

Solution:

From a stockholders' perspective, the decision of Chrysler looks certainly good. This is because the decision to go from FIFO to LIFO helps the stockholders in the following ways:

- (a) Assess the growth of the company, as it could be compared to 1969. This allows the stockholders to understand the progress of the company.
- (b) It allows the stockholders to compare the company's performance to the other automobile companies, since they all used FIFO at that time.
- (c) It addressed the loss into a profit, which can appear as beneficial for equity shareholders.