Study Plan: Relevant Costing for Managers

Knowledge Targets

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

Avoidable Cost	**Constraint**	**Make or Buy**	**Differential Cost**
Differential Revenue	**Joint Product**	**Joint Cost**	**Opportunity Cost**
Sunk Cost	**Relevant Benefit**	**Relevant Cost**	**Sells or Process further**
Special Order	**Split Off Point**	**Constrained Resource**	

Reasoning Targets

- I can identify costs as **relevant, avoidable, opportunity or sunk cost**.
- I can classify costs as **relevant or not relevant**.
- I can determine value and use of a **constrained resource**.

Skill Targets

- I can prepare an analysis showing if a product line or business segment should be dropped or added.
- I can prepare **make or buy** analysis.
- I can prepare analysis showing whether a **special order** should be accepted or rejected.
- I can prepare an analysis showing whether a **joint product** should be sold at the **split off point** or processed further**.**