

2.3.

Quality Costs are the costs that a manufacturing incurs to ensure it produces a quality product. Quality Costs include both costs to prevent low quality production and costs that arise after a low quality is produced.

What does quality cost mean: -

All manufactures spend time and resources trying to produce the highest quality products at the lowest prices. Some manufacturers like Apple take pride in their reputation and spend great amounts of money to make sure their products are of the highest quality.

Example:

If a product is produced with a defect it is up to the inspection team and product testing team to find the defective product. Quality control inspection are an example of appraisal quality costs after a product is produced.