BCE Stock Revaluations – User Notes

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Introduction

Purpose of this document

This document informs BCE users' how to revalue their stock item unit prices providing illustrated worked examples for each of the revalue options.

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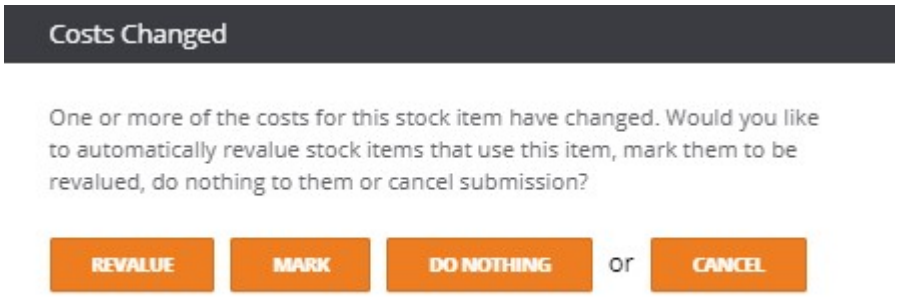
Stock Revaluation Options

When changing the material cost of a stock item, BCE will prompt the user to take one of the following actions:



For stock items, each of the cost change actions are summarised as follows:

Revalue

Creates transactions of type StockLoss or StockGain depending on whether the material cost value is decreased or increased

Creates transactions of type PurchaseReceipt for goods not yet received

For manufactured stock items, their components having X StockItem with new calculated costs.

Mark

Creates transactions of type StockLoss or StockGain depending on whether the material cost value is decreased or increased

Creates transactions of type PurchaseReceipt for goods not yet received

Set components having X StockItem with flag - *to_be_revalued* to true and does not change any costs.

Do Nothing

Updates the stock items material cost and does nothing to components where this stock is used

Cancel

Closes the ‘Costs Changed’ dialog box and no action is taken

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Example Setup

The manufactured stock items are made up of the following components:

Stock	Type	Components	Material Cost	Total Cost
Tyre	Component Stock Item		10.00	
Rim	Component Stock Item		5.00	
Screw	Component Stock Item		2.00	
Board	Component Stock Item		20.00	
Wheel	Manufactured	1 Tyre 1 Rim 4 Screws		23.00
Skateboard	Manufactured	4 Wheels 1 Board		112.00

Purchase the following stock item components:

Stock	Material Cost	Quantity	Total
Tire	10.00	5	50.00
Rim	5.00	5	25.00
Screw	2.00	20	40.00
Board	20.00	5	100.00

Manufacture the following stock items by creating and completing the following works orders:

Stock	QTY
Wheel	4

Stock	QTY
Skateboard	1

Following the manufacturing process the stock levels will be as follows:

☐	Tire	Tire	1.0	1.0	1.0	Stock Item	0.00	N	⚙
☐	Rim	Rim	1.0	1.0	1.0	Stock Item	0.00	N	⚙
☐	Screw	Screw	4.0	4.0	4.0	Stock Item	0.00	N	⚙
☐	Wheels	Wheels	0.0	0.0	0.0	Stock Item	0.00	N	⚙
☐	Board	Board	4.0	4.0	4.0	Stock Item	0.00	N	⚙
☐	Skateboard	Skatebd	1.0	1.0	1.0	Stock Item	0.00	N	⚙

