



RAMA UNIVERSITY

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FACULTY OF COMMERCE AND MANAGEMENT

COURSE: B.COM V SEM..

SUBJECT: FUNDAMENTAL OF FINANCIAL MANAGEMENT

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LECTURE:40

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LECTURE-40



Valuation of Inventories

Inventories are valued at different methods depending upon the situation and nature of manufacturing process. Some of the major methods of inventory valuation are mentioned as follows:

1. First in First out Method (FIFO)
2. Last in First out Method (LIFO)
3. Highest in First out Method (HIFO)
4. Nearest in First out Method (NIFO)
5. Average Price Method

FINANCING WORKING CAPITAL THROUGH SHORT-TERM SOURCES

Funds available for a period of one year or less are called short-term sources of finance. They are raised from sources, which can provide funds only for short period quickly, and its cost is less than the funds raised from long-term sources. These funds are usually met by taking short-term loans or getting the bills discounting from the commercial banks. Spontaneous sources and bank loans are important sources of short- term funds. They are explained in detail below.

