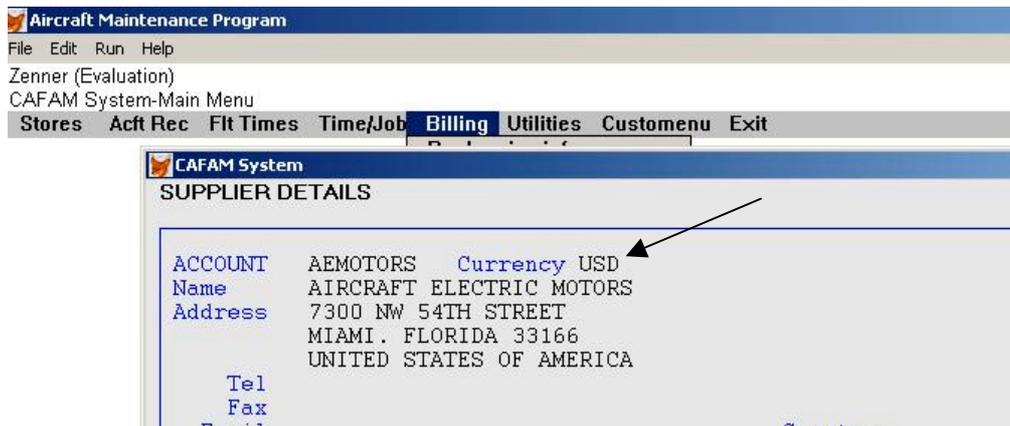


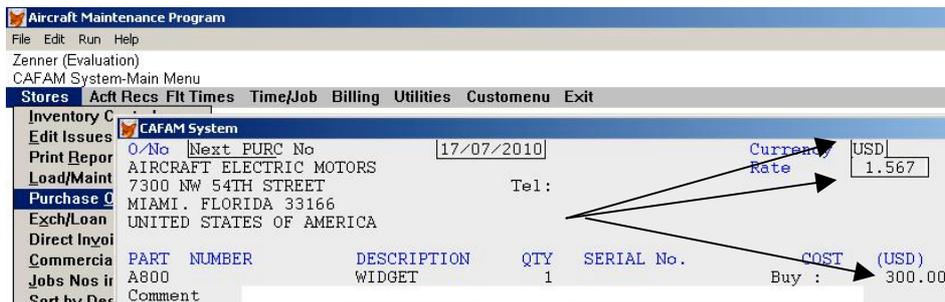
CAFAM STOCK - CURRENCY IMPLICATIONS

This document sets out to explain the issues that arise in currencies and Exchange Rates that could apply to the stock system

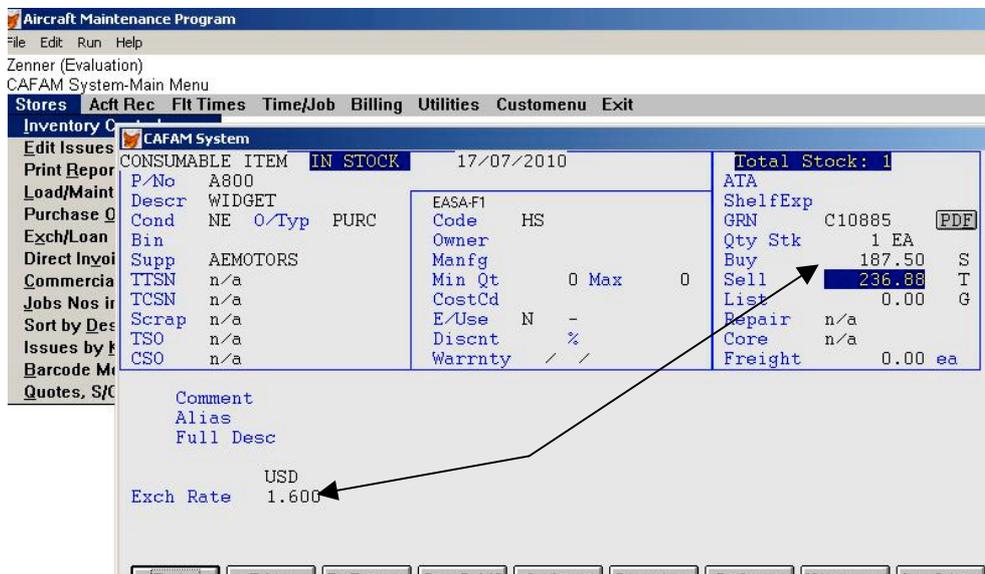
1. When a supplier is created in CAFAM, the intended currency for raising Purchase Orders is prompted:



