cost 👻	Standard Cost 👻	Last Cost 👻	Standard Cost 👻	
Standard rules				
Adjust receipt costs	cost allowed			
E. Q.				≋ ∡*
Movement type	Code Valuation so	vurce Valuation altern	ate Cost Adjustment	Nil cost allowed
1 1	- Q:	~	Ŧ	*
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<u>Setup:</u>

Purchase Order: 20UN x £13

Purchase Invoice: 20UN x £15

Posting for the Receipt: £260 stock cost at the time of receipt

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Site *	Document Type *	Number			Date *					
V5012 Q. :	STK01 Q :	STK0121V	/501200012	91	21/01/07					
SB Bike	Stock									
ournal ±	Category *			Status *	Transaction					
STKM Q :	Actual		*	Temporary	* STDCO					
STKM										
Legal										
Legal										\$
Legal E. Q. Site	Id Collectiv	e	General	BP	Debit		Credit	Description	Free reference	S Tax
E. Q. Site	Id Collectiv	e Q.I	Res and the second	Q, I	Debit	260.00	Credit	Description	Free reference	And the second s
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Site Site 1 VS012 2 VS012 3 VS012		Q Q	230200	Q i Q i	Q Q	260.00	Credit : :	Inventory	L10	Tax GB001
Site Site 1 VS012 2 VS012 3 I Totals		d : d :	230200 320500	Q i Q i	Q Q	260.00	Credit	Inventory	L10	Tax GB001
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Control of the second sec		d : d :	230200 320500	Q i Q i	Q Q	260.00	Credit : :	Inventory	L10	Tax GB001

Purchase Invoice posting: £300 (+ £60 VAT)

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GB Bike	Supp Inv							
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PIN Q. :	Actual		Temporary	 STDCO 				
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1 VS012	LI PL	Q 320000	Q.I.	GB013 Q		360.00	Invoice GB013	
		Q. 391000	Q I	Q	60.00	1	Invoice GB013	GB0
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	2 3	Q : 391000 Q : 320500	Q.I	Q,	300.00	1	POVS0120022/1000	GB0
3 : VS012						:	POVS0120022/1000	GB0
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3 : VS012 (A 3	Q i 320500	Q. :	Q,		***	POVS0120022/1000	GBO
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3 : VS012 C 4 : C Totals	<u>1</u>]3 <u>1</u>	Q. i 320500 Q. i	Q :	Q,		***	F POVS0120022/1000	GB0

Scenario one:

If the stock has NOT been consumed before the invoice AND if there is a variance in purchase order price (20 UN x £13) and the invoice price(20 UN x £15). After this invoice has been posted and running the stock accounting interface. We will get below additional postings:

Posting with the Flag Ticked:

Second posting for the same receipt, It will revalue the stock based on the invoice price instead of the receipt price, £2 variance for Stock 20 UN, stock value UP by £40.

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Site *	Document Type *	Number			Date *					
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GB Bike	Stock									
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Site 1 VS012 2 VS012 3 C	2 1 2 2	Q. : Q. :	230200 320500	Q :	Q : Q :	40.00	40.00	Inventory RECVS0120008/1000	L10	Tax GB00
C Site Site VS012 VS012 VS012	2 1 2 2	Q. : Q. :	230200 320500	Q :	Q : Q :	40.00	40.00	Inventory RECVS0120008/1000	L10	Tax GB00
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Posting Without the Flag:

This time, It will not touch the stock account and will only Credit the GRNI account while debiting one of the P&L accounts for the variance.

Header	Legal Analytical	IAS Le	edg 4 Led	g 5 Ledg 6	Ledg 7 Ledg 8					L
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te *	Document Type *	Number			Date *					
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Q Site	Id Collect		General	ВР		Debit	Credit	Description	Free reference	Тах
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Scenario two:

If the stock HAS been consumed (5 UN being consumed, remaining 15 UN in the stock) BEFORE the invoice AND if there is a variance in PO price and Invoice Price:

Posting with the Flag Ticked:

System will INCREASE the value of the remaining stock i.e 15 UN x £2, £30 debit in inventory and will adjust the remaing balance of £10 to a P&L account.

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3B Bike	Stock									
ournal *	Category *			Status *	Transaction					
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C Site Site VS012 VS012 VS012 VS012	Q i 1 Q i 2 Q i 3	Q : : Q : : Q : :	230200 320500	Q : Q : Q :	Q : Q : Q :	30.00		Inventory RECVS0120008/1000	L10 - L70	Tax GB001 GB001
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Posting without the Flag Ticked:

No stock account will be touched, all the variance will be posted to the P&L account.

All > Fin	ancials > Jou	rnals										
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