The cost of defective units in small-scale production · How to check this using an example?

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Applicability: According to the profile and circumstances of the described case.

Calculate separately the effect of five and ten defective units per batch.

Checking by example

Allocate the cost of the batch to the usable units.

Separate the used material, packaging and items that are not ready for sale.

Working example · Cost of defective units in small-scale production

Separate the material that has been used, the packaging and the items that are not ready for sale. If errors recur, determine at which operation they occur before the cost increase.

Specific next steps

1. Allocate the cost of the batch to the usable units.
2. Separate the used material, packaging and items that are not ready for sale.
3. If errors recur, determine at which operation they occur before the price increase.

Limits of application

Apply the guideline to your documents and working methods.

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