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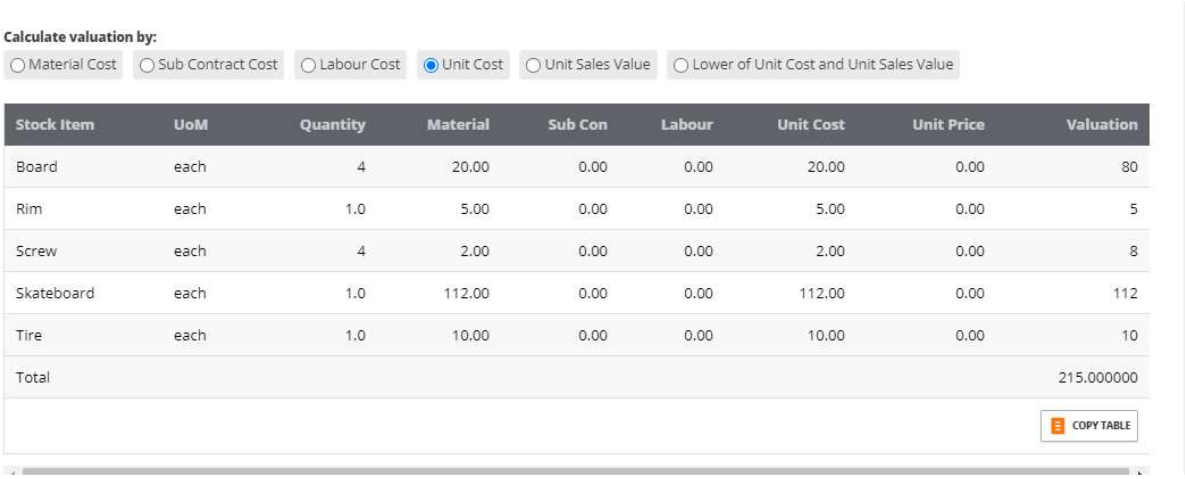
The stock valuation report records the following stock levels and associated material value that agrees with the current asset value for stock in the chart of accounts:



Calculate valuation by:

○ Material Cost ○ Sub Contract Cost ○ Labour Cost ◉ Unit Cost ○ Unit Sales Value ○ Lower of Unit Cost and Unit Sales Value

Stock Item	UoM	Quantity	Material	Sub Con	Labour	Unit Cost	Unit Price	Valuation
Board	each	4	20.00	0.00	0.00	20.00	0.00	80
Rim	each	1.0	5.00	0.00	0.00	5.00	0.00	5
Screw	each	4	2.00	0.00	0.00	2.00	0.00	8
Skateboard	each	1.0	112.00	0.00	0.00	112.00	0.00	112
Tire	each	1.0	10.00	0.00	0.00	10.00	0.00	10
Total								215.000000

COPY TABLE

Chart of Accounts:

Name	Code	Type	Value GBP	Actions
Root			0.00	
Assets				
▸ Fixed assets	FAS	Summary	0.00	
▸ Current assets	CAS	Summary	215.00	
Liabilities				
▾ Current Liabilities	CLI	Summary	-235.00	
⊢ Supplier (Creditor) Ledger	CLISUP	Summary	-235.00	
▸ Sundry Creditors and Accruals	CLIACC	Summary	0.00	
▸ Taxation	CLITAX	Summary	0.00	
⊢ Employee Accounts	CLIEMP	Summary	0.00	
▸ Long Term Liabilities	LTL	Summary	0.00	
Equity				
▸ Capital	CAP	Summary	0.00	
Profit & Loss				
▾ Current Year Profit and Loss	PNL	Summary	20.00	
▾ Direct Materials	DIRMATL	Summary	20.00	
⊢ Purchase Price Variance	PPVAR	Expense	20.00	

Stock Revaluation Examples

Do Nothing

Edit stock item ‘Screw’ and change the material cost from £2.00 to £4.00.

Click on ‘UPDATE and select ‘DO NOTHING’ from the ‘Costs Changed’ popup. This creates a material stock gain for the component increasing the overall stock value by £8.00 (Qty of 4 * £2.00)

ID	Type	Dr Acc.	Cr Acc.	Dr Val. GBP	Cr Val. GBP	Dr VAT GBP	Cr VAT GBP	Created	Acc. Date	Reconciled?
42	MaterialStockGain	MSTOCK	MSTKADJ	8.00	8.00	0.00	0.00	13/07/20 06:29:37	13/07/20	N

The stock valuation report displays the increase in stock value which agrees with the value of stock in the chart of accounts:

Calculate valuation by:

○ Material Cost ○ Sub Contract Cost ○ Labour Cost ◉ Unit Cost ○ Unit Sales Value ○ Lower of Unit Cost and Unit Sales Value

