

14 TYPES OF COSTS



MICRO BUSINESS
ACADEMY™
MINDSET-BELIEVE-ACHIEVE

COSTS BY BEHAVIOR

FIXED COSTS

costs that remain constant regardless of the level of production or services

VARIABLE COSTS

costs that vary in direct proportion to the level of production

SEMI-VARIABLE COSTS

costs that contain both fixed and variable components

STEP COSTS

costs that remain fixed only for a certain volume or range of activity

COSTS BY TRACEABILITY

DIRECT COSTS

costs that can be traced directly to a specific cost object

INDIRECT COSTS

costs that cannot be traced directly to a specific cost object

COSTS BY FUNCTION

PRODUCT COSTS

inventoried costs associated with the production of products or services

PERIOD COSTS

costs not related to production and expensed in the period

MANUFACTURING COSTS

costs associated with the production of goods

CONVERSION COSTS

costs incurred when converting raw materials into finished products

OPERATING COSTS

costs associated with day-to-day business operations

OVERHEAD COSTS

indirect costs not tied to a specific product or service

COSTS BY FUNCTION

RELEVANT/INCREMENTAL COSTS

future costs that are irrelevant

IRRELEVANT/SUNK COSTS

past costs that are irrelevant