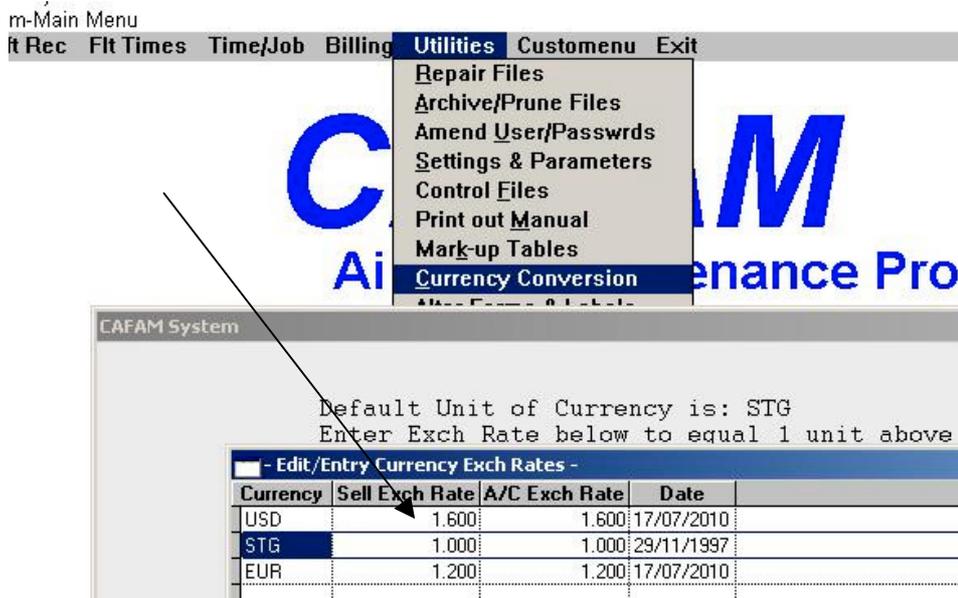
2. Thus when creating the Purchase Order, the program will use this currency assigned to the Supplier as the basis for the purchase and pricing



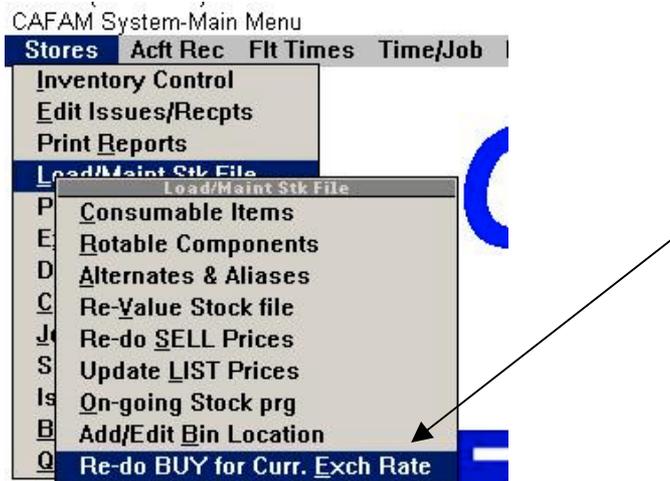
3. On receiving the item and booking it into stock this price and *the prevailing Exchange Rate* as set for the day will be written as a record of the exchange rate to the part number which is displayed on the Inventory screen