Stock Item	UoM	Quantity	Material	Sub Con	Labour	Unit Cost	Unit Price	Valuation
Board	each	4	20.00	0.00	0.00	20.00	0.00	80
Rim	each	1.0	5.00	0.00	0.00	5.00	0.00	5
Screw	each	4	4.00	0.00	0.00	4.00	0.00	16
Skateboard	each	1.0	112.00	0.00	0.00	112.00	0.00	112
Tire	each	1.0	10.00	0.00	0.00	10.00	0.00	10
Total								223.000000

COPY TABLE

Chart of Accounts:

Name	Code	Type	Value GBP	Actions
Root			0.00	
Assets				
▸ Fixed assets	FAS	Summary	0.00	
▾ Current assets	CAS	Summary	223.00	
▾ Stock	CASSTK	Summary	223.00	
▸ Trading Stock	STOCK	Summary	223.00	
Customer (Debtor) Ledger	CASCUS	Summary	0.00	
▸ Prepayments	CASPRE	Summary	0.00	
▸ Bank and Cash	CASBNK	Summary	0.00	

In summary, ‘DO NOTHING’ performs the following actions:

Updates the cost value of the component, creating a transaction for the stock loss or gain

Does not update the material cost of any existing manufactured items using the revalued component

For manufactured items using the revalued component, the component cost is updated so newly manufactured items will now use the new component material cost

Mark

Edit stock item ‘Screw’ and change the material cost from £4.00 to £5.50.

Click on ‘UPDATE’ and select ‘MARK’ from the ‘Costs Changed’ popup. This creates a material stock gain for the component increasing the overall stock value by £6.00 (Qty of 4 * £1.50)

ID	Type	Dr Acc.	Cr Acc.	Dr Val. GBP	Cr Val. GBP	Dr VAT GBP	Cr VAT GBP	Created	Acc. Date	Reconciled?
43	MaterialStockGain	MSTOCK	MSTKADJ	6.00	6.00	0.00	0.00	13/07/20 06:35:21	13/07/20	N

The stock valuation report displays the increase in stock value which agrees with the value of stock in the chart of accounts:

Calculate valuation by:

○ Material Cost ○ Sub Contract Cost ○ Labour Cost ◉ Unit Cost ○ Unit Sales Value ○ Lower of Unit Cost and Unit Sales Value

Stock Item	UoM	Quantity	Material	Sub Con	Labour	Unit Cost	Unit Price	Valuation
Board	each	4	20.00	0.00	0.00	20.00	0.00	80
Rim	each	1.0	5.00	0.00	0.00	5.00	0.00	5
Screw	each	4	5.50	0.00	0.00	5.50	0.00	22
Skateboard	each	1.0	112.00	0.00	0.00	112.00	0.00	112
Tire	each	1.0	10.00	0.00	0.00	10.00	0.00	10
Total								229.000000

COPY TABLE

Chart of Accounts:

Name	Code	Type	Value GBP	Actions
Root			0.00	
Assets				
▸ Fixed assets	FAS	Summary	0.00	
▾ Current assets	CAS	Summary	229.00	
▾ Stock	CASSTK	Summary	229.00	
▸ Trading Stock	STOCK	Summary	229.00	
Customer (Debtor) Ledger	CASCUS	Summary	0.00	
▸ Prepayments	CASPRE	Summary	0.00	
▸ Bank and Cash	CASBNK	Summary	0.00	

In summary, ‘MARK’ performs the following actions:

Updates the cost value of the component, creating a transaction for the stock loss or gain

Does not immediately update the material cost of any existing manufactured items using the revalued component

For manufactured items using the revalued component, the component cost is updated so newly manufactured items will now use the new component material cost

For manufactured items using the revalued component, sets the ‘To Be Revalued?’ tick box on the stock items ‘General’ tab. To update marked stock items, this option must now be used in conjunction with the ‘Revalue All Manufacturing Items’ process.

Creates transactions of type PurchaseReceipt for any goods not yet received.

