



## **[Glossary]**

### **Introduction to Cost Concepts for Decision Making**

<b>Subject:</b>	Business Economics
<b>Course:</b>	B. A. (Hons.), 1 <sup>st</sup> Semester, Undergraduate
<b>Paper No. &amp; Title:</b>	Paper – 103 Fundamentals of Business and Accounting
<b>Unit No. &amp; Title:</b>	Unit – 5 Introduction to Cost Concepts for Decision Making
<b>Lecture No. &amp; Title:</b>	Lecture – 1 Introduction to Cost Concepts for Decision Making

## **Glossary**

### **Cost**

Amount of resources for goods and services

### **Differential**

Difference between two alternatives either incremental or decremental

### **Discretionary**

Optional cost depends on management whether they want to opt for or not

### **Expense**

When the cost is already incurred and expired

### **Explicit**

Cost which is associated with cash outflow

### **Implicit**

Cost which isn't associated with cash outflow

### **Imputed**

Associated cost with decision

### **Opportunity**

Cost of other alternative which is forgone while selecting an alternative

### **Out-of-Pocket**

Supportive Cash outflow

**Relevance**

Related to particular decision

**Sunk**

Historical expense incurred in the past