

ASSESSMENT QUESTIONS

Chapter 1: Costing Basics

True or False

Identify whether the following statements are true or false and circle the correct answer.

- T F 1. The abbreviation for **COGS** means Cost of Goods Sold.
- T F 2. Post-production costing is an evaluation of a preliminary estimate of costs and is calculated based on the first sample estimates.
- T F 3. Post-production costing is also referred to as actual cost, and it displays the actual production costs after a style is produced, shipped, and sold.
- T F 4. Pre-production costing is a preliminary estimate of costs and is calculated based on the first sample estimates, as well as on the cost of fabric, trims, labor, shipping and duty fees.
- T F 5. Production costing is alternately called the final cost, standard cost, or determined cost and includes overhead, transportation costs, duties and customs clearance.

Multiple Choice

Select the best response.

- 1. The abbreviation for **PLM** means
 - a. Production Lifestyle Merchandising
 - b. Product Lifestyle Management
 - c. Professional Lifecycle Management
 - d. Product Lifecycle Management

- 2. The abbreviation for **CMT** means
 - a. Cut, Mark, Trim
 - b. Create, Mark, Trim
 - c. Cut, Make, Trim
 - d. None of the above

3. The three stages of costing occur in the following order
 - a. Pre-production, post-production, and production costing
 - b. Pre-production, production, and post-production costing
 - c. Production, pre-production, and post-production costing
 - d. All of the above

4. A set of pages with information and detailed specifications for the style is also known as
 - a. Costing package
 - b. Technical package
 - c. Tech bundle
 - d. All of the above

5. If you need to reduce your fabric costs, you can achieve this by implementing the following solutions:
 - a. Use less yardage and reduce the yield of overall fabric needed
 - b. Switch your fabric quality to a less expensive material for your garment
 - c. Negotiate pricing with your vendor or find another vendor who offers less expensive materials
 - d. All of the above

Key for Chapter 1 Assessment Questions

True-False

1. T

2. F

3. T

4. T

5. T

Multiple Choice

1. d

2. c

3. b

4. b

5. d

