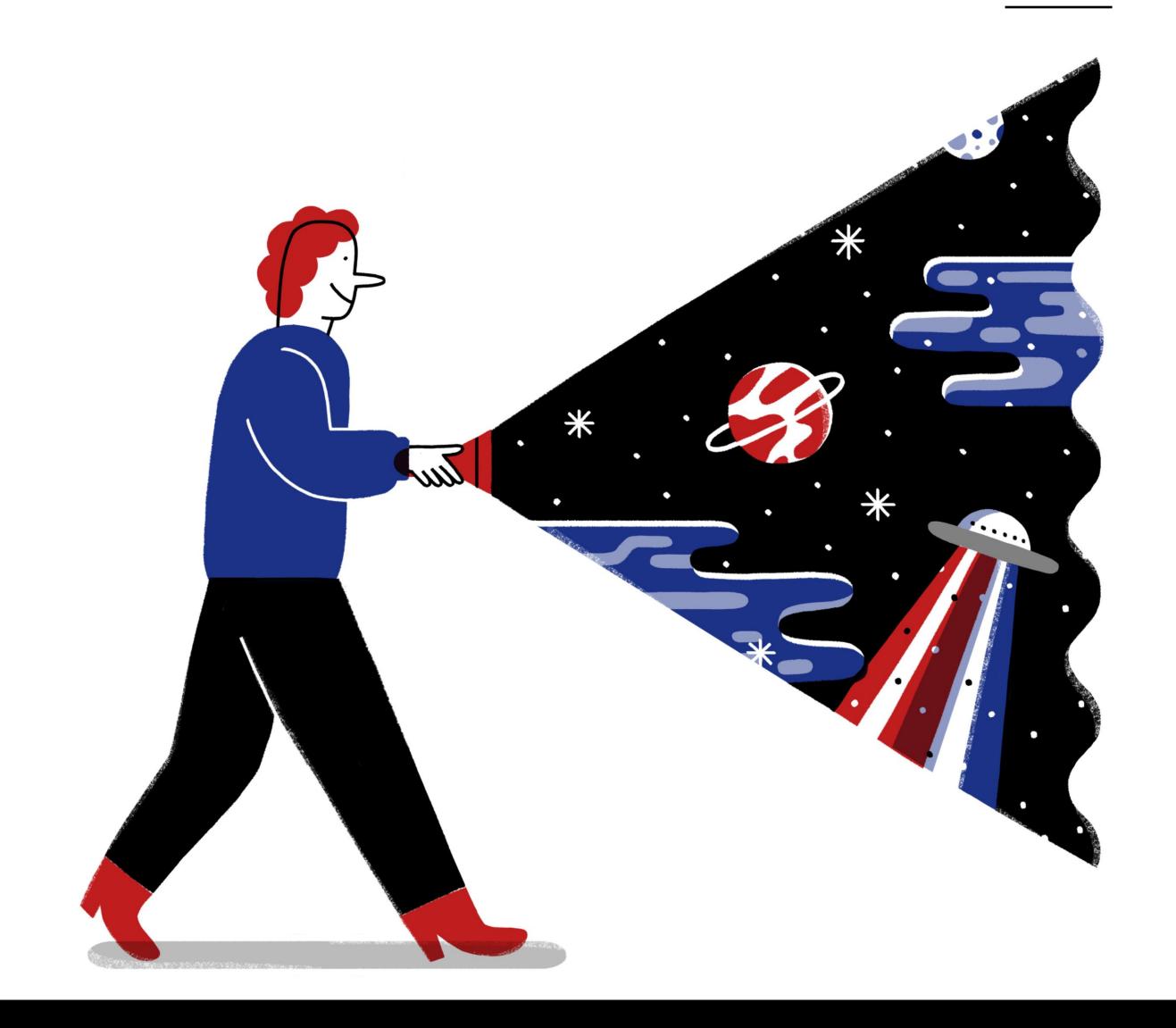
Management Accounting

PRACTICAL CLASS 15 & 16





Classification

RELEVANT

Opportunity Cost

Benefit of the best alternative that was sacrificed

Avoidable Costs

Costs that can be saved by not adopting an alternative

Future Outlay Cost Costs that vary with the decision

IRRELEVANT

Sunk Cost

Past costs that cannot be changed by any current or future action

Unavoidable Cost

Costs that cannot be saved by pursuing an alternative

Committed Cost

Costs that are agreed in the future and cannot be changed



Use your best judgement!

STICK TO WHAT IS **RELEVANT**, AND PAY ATTENTION TO RESOURCE SCARCITY!



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GREAT TRAVELS



DEPRESSA E BEM



FEW HOURS AND MANY ORDERS

