



**LAMAR SOFTWARE, INC.**  
**SPECIALISTS IN MANUFACTURING AND DISTRIBUTION**

### **Average Cost Tracking**

In addition to the actual cost system and the standard cost system, an average cost will be maintained for all inventory items. The average cost will be calculated by taking the average of the existing average inventory value and the actual incoming inventory lot value.

The average cost can be used in generating new planned costs for the standard cost system or in analyzing inventory values.