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Proposed Accounting Standards Update: Inventory (Topic 330)
Simplifying the Measurement of Inventory

The Accounting Principles and Assurance Services Committee (the "Committee") of the California Society of Certified Public Accountants ("CalCPA") respectfully submits its comments on the referenced proposal. The Committee is the senior technical committee of CalCPA. CalCPA has approximately 40,000 members. The Committee consists of 53 members, of whom 47 percent are from local or regional CPA firms, 27 percent are from large multi-office CPA firms, 12 percent are sole practitioners in public practice, 10 percent are in academia and 4 percent are in international CPA firms. Members of the Committee are with CPA firms serving a large number of public and nonpublic business entities, as well as many non-business entities such as not-for-profits, pension plans and governmental organizations.

Question 1: *Should inventory be measured at the lower of cost and net realizable value? If not, what other measurement is more appropriate and why?*

The Committee agrees that inventory should be measured at the lower of cost and net realizable value

Question 2: *Should the proposed Update be applied prospectively to the measurement of inventory after the date of adoption?*

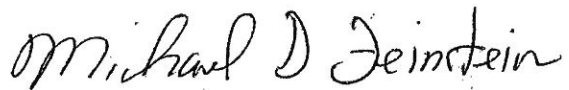
The Committee believes that the proposed Update should be applied prospectively to the measurement of inventory after the date of adoption. It should not be applied retroactively.

Question 3: *Should the proposed Update be effective in annual periods, and interim periods within those annual periods, beginning after December 15, 2015, with early adoption permitted? Should there be a delay in the effective date for entities other than public business entities and why?*

The Committee agrees with the proposed effective date and transition. It does not believe there should be a delay in the effective date for entities other than public business entities.

We would be glad to discuss our opinions with you further should you have any questions or require additional information.

Sincerely,

A handwritten signature in black ink that reads "Michael D. Feinstein". The signature is written in a cursive style with a large, prominent 'M' and 'F'.

Michael D. Feinstein
Chair
Accounting Principles and Assurance Services Committee
California Society of Certified Public Accountants