

Essay about memo review



**ASSIGN
BUSTER**

Occasionally a person working with a department at a company is required to pass on information to another department or a supervisor. Because the executive vice president has requested information on inventory valuations, it is necessary to make this memo professional and accurate. The use of information must be explained to the company officers so it should be considered that they are not aware of the jargon used by accountants. Summarized below are the changes in the interoffice memo relating to accounting jargon and abbreviations.

Also included is the requested information on First In First Out (FIFO) and Last In First Out (LIFO) method, but this topic is changed for easier understanding. When revising the memo it is changed from casual to professional and formal. In this case the memo in question is concerning the FIFO and LIFO methods and the effects of the methods on the company. This requires explaining each valuation method in terms of the profit and loss on the income statement and the Cost of Goods Sold (COGS).

This needs to be detailed without being condescending. The last paragraph about the lawsuit by Macy's is not necessary to include since this information does not affect the retail industry's inventory valuations methods. The accounting jargon of elastic pricing and an inflationary economic time needs to be changed to professional wording. In the case of elastic pricing, it would be appropriate to state that the company's prices are flexible because of the industry demands, so the inventory methods need to reflect this to maintain a profit.

Inflationary economic time can be explained as coming into a period of inflation. These two changes will advise the senior officers what is important

to consider without adding unnecessary information. The last part of the memo that must be stressed is the law that states no matter which inventory valuation the company decides to use it must continue to use this method for the complete accounting cycle.

An accompanying recommendation based on the previous financial statement could be added to help with this process or an explanation on how each inventory method would affect the company's profit would be important. Upon completing the review of the interoffice memo an employee will often find there must be changes made before it can be sent on to the intended recipient. This will require eliminating interoffice jargon and abbreviations. The memo must meet the requirements of the demand of information and the station of the person receiving it.

Business communication can be formal or casual depending on the relationship of the people interacting and the final destination of each communication. This is important to remember when composing any business communication.

References Leisker, R. V. , Flatley, M. E. , & Rentz, K. (2008). Business communication: Making connections in a digital world (11th ed.). Boston, MA: McGraw-Hill. University of Phoenix Online. (2010). Business Communications for Accountants. University of Phoenix: Accounting Memo.