Revalue

After changing the material cost for a stock item, the option to 'Mark' a stock item to be revalued sets the 'To Be Revalued?' tick box on the stock items 'General' tab. This then depends on the process 'Revalue All Manufactured Items' to be run to commit the changes to the manufactured items

As an alternative option, 'Revalue' will commit the changes immediately, removing the needs to mark items for update.

Click on 'UPDATE' and select 'REVALUE' from the 'Costs Changed' popup. This creates a material stock gain for the component increasing the overall stock value by £6.00 (Qty of 4 * £1.50) and increases the manufactured value:

ID	Type	Dr Acc.	Cr Acc.	Dr Val. GBP	Cr Val. GBP	Dr VAT GBP	Cr VAT GBP	Created	Acc. Date	Reconciled?
44	MaterialStockGain	MSTOCK	MSTKADJ	56.00	56.00	0.00	0.00	13/07/20 06:38:26	13/07/20	N

The stock valuation report displays the increase in stock value of the skateboard which agrees with the value of stock in the chart of accounts:

Calculate valuation by:

○ Material Cost ○ Sub Contract Cost ○ Labour Cost ◉ Unit Cost ○ Unit Sales Value ○ Lower of Unit Cost and Unit Sales Value

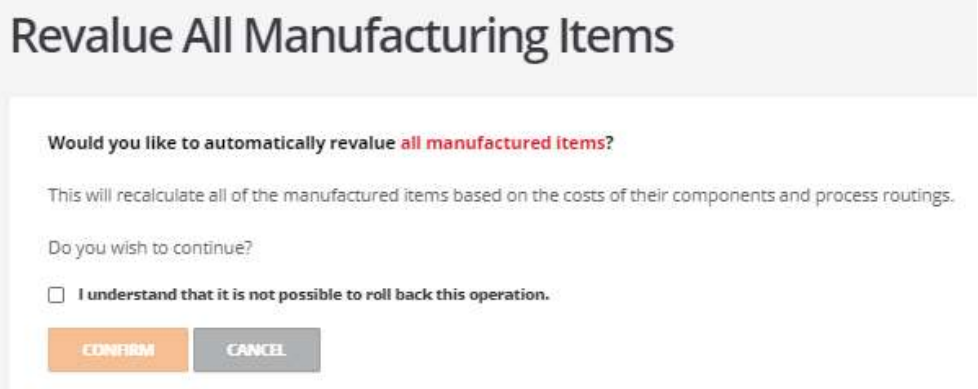
Stock Item	UoM	Quantity	Material	Sub Con	Labour	Unit Cost	Unit Price	Valuation
Board	each	4	20.00	0.00	0.00	20.00	0.00	80
Rim	each	1.0	5.00	0.00	0.00	5.00	0.00	5
Screw	each	4	5.50	0.00	0.00	5.50	0.00	22
Skateboard	each	1.0	112.00	0.00	0.00	112.00	0.00	112
Tire	each	1.0	10.00	0.00	0.00	10.00	0.00	10
Total								229.000000

Chart of Accounts:

Name	Code	Type	Value GBP	Actions
Root			**0.00**	
Assets				
▸ Fixed assets	FAS	Summary	**0.00**	
▾ Current assets	CAS	Summary	**229.00**	
▾ Stock	CASSTK	Summary	**229.00**	
▸ Trading Stock	STOCK	Summary	**229.00**	
Customer (Debtor) Ledger	CASCUS	Summary	**0.00**	
▸ Prepayments	CASPRE	Summary	**0.00**	
▸ Bank and Cash	CASBNK	Summary	**0.00**	

Menu Option - Revalue All Manufactured Items

For all manufactured stock of type Stock item Service Item and Kit Items when run will update their values based on their components and process routing values.



In summary, 'REVALUE' performs the following actions:

- Updates the cost value of the component, creating a transaction for the stock loss or gain
- Updates the material cost of any existing manufactured items using the revalued component, creating a transaction for the stock loss or gain
- For manufactured items using the revalued component, the component cost is updated so newly manufactured items will now use the new component material cost
- Creates transactions of type PurchaseReceipt for any goods not yet received