



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



SUBJECT: FINANCIAL MANAGEMENT

LEVEL: 2

**MODULE 10: IDENTIFYING EXPENSES THAT REQUIRE
IMPROVEMENT**

INCREASES AND DECREASES IN STORAGE EXPENSES

After completing this topic, you will be able to:

- Identify different storage expenses.
- Understand the reasons why they are increases and decrease in storage expenses.

STORAGE EXPENSES

- Storage charges.
 - ✓ It is important to limit storage costs.
 - ✓ Avoid buying a large number of stock that wont be sold at a short time period.
- Obsolete stock.
 - ✓ Stock that is not sold gathers dust and becomes obsolete.
- Stock rotation.
 - ✓ Slow moving stock becomes obsolete or out of fashion if too much stock is kept.
- Stock losses.
 - ✓ Occurs when goods are stolen or expired.

ACTIVITY

- Activity 10.2