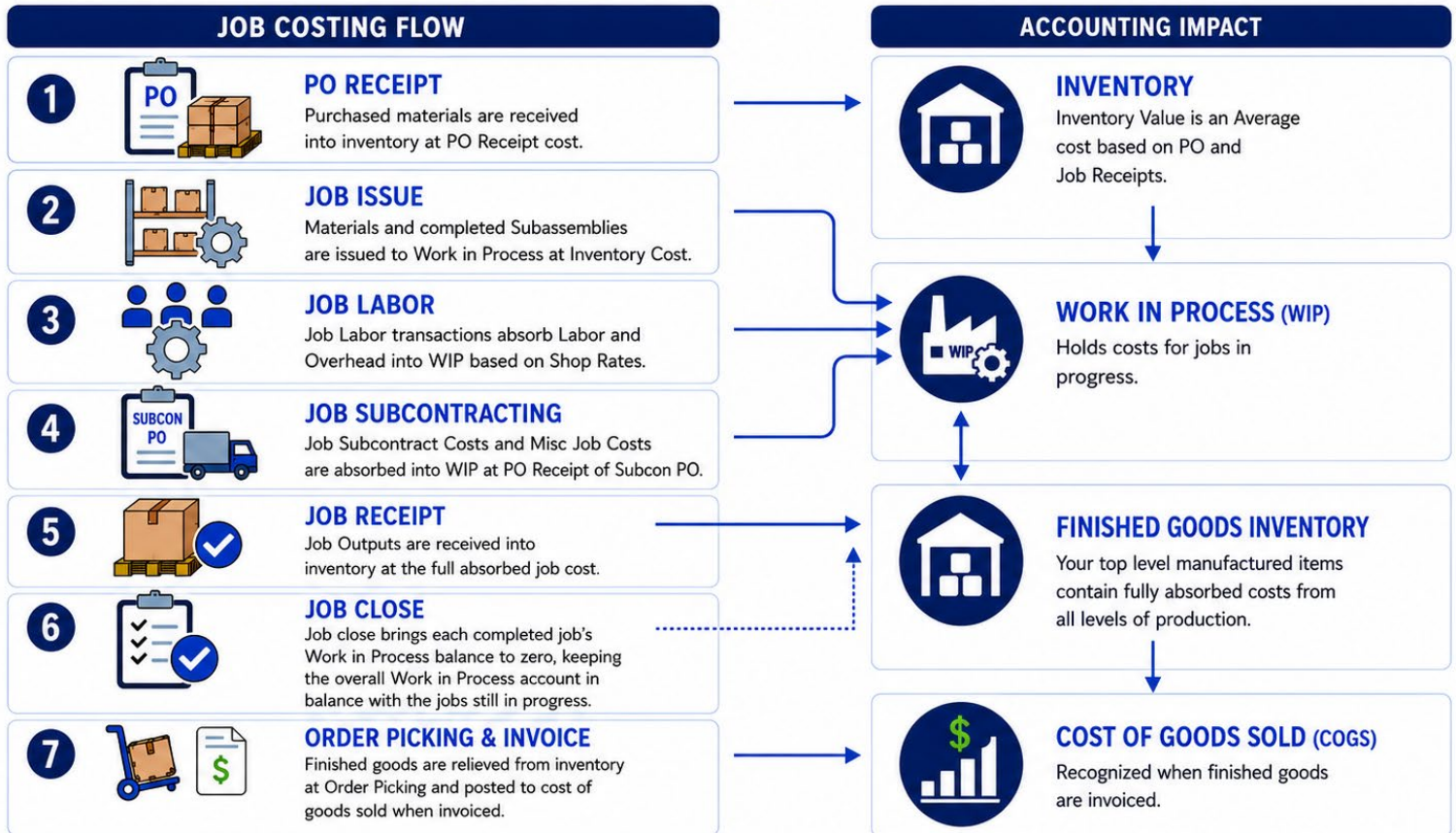


ABSORBED COSTS FLOW

How material, labor, manufacturing overhead, and subcontract costs are absorbed into inventory value and reflected in cost of goods sold.



BEST PRACTICE: Release jobs only with material, execute transactions in real time, run work centers by priority, and keep work in process aligned with the master schedule.