

Puerto Rico Inventory Values

The inflated value of San Juan's inventories is explainable by examining product mix. Seven higher priced cost groups account for 47% of San Juan's total inventory value. These groups significantly effect the average. These groups reflect the fact that San Juan locally purchases alkyd paints and is involved in mixing operations. Detail is as follows:

<u>COST GROUP</u>	<u>DESCRIPTION</u>	<u>GALLONS</u>	<u>VALUE</u>	<u>UNIT PRICE</u>
186	Locally pur. Flow Kote Latex Paint	5,505	\$23,451	\$ 4.26
187	Locally pur. Ovalite Enamel Paint	3,164	26,831	8.48
411	"Duco" Gloss	796	7,402	9.30
435	67 Line Primers for Emulsion Paints	754	7,072	9.38
472	2nd Line Cus. Col. House Pt. Lt. Base	910	6,024	6.62
473	" " " " " " Deep Base	1,171	6,673	5.70
798	Bennett Custom Color-Star Colorants	257	4,806	18.70
TOTALS		<u>12,557</u>	<u>\$82,259</u>	<u>\$ 6.55</u>

When these higher priced gallons are pulled out of total inventories we see the average price per gallon drop \$.54 from \$5.80 to \$5.26.

San Juan Inventory
May, 1983

	<u>GALLONS</u>	<u>VALUE</u>	<u>AVERAGE PRICE PER GALLON</u>
Total Inventory	30,000	\$174,000	\$5.80
Less Higher Priced Inventory	12,557	82,259	6.55
Other Inventory Value	<u>17,443</u>	<u>\$ 91,741</u>	<u>\$5.26</u>

The same analysis is true of Ponce's Warehouse inventory value.

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