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