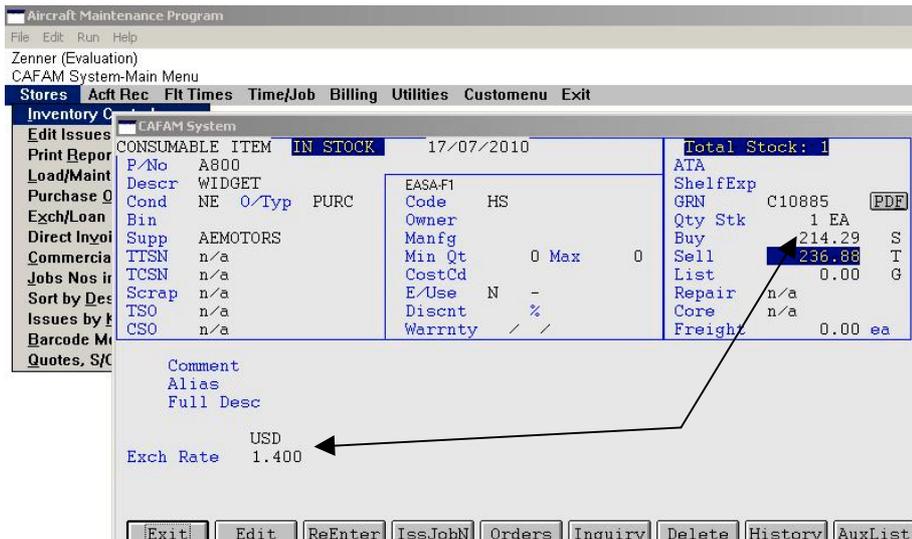
- Note the point made “*prevailing Exchange Rate*”. In the examples used above we have assumed that there has been a change in the Exchange between placing the Purchase Order at USD 1.567 to the point when the item was received where the Exchange Rate has changed to 1.600



- At this point if a Stock valuation Report were performed the P/no A800, Widget in our example would be valued at STG £187.50 (i.e. USD \$300 divided by 1.600)
- If at some point in the future if the Exchange Rate changes significantly and there is a need to “re-value” the Stock, then this step has to be performed manually from “Load/Maint Stk File”

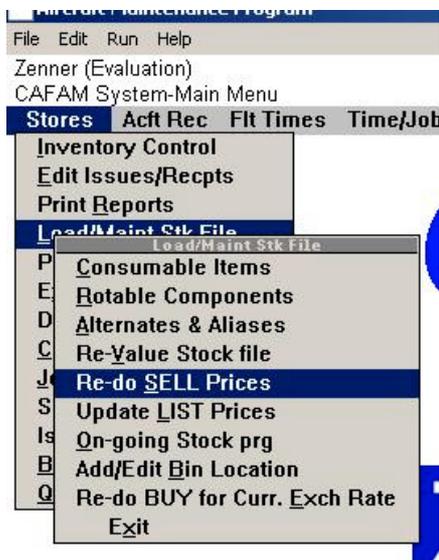


- On selecting this Option the program will follow a series of self explanatory prompts where after the stock file will be re-valued. Using the example we have created above, this would be the result:



Note: The Exchange Rate used for the re-valuation was 1.400 and now the new "Buy Price" value is 214.29 meaning had you bought the Widget, P/no A800 on this Exch Rate it would now cost more i.e. £214.29

- Note also that the Sell price remained unchanged. To re-do the Sell Price a separate menu needs to be used from "Load Maintain Stock files" > "Re-Do Sell Price" as follows and the self-explanatory screens that follow thereafter



- This will effectively re-do the Sell Prices based on the new Buy Price which changed as result of the Currency Exchange Rate fluctuation above



-END-