



LAMAR SOFTWARE
SPECIALISTS IN BUSINESS CONTROL SYSTEMS

Purchase Order Variances

The purchasing price variance (PPV) will be computed at the point of receipt for direct material items moving into inventory. The receiving transaction program will compare the standard at the time of receipt to the price specified on the purchase order and make the requisite entry into the accounts payable transaction table to cover the difference between the standard cost and the vendor's purchase order price.

If at the time of invoice matching, the purchase order price specified by the vendor differs from the price on the purchase order, an additional adjustment entry will be made to the purchase price variance entry.

For more information, connect to: <http://www.lamarsoftware.com/>