

A2000ERP ~ INVENTORY

Can I maintain 2 different cost price for a single product in my inventory?

CASE SCENARIO:

In a case example, you could buy a product at one price and receive free products with the purchase. For example you buy a product **MP-001** at \$400 and then receive 1 piece for free (\$0). The system now report having 2 pieces with an average price of \$200 each. Can the system maintain this item in my stock with 2 different costs, instead of 1 weighted average cost?

ANSWER

Yes, if you need to maintain it at 2 different costs within a single product code, it is only possible by using **FIFO COSTING**. With FIFO, you can create a **separate warehouse location** (example FOC-Location) to receive the free product In A2000ERP, a product with FIFO costing has the cost maintained distinctly within each warehouse location and costed out by warehouse location.

In this example, take **MP-001** into WH-01 at \$400, and MP-001 at WH-FOC at \$0.00/-. There will be 2 independent costs for this product at the 2 locations.

WHAT HAPPEN IF WE USE WEIGHTED AVERAGE COSTING?

In Wt Average costing, the system will cost the product across ALL warehouse locations.

In this example, take MP-001 into WH-01 at \$400, and MP-001 at WH-FOC at \$0/-. The system will then cost the products into the 2 warehouses, at \$200.00 each $[(\$400 + \$0) / 2]$.

END

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