

LIFO VS FIFO

While Price are stable or raising

	LIFO	FIFO
COGS	Higher	Lower
Inventory	Lower	Higher
Net Income	Lower	Higher
Taxes	Lower	Higher
Working Capital	Lower	Higher
Cash Flows	Higher	Lower

Long Lived Assets

	Capitalization	Expensing
CFO	Higher	Lower
CFI	Lower	Higher
Total Cash flow	Same	Same
Profitability Ratios (ROA / ROE)	Higher	Lower
Debt Ratios (Debt/Assets)	Lower	Higher
Income Disparity	Lower	Higher

Leases

	Capitalizing	Operating
CFO	Higher	Lower
CFF	Lower	Higher
Total Cash flow	Same	Same
Working Capital	Lower	Higher
Profitability Ratios (ROA / ROE)	Lower	Higher
Debt Ratios (Debt/Assets)	Higher	Lower
Income Disparity	Lower	Higher