

## **ABSTRACT**

*This study aims to determine students' level of understanding of State and private universities on terms of cost, and know the differences of each student group. So that education institutions can evaluate whether the accounting cost terms should be explained at the beginning of college or not. And create a harmonious understanding.*

*This research is exploratory. The research was conducted by two methods, purposive and snowball and analyzed by two analytical tools that is Mann-Whitney U Test and the Independent Samples T-test. Researchers test the research statement by using test validity and test reliabelitas.*

*The study show that on average the respondents had not understood the real meaning in terms of cost, and what is the difference with the expense. It can be known from their answers that defines cost as a cost or price of goods rather than as a measure in monetary units, interpret exspense as an expense, and the average respondent was not understood when the costs are said to be something generic or neutral. Cost is not really appropriate if interpreted as cost, cost of goods sold, cost of product. Because of costs, cost price, acquisition price represents an object or container. Where the object will be attached as a measure of cost. Meanwhile, more appropriate expense when absorbed as a cost rather than the load (load has no economic meaning) as can be found in the SAK.*

*Key words: The meaning of cost, expense, understanding, perception, the meaning of economi, monetary units, generic or neutral.*