




CALCULATION OF COGS



 Module
III

 Course
Entrepreneurial
Finance

 Topic 4
Measuring
performance
in a short
term

 Lesson 2
Financial
Statements

Activity

- **Short Description:** In an individual activity, each student should read the example given below and apply the formula to count the COGS for the manufacturing business.
- **Methodology:** Inductive learning
- **Duration:** 15 min
- **Difficulty (high - medium - low):** Low
- **Individual / Team:** Individual
- **Classroom / House:** Home or classroom
- **What do we need to do this activity?**
 - **Hardware** (Calculator)
 - **Software** (None)
 - **Other resources** (Paper and pen)



Description

- **Text description:** Once when the lesson is presented by the teacher, the student should apply the COGS formula to the example given below.
- **Illustration:**



For example, let's say that a company that manufactures furniture incurs the following costs:

Direct Materials: 100.000 €

Direct Labor: 50.000 €

Manufacturing Overhead: 55.000 €

Beginning WIP Inventory: 10.000 €

Ending WIP Inventory: 25.000 €

Instructions

1. STEP 1: Use the formula for COGS for manufacturing business.
2. STEP 2: Count the COGS for the given example.

Expected outcomes

- Students will better understand COGS through examples and implementation of formulas.

This activity can be used in other (module, course, topic, lesson):

- **Module III, III.1 Business model creation**

DIGICOMP (Competences developed): *Browsing, searching and filtering data, information, and digital content, Evaluating data, information, and digital content, Managing data, information and digital content*

ENTRECOMP (Competences developed): *Financial and economic literacy, Learning through experience, Ethical and sustainable thinking*



ANNEX:

DIGCOMP	ENTRECOMP
1. INFORMATION AND DATA LITERACY 1.1 Browsing, searching and filtering data, information and digital content 1.2 Evaluating data, information and digital content 1.3 Managing data, information and digital content	1. IDEAS AND OPPORTUNITIES 1.1 Spotting opportunities 1.2 Creativity 1.3 Vision 1.4 Valuing ideas 1.5 Ethical and sustainable thinking
2. COMMUNICATION AND COLLABORATION 2.1 Interacting through digital technologies 2.2 Sharing through digital technologies	2. RESOURCES 2.1 Self- awareness and self- efficacy 2.2 Motivation and perseverance



<p>2.3 Engaging in citizenship through digital technologies</p> <p>2.4 Collaborating through digital technologies</p> <p>2.5 Netiquette</p> <p>2.6 Managing digital identity</p>	<p>2.3 Mobilizing resources</p> <p>2.4 Financial and economic literacy</p> <p>2.5. Mobilizing others</p>
<p>3. DIGITAL CONTENT CREATION</p> <p>3.1 Developing digital content</p> <p>3.2 Integrating and re-elaborating digital content</p> <p>3.3 Copyright and licences</p> <p>3.4 Programming</p>	<p>3. INTO ACTION</p> <p>3.1 Taking the initiative</p> <p>3.2 Planning and management</p> <p>3.3 Coping with uncertainty, ambiguity and risk</p> <p>3.4 Working with others</p> <p>3.5. Learning through experience</p>
<p>4. SAFETY</p> <p>4.1 Protecting devices</p> <p>4.2 Protecting personal data and privacy</p> <p>4.3 Protecting health and well-being</p> <p>4.4 Protecting the environment</p>	
<p>5. PROBLEM SOLVING</p> <p>5.1 Solving technical problems</p> <p>5.2 Identifying needs and technological responses</p> <p>5.3 Creatively using digital technologies</p> <p>5.4 Identifying digital competence gaps</p>	



