

The Jeweler's Paper Ledgers: A Management Accounting Dilemma

Author, Affiliation

Author, Affiliation

Author, Affiliation

This case was prepared by the authors and is intended to be used as a basis for class discussion. The views represented here are those of the authors and do not necessarily reflect the views of the Society for Case Research. Copyright © 2026 by the Society for Case Research and the authors. No part of this work may be reproduced or used in any form or by any means without the written permission of the Society for Case Research.

Abstract

This case is centered around a mid-sized jewelry store specializing in fine jewelry, custom designs, and repair services. The store operated in a competitive market, dealing with volatile precious metal prices, seasonal demand, and high-value inventory. Students are challenged to develop an understanding of a lesser understood business. Students gain insights into the complexities of managerial accounting concepts such as inventory valuation where items are small in nature, high in costs, and require intense internal control and trust. This case is beneficial for developing managerial accounting skills for assessing business activities and information needs for decision making.

Learning Outcomes

At the completion of this case, students should be able to:

LO1: Demonstrate an understanding of managerial accounting practices to value inventory, classify variable costs, impacts of custom production, and pricing.

LO2: Prioritize financial accounting principles in a retail environment with high-value inventory and tax impacts.

LO3: Explain how economic factors (e.g., fluctuating gold prices) impact accounting choices and business strategies.

LO4: Analyze business processes to identify internal control weaknesses.

LO5: Design internal control frameworks that uphold ethical standards in revenue recognition and fraud prevention specifically for high-value inventory.

Application

This case is beneficial for developing managerial accounting, strategic management, cost accounting and intermediate accounting skills for assessing business activities and information needs for decision making.

Key Words

Managerial accounting, inventory, accounting systems, jewelry

Contact