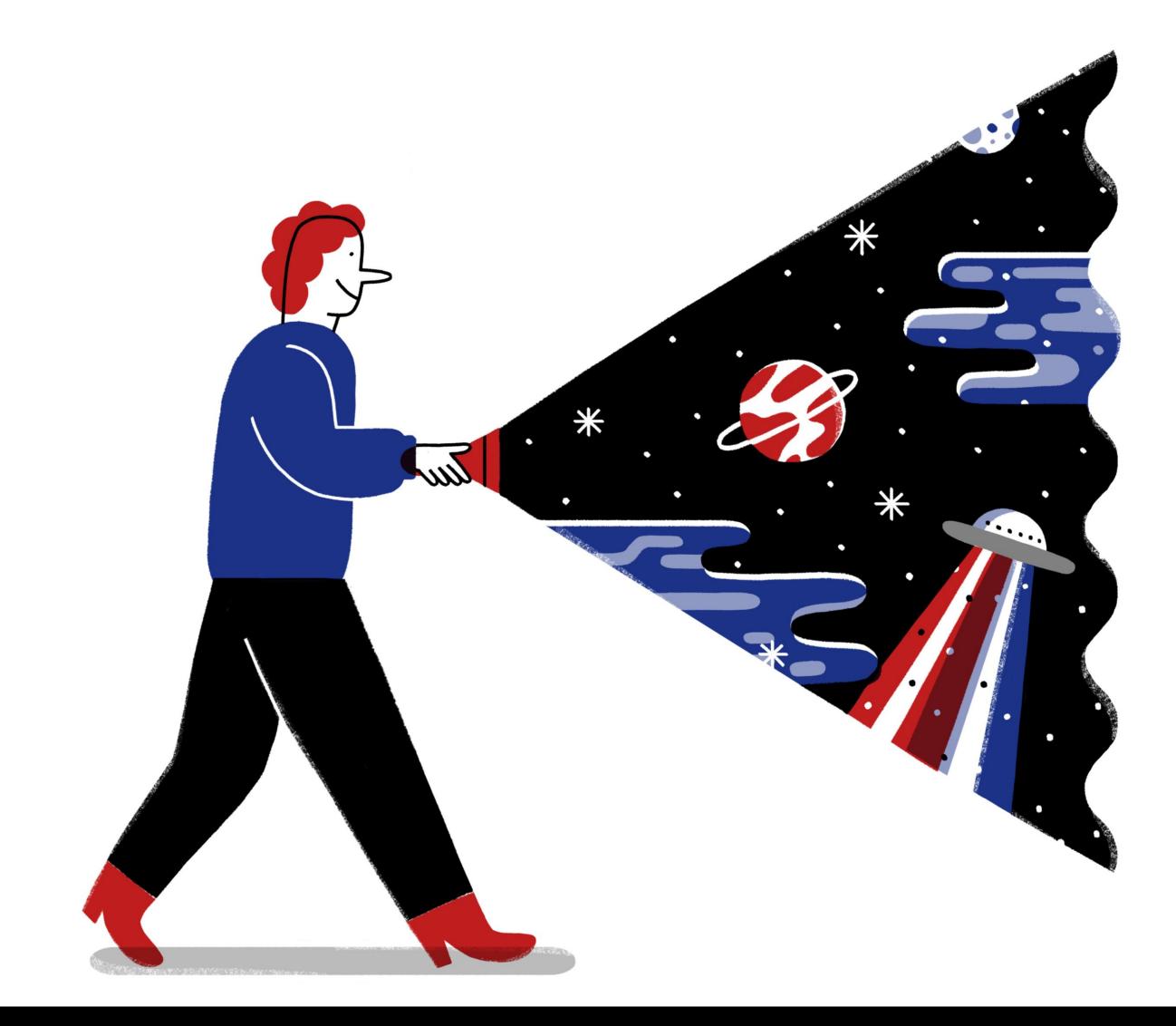
MANAGEMENT ACCOUNTING SPRING 2025

Management Accounting

PRACTICAL CLASS 7







Product vs Period costs

Product Costs

Attached to the products and included in the stock (inventory valuation). Treated as an expense (COGS) when products are sold e.g. Manufacturing Costs

Period Costs

they ocurred e.g. Non-Manufacturing Costs



Not included in inventory valuation. Treated as an expense of the period in which

Job vs Process Costing JOB VS PROCESS VS HYBRID

Useful to:

- Understand the inventory method utilized
- Provide accurate quotes









Process Costing

Costs assigned to **broad masses of similar units** Mass produced identical items for general sale and not for any specific customer. (e.g. Pasta – Problem 15)

Job Costing

Costs assigned to **distinct units**, **batch or lot of** distinct product or service.

Fully custom jobs for specific clients (e.g. Art Pieces, Problem 11)

Hybrid Costing

Includes features of **both systems** Identical processing of a identical product with individual modifications (e.g. Car + Extras)

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Exercise

19 – THE BOM AZULEJO COMPANY



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Don't forget the Midterm!

MARCH 14TH



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