

## ABSTRACT

*The selection of the inventory valuation method is one of the important things for the company, because all decisions taken have consequences in terms of profit. The choice of the inventory method in Indonesia refers to PSAK No. 14 of 2015 which only recognizes and gives companies the freedom to use the FIFO (First In First Out) or Average method.*

*The purpose of this study is to analyze the simultaneous and partial effect of managerial ownership, gross profit margin, company size and cost of goods sold variability on the selection of the inventory valuation method. The population in this study is the consumer goods industry sector which is listed on the IDX in 2016-2021.*

*The method in this study used quantitative methods with data collection using purposive sampling techniques. This study has 216 observational data obtained from 36 companies. The method of analysis in this research is logistic regression analysis using SPSS 25 software.*

*The results of the study show that managerial ownership, gross profit margin, company size and cost of goods sold variability simultaneously influence the inventory valuation method. Managerial ownership, gross profit margin, company size partially influence the selection of the inventory valuation method. Meanwhile, the variability of cost of goods sold has no partial effect on the inventory valuation method.*

*The conclusion is that managerial ownership, gross profit margin, company size has a significant positive effect on the inventory valuation method, meaning that in the consumer goods industry sector in 2016-2021 the value of managerial ownership, gross profit margin, company size has an influence on choosing the inventory valuation method to earn profits . Suggestions for future researchers can use other variables such as net profit margin and leverage in different objects.*

**Keywords:** *Company Size, Gross Profit Margin, Managerial Ownership, and Variability of Cost of Goods Sold*