

Study Plan: Variable Costing & Performance Reporting

Knowledge Targets

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

Absorption costing	Variable costing	Fixed Costs	Variable Costs
Segment	Segment Margin	Segmented Income Statement	Contribution Margin Income Statement
Traceable Cost	Common cost	Cost per unit	Net Income

Reasoning Targets

- I can identify costs as **fixed** or **variable**.
- I can explain the difference between **variable costing** and **absorption costing**.
- I can analyze and explain the difference in **net income** under **variable costing** and **absorption costing**.
- I can determine the profitability of each **segment** in a **segmented income statement**.

Skill Targets

- I can calculate **cost per unit** under **variable costing**.
- I can calculate **cost per unit** under **absorption costing**.
- I can prepare income statements using **variable costing** and **absorption costing**.
- I can prepare a **segmented income statement**.