

# Cost Terminology

**Acquisition**

**vs.**

**Current**

**Actual**

**vs.**

**Standard**

**Traceable**

**vs.**

**Joint**

**Controllable**

**vs.**

**Uncontrollable**

**Incremental**

**vs.**

**Sunk**

**Direct**

**vs.**

**Indirect**

**Product**

**vs.**

**Period**

**Variable**

**vs.**

**Fixed**

**Semi-variable**

**vs.**

**Semi-fixed**

**Programmed**

**vs.**

**Capacity**

**Out-of-Pocket**

**vs.**

**Book**

**Opportunity**

**vs.**

**Outlay**

**Marginal**

**vs.**

**Average**

# Cost Terminology

**Acquisition**

**vs.**

**Current**

*A distinction between historical cost and replacement cost.*

**Actual**

**vs.**

**Standard**

*A distinction between historical cost and budgeted cost.*

**Traceable**

**vs.**

**Joint**

*A distinction between unique product cost and allocated cost.*

**Controllable**

**vs.**

**Uncontrollable**

*A distinction between cost that a particular manager influences and cost that is under the predominant influence of other managers.*

**Incremental**

**vs.**

**Sunk**

*A distinction between uncommitted cost and already committed cost.*

**Direct**

**vs.**

**Indirect**

*A distinction between material/labor cost for a specific product and the cost of general support for a manufacturing function.*

**Product**

**vs.**

**Period**

*A distinction between the cost of assets converted into goods sold and product-independent expenses shown on an income statement.*

**Variable**

**vs.**

**Fixed**

*A distinction between volume-dependent and volume-independent cost.*

**Semi-variable**

**vs.**

**Semi-fixed**

*A distinction between cost that combines a variable component with a strictly fixed component and a cost that increases in steps.*

**Programmed**

**vs.**

**Capacity**

*A distinction between costs incurred for discretionary long-term projects and the cost of providing production capability.*

**Out-of-Pocket**

**vs.**

**Book**

*A distinction between future cash cost and future asset conversion as determined by the financial accounting system.*

**Opportunity**

**vs.**

**Outlay**

*A distinction between "what-if" benefits and out-of-pocket costs.*

**Marginal**

**vs.**

**Average**

*A distinction between the cash cost to produce one more unit and total historical cost divided by the number of units produced.*