

Study Plan: Activity Based Costing

Knowledge Targets

I can define the following terms as they relate to our unit:

Cost Driver	Cost Pool	Product Margin	Activity Based Costing
Customer Margin	Activity Rate	Plantwide rate	Departmental rate
Allocation Base	Cost per Unit		

Reasoning Targets

- I can explain the use of **cost pools** in **activity based costing**.
- I can analyze the **product margin** of a product when using activity based costing and **plantwide allocation**.
- I can understand the difference between **plantwide rate**, **departmental rate**, and **activity based costing activity rate**.
- I can analyze the **customer margin** of a product using **activity based costing**.

Skill Targets

- I can calculate **activity rates** for activity **cost pools**.
- I can calculate the **product margin** using a traditional costing system and **activity based costing**.
- I can allocate overhead using **activity based costing activity rates**.
- I can allocate overhead using **plantwide rates** and **departmental rates**.
- I can calculate the total cost of a department, job, product, or process using **activity based costing**.