

ACCTG 2200: Q&A Ch. 5

Dr. Morris

HKUST

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 - ▶ When a table is in multiples of 10 you can treat a batch of 10 as the base unit.
 - ▶ Step-variable are hard to identify from data, but are usually bundled goods.

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- ▶ Managers can choose how to design their production process, but they do not choose whether a cost is fixed or variable.

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- ▶ An Introduction to Managerial Accounting class.

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- ▶ Absorption costing ignores the fact that we have to pay for fixed costs when the bills are due not when we sell our products.
- ▶ Variable costing is much more useful for internal decisions, especially so that we know when to get external financing.

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 - ▶ Depreciation is **NOT REAL**

PB5-3

I've updated the solution.