Cost price calculation: Using a cost calculator to evaluate the price of a Cost Unit regardless of financing.

Financing: The process of seeking funding from one or more financers that will amount to the calculated total cost.
Different ways to account for the result of a Cost Unit

- **Full cost accounting**: The actual result is disclosed.
  
  - 135
  - 100
  - 50
  - 100
  - 35
  - 35

  - **-15**

- **Partial cost accounting**: A non-factual result is disclosed.
  
  - 135
  - 100
  - 35

  - **0**

- **Contribution accounting**: An incomplete result is disclosed.
  
  - 135
  - 100

  - **35**
Cost plus pricing

Overhead charge

Direct labour as cost allocation basis

(Alternative cost allocation basis: Direct labour costs AND direct operational costs)
Cost plus accounting with a fixed amount - three levels

Fixed amount: 750  15%
Fixed amount: 600  12%

The calculation is done at the Department Level

Rate for Central Level costs: 750/5000 = 15%
Rate for Faculty Level costs: 600/5000 = 12%
Rate for Department Level costs: 1000/5000 = 20%
Cost plus accounting with a fixed amount - two levels

The calculation is done at the Department Level

Rate for Central Level costs: \( \frac{1250}{5000} = 25\% \)
Rate for Department Level costs: \( \frac{1000}{5000} = 20\% \)
Cost plus accounting with a percentage rate - three levels

Calculation at Central Level: 15%
Calculation at Faculty Level: 12%

Calculation at Department Level:
Rate for Department Level costs: 1000/5000 = 20%
Cost plus accounting with a percentage rate - two levels

Calculation at Central Level

Rate for Department Level costs: $1000/5000 = 20\%$
Full cost allocated to a Cost Unit - three levels

- dL 400
- Other direct 100
- Central Level 60
- Faculty Level 48
- Dptmt Level 80

= 688

Central Level costs 15% of 400 = 60

Faculty Level costs 12% of 400 = 48

Department Level costs 20% of 400 = 80

Other direct 100
Central Level 60
Faculty Level 48
Dptmt Level 80

= 688
Full cost allocated to a Cost Unit - two levels

dL 400
Other direct 100
Central Level 100
Dptmt Level 80
=680

Central Level costs
25% of 400 = 100

Department Level costs
20% of 400 = 80