

Cost of Goods Sold = COGS

[@wikipedia](#)

Synonym: [Cost of Goods Sold \(COGS\)](#) = [Direct Expenses](#) = [Direct Cost](#)

Any expenses which can be traced and linked directly to a unit of [Product](#) sold.

Also called [Direct Expenses](#) or [Direct Cost](#).

The word "[Goods](#)" in the name "Cost of [Goods](#) Sold" is a misnomer as [COGS](#) applies to any [Product](#) sold including a [Service](#).

[COGS](#) typically include:

- Materials and services used in manufacturing and procurement of the [Product](#)
- Labour used in manufacturing and procurement of the [Product](#), including labour taxes
- Liabilities related to manufacturing and procurement of the [Product](#), such as royalty

See also

[Business](#) / [Business Administration](#) / [Financial Management](#) / [Financial Accounting](#)