

2015

Primer Student Worksheet Key

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PRIMER : Student Worksheet

CHAPTER 1: INTRODUCTION TO BASIC ACCOUNTING CONCEPTS

Full Cost Analysis can be broken into 4 parts, they are

At its core, this method differs from traditional accounting by including what we typically don't account for: _____ and _____ costs.

Accounting is:

Accounting can be used to:

The basic equation of conventional accounting:

_____ - _____ = _____ (also known as **profit**)

CHAPTER 2: DIGGING DEEPER INTO ACCOUNTING FOR COSTS AND BENEFITS

Costs come in two broad categories,

_____ and
_____.

What is the primary difference between these two categories of costs?

In addition to accounting, what other perspectives might we use to think about costs?

When a company does not include all of the costs associated with their product or service in the price, who might need to pay those costs?



What type of accounting allows a company to consider the full cost of their goods or services, as represented by the notion of the True Price?

Define **True Price**

What is the primary difference between the **True Price** and the **False Price**?

What are some of the difficulties when assessing the True Price of a good or service?

Important Questions: Please provide thoughtful responses, use the student responses in the Primer to help you think this important questions through.

Should we leave it to future generations?

Or speculate about future systems?

Or are accounting and capitalism altogether flawed?

How could we start to shift current prices towards the True Price?



CHAPTER 3: SUSTAINABILITY AND THE FCA TOOLKIT

Sustainability views the world using three interacting systems, what are they?

Define **Sustainable Development**

Define **Full Cost Analysis (also known as FCA)**

The Toolkit:

Provide a definition for each tool in the toolkit

True Cost Accounting (TCA)

Life Cycle Analysis (or LCA)

Designing for the Environment (DFE)

Integrated Reporting (IR)



What market based considerations allow Patagonia to put a strong emphasis on sustainability as an integral part of their business plan?

Why, do you think, the issue of CFCs was addressed with a policy solution rather than a market based one?
