

Improving Profits

(Crossword Puzzle)

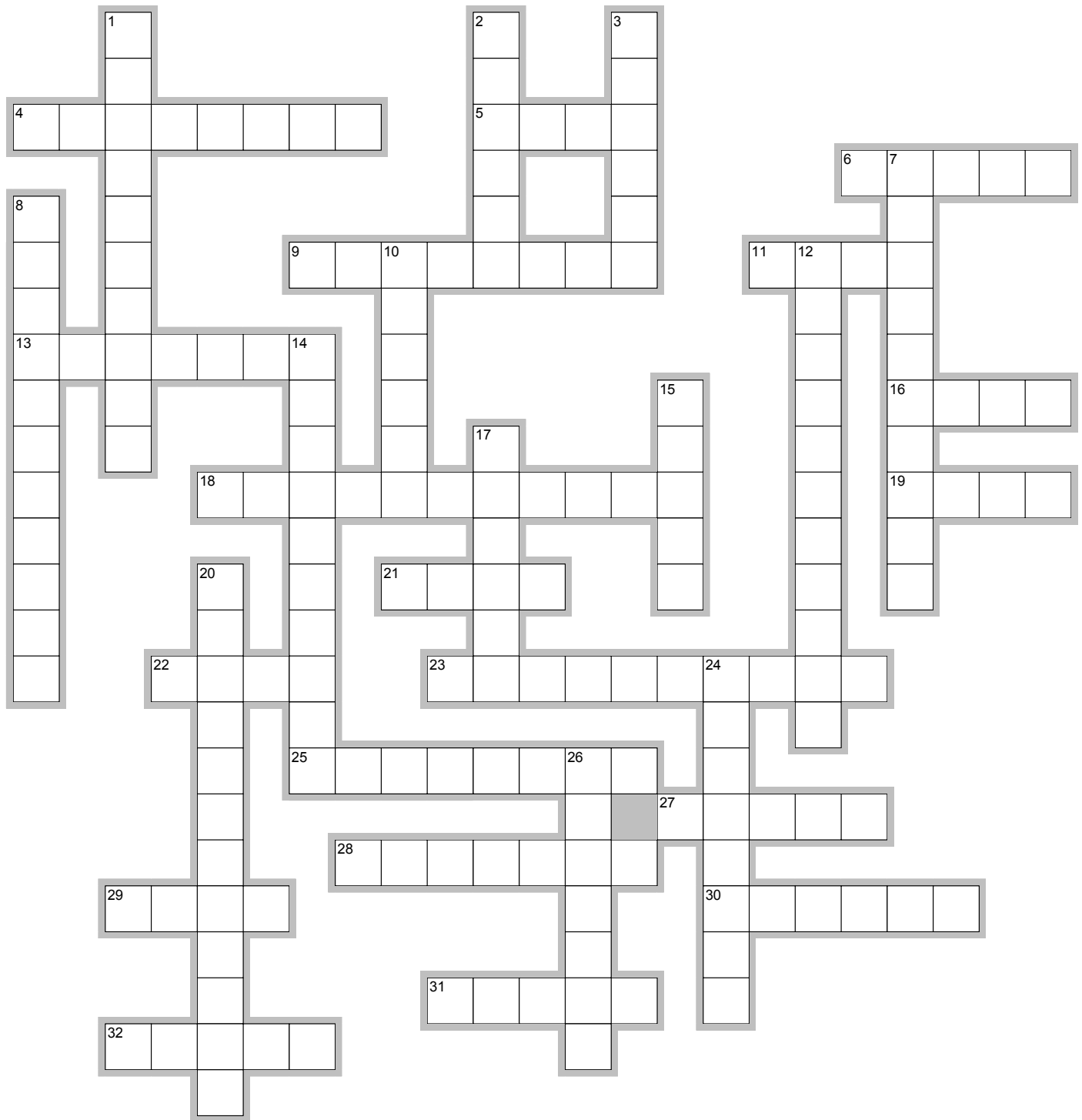


Harold Averkamp
CPA, MBA

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Crossword Puzzle (Improving Profits)



ACROSS (Improving Profits)

4. Because of the _____ unit assumption, the amounts in the accounting records are not adjusted for inflation.
5. Because of the _____ principle, the amounts in the accounting records are not reported at their current value.
6. A visual aid for seeing how a mixed cost behaves is a _____ of the cost at various levels of activity. This also allows you to see if some data is not reasonable.
9. The incremental or differential costs of a company (or family) adding a third automobile would include an _____ in the company's fixed costs.
11. In the _____ run, companies' revenues must cover all of the costs and expenses, variable and fixed.
13. Revenues and expenses that are past, and revenues and expenses that will be the same whether or not a decision is made, can be _____ from an analysis of whether or not to take an action.
16. Past, historical amounts are referred to as _____, since they cannot be changed and they are irrelevant for decision making.
18. Marginal cost is used to describe the cost of the very next unit. _____ cost is used to describe the cost of the next several units.
19. If a company has _____ capacity, its opportunity cost is zero.
21. An easy technique for estimating how much of a mixed cost is fixed and how much is variable is the _____-low method.
22. Within a reasonable range of activity, variable costs are constant on a per _____ basis.
23. Revenues and expenses that will be the same whether or not a decision is made are _____ to the decision.
25. A manufacturing company's information on parts produced in the past could be found in computer software referred to as a _____.

ACROSS (Improving Profits)

27. When classified by behavior, costs that remain the same (in total) as sales increase within a reasonable range are said to be _____ costs.
28. The revenue and expense amounts needed for making a decision will not be found in the _____ ledger.
29. A manufacturer with a limited amount of hours available will maximize its profits in the short run when it produces and sells the items with the highest contribution margin per _____.
30. It is common for some business owners and managers to focus on the top line of the income statement—Sales. However, it is equally important or more important to focus on the _____ line of the income statement—Net income.
31. Costs that are partly fixed and partly variable are _____ costs.
32. For decisions involving the _____ run, a company might find its profit increasing when it takes actions that result in revenues increasing more than the increase in variable costs.

Down (Improving Profits)

1. When a company has a limited number of machine hours available, the number of machine hours is often referred to as a _____.
2. Eliminating activities without eliminating the costs assigned to them will not result in increased net _____.
3. Decisions can only affect the present and the _____.
7. A statistical tool to help determine how much of a mixed cost is fixed and how much is variable is _____ analysis.
8. The benefit that a person or company foregoes when selecting an alternative action is known as an _____ cost. For example, the salary that an engineer foregoes by leaving her position at a large manufacturer to start her own consulting service.
10. Relevant amounts for a decision are the amounts that will _____ if an action is taken.
12. Occurs when a manufacturer obtains needed components from an outside supplier instead of manufacturing them in house.
14. _____ cash flow techniques are helpful when investments and cost savings involve several (or many) years.
15. Long run decisions should give consideration to the time _____ of money.
17. The amounts in the company's general _____ are past, historical amounts.
20. The opportunity cost is often measured as the _____ margin that is being foregone (although the differential profit foregone is more appropriate).
24. When classified by behavior, costs that increase in total as sales increase are said to be _____ costs.
26. On a per unit basis, fixed costs become _____ as volume increases.

Solutions (Improving Profits)

