

15.514, Summer 2003

Session 16

Introduction to Cost Concepts

Objectives

1. Introduce commonly used cost terminology.
2. Understand how organizations historically have computed product costs.
3. Reinforce how product costs affect the financial statements.
4. Begin to understand how organizations use product costs to support decision-making.

Game Plan & Class Pedagogy

Mainly lecture.

Reading Assignment

CP: A Brief Introduction to Cost Accounting
Activity Accounting: Another Way to Measure Costs