

## **Chapter 5 – Counting ITEMS INCLUDED**

### **IN INVENTORY**

All inventory on hand when the physical inventory is taken.

- + Merchandise in transit that was purchased FOB Shipping Point.
- + Merchandise in transit that was sold FOB Destination.
- + Merchandise on consignment in other locations that is still owned by the company taking the inventory count.
- Merchandise included in the inventory on hand that belongs to another company but is being held on consignment.

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= Inventory shown on the financial statements.