

Storage fees, taxes,



Inventory turnover expresses the number of times in a year that a business sells the amount of merchandise in its inventory.

$$\text{Inventory\_Turnover} = \frac{\text{Total\_Cost\_of\_Goods\_Sold}}{\text{Average\_Value\_of\_Inventory}}$$

Which company has the highest inventory turnover in the chart below?

Company	Total Cost of Goods Sold	Average Value of Inventory	Inventory Turnover
Box-O-Bargains	\$433,570	\$143,500	
Bodega Bonanza	731,328	234,400	
Basic Buys	737,600	230,500	
Bailey's Bracelets	322,624	113,600	

- a. Bailey's Bracelets  
b. Bodega Bonanza  
c. Basic Buys  
d. Box-O-Bargains

Inventory turnover



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Which company has the inventory turnover miscalculated in the chart below?

Company	Total Cost of Goods Sold	Average Value of Inventory	Inventory Turnover
Box-O-Bargains	\$188,640	\$78,600	2.4
Bodega Bonanza	616,250	246,500	2.5
Basic Buys	240,018	110,100	2.25
Bailey's Bracelets	682,824	247,400	2.76

- a. Box-O-Bargains  
b. Bodega Bonanza  
c. Basic Buys  
d. Bailey's Bracelets

Storage fees, taxes, insurance, and handling charges should all be considered when finding the cost of carrying inventory.

**Annual Cost of Carrying Inventory = Percent x Inventory Value**

The Get'n Grab maintains a \$206,400 inventory. The cost of having the merchandise available is 27 percent of the inventory's value. What is the annual cost of carrying the inventory? Round your answer to the nearest dollar.

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Which company has the highest inventory turnover in the chart below?

Company	Total Cost of Goods Sold	Average Value of Inventory	Inventory Turnover
Box-O-Bargains	\$146,169	\$44,700	
Bodega Bonanza	368,928	128,100	
Basic Buys	730,836	241,200	
Bailey's Bracelets	168,168	53,900	

- a. Bailey's Bracelets      c. Basic Buys  
b. Box-O-Bargains      d. Bodega Bonanza

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Annual Cost of Carrying Inventory = Percent x Inventory Value

The Megalo-Rama maintains an average of \$258,800 in inventory. The cost of having the merchandise available is 22 percent of the inventory's value. If the total cost of goods sold during the year is \$882,508, what is inventory turnover for the Megalo-Rama? Round your answer to the nearest hundredth.

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Which company has the inventory turnover miscalculated in the chart below?

Company	Total Cost of Goods Sold	Average Value of Inventory	Inventory Turnover
Box-O-Bargains	\$599,300	\$230,500	2.6
Bodega Bonanza	175,539	64,300	2.73
Basic Buys	367,446	130,300	2.82
Bailey's Bracelets	241,137	105,300	2.35

- a. Box-O-Bargains      c. Bailey's Bracelets  
b. Basic Buys      d. Bodega Bonanza