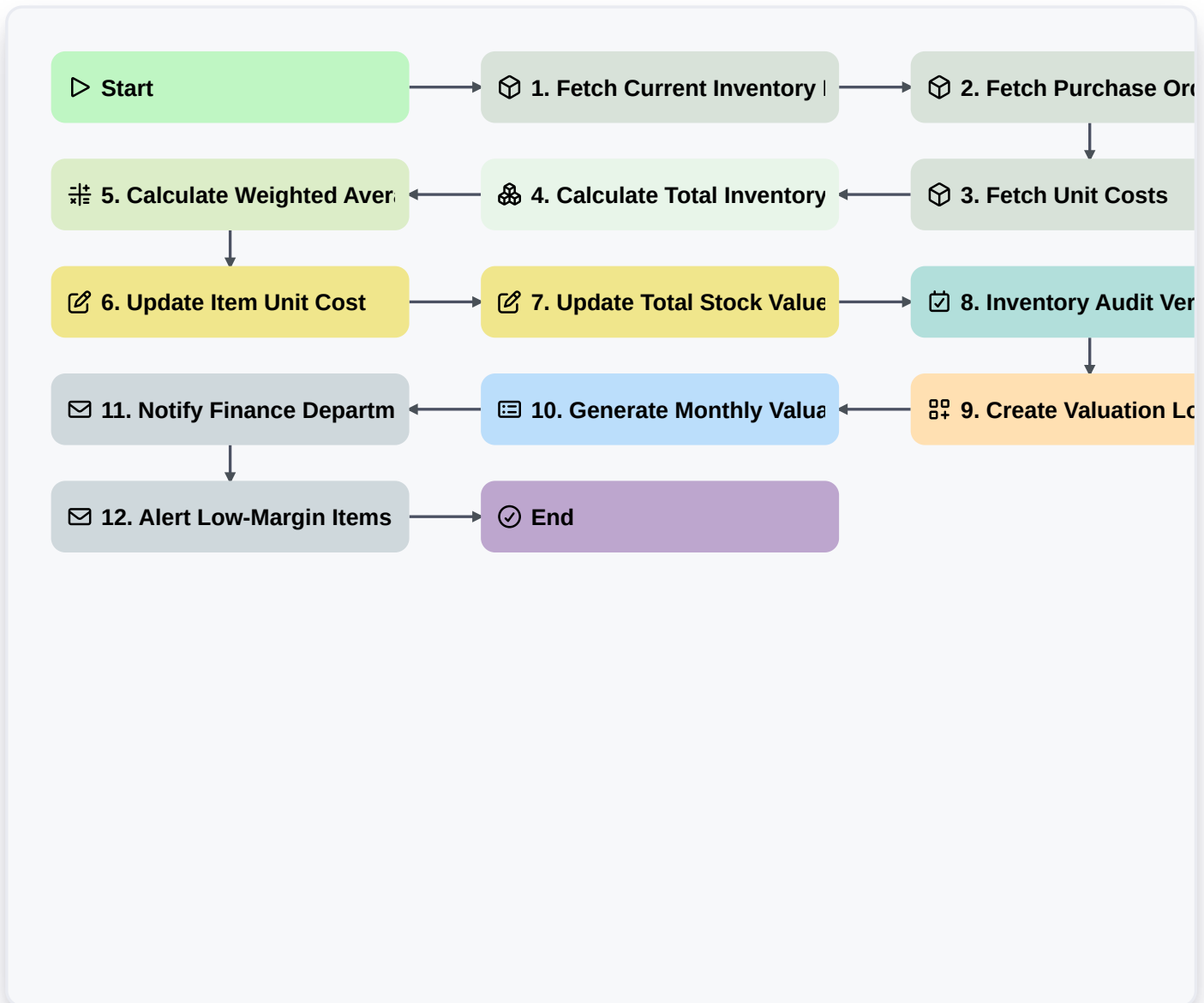


Inventory Valuation And Costing Process



Start

Start of the Workflow/Process.

1. Fetch Current Inventory Levels

Retrieve all active items from the Inventory Data Model to identify stock quantities.

2. Fetch Purchase Orders

Retrieve recent purchase order entries to identify new incoming stock costs.

3. Fetch Unit Costs

Retrieve the most recent unit price data for each item in the inventory.

4. Calculate Total Inventory Value

Sum the product of (Quantity * Unit Cost) for all retrieved inventory entries.

5. Calculate Weighted Average Cost (WAC)

Execute formula: $(\text{Total Cost of Existing Stock} + \text{Total Cost of New Stock}) / (\text{Total Quantity})$.

6. Update Item Unit Cost

Update the 'Unit Cost' field in the Inventory Data Model with the newly calculated WAC.



7. Update Total Stock Value

Update the 'Total Asset Value' field in the Finance Summary entry.

8. Inventory Audit Verification

Create a task for the Warehouse Manager to physically verify high-value stock counts.

9. Create Valuation Log Entry

Create a new entry in the Valuation History Data Model to archive the results of this run.

10. Generate Monthly Valuation Report

Generate a PDF/Excel report summarizing the current inventory value and cost fluctuations.

11. Notify Finance Department

Send an email to the Finance Team with the summary of the updated inventory valuation.

12. Alert Low-Margin Items

Send an email to the Procurement Manager if any item cost exceeds a predefined threshold.

End

End of the Workflow/Process.