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1. Meaning, Importance and evaluation of cost accounting

Cost Accounting :-

transaction related to business are recorded as financial account but under business not sufficient to sale or purchase its work. The amount accrued in this process are not recorded under financial accounts.

So, for the purpose of determining the cost of the commodity the production cost of production is called for analysis of this cost they maintain cost accounting.

According to Walter w. Bigg, "Cost accounting is the provision of such analysis and classification of expenditure as well as

enable the cost or total cost of any particular unit of production to be a certain with reasonable degree of accuracy and at the same time to disclose exactly how such total cost is constituted."

It is the scientific process to calculate the total cost of goods or services as well as with the help of cost accounting we can forecast the amount introduced in future product.

In short cost accounting is those accounting process under which the total good and service is determined with accuracy or controlled over.

According to J.C.W.A London, "Cost accounting is the process of accounting for cost from the point at which expenditure is incurred to the establishment"

of its ultimate relationship with the cost center and cost unit.

T. C. W. A define a another definition of cost accounting that is costing is a teaching and process of a certaining cost."

* Conclusion :-

On the basis of all above definition we say that cost accounting is that accounting which is the process of accounting of the cost and under this process the total goods and service is determine with accuring or controled over.

* Characteristics of cost accounting

Cost accounting is used by those organisation who involved in production following are the characteris-tics of the cost accounting.

- (i) It is part of financial accounting.
- (ii) Its helpful to a certain the per unit cost of every product.
- (iii) Cost accounting disclose all the information regarding material wages and every expenditure.
- (iv) Its helpful for controlling of every expenditure.
- (v) Cost accounting is an art as well as science.
- (vi) With the help of cost accounting we can able to ascertain the cost price of every product.
- (vii) With the help of cost accounting we can also evaluate the cost of uncertified and unfinished good.

* Scope of Cost Accounting

Now a days cost account is an applicable not only for a factories but its also applicable in every enterprise who involve in production as well as its useful in construction, Roadways, travelling and building industries.

Following are the scope of cost accounting

(i) Cost classification :-

Cost is not a lumpsum amount its parts by various way. like as R.M.C prime cost, work cost, cost of production cost of goods sold and cost of sales.

(ii) Cost Accounting :-

After classification of cost accounting its records in the books of organisation.

(iii) Cost allocation :-
described the expenditure allocated in various book as per their use.

(iv) Cost determination :-
of cost its necessary to determine the cost of production. After allocation

(v) Comparision of Cost :-
product it is compulsory that the cost of good is compared with other price which provide by other enterprice.

(vi) Cost Report :-
the elementary part of Cost reporting is Cost accounting because with the help of Cost reporting we can the planning about cost sheet.

* Scientific management and Rationalisation

The role of scientific management in cost accounting is very high.

Now a days cost accounting is useful to minimise cost of production for any commodity & service. Every enterprise want to use the policy of maximum production and this is applicable only when all activities of cost activities controlable with the help of this policy the cost of production will be maximise.

(1) Competition among the industry:-
All the producer be act pains to developed their business for they reduce their sale price. After use of cost accounting cost of commodity can be determined as their market

price.

(ii) Price Control :-
The price of commodity and service is controlled.

(iii) Govt. grant :-
The govt. help only necessary organisation which are and those for their economy gain grant only when they disclose all the expenditure incurred in production.

(iv) Economic Planning :-
It is an important function of the organisation. If organisation involve in production then economic planning is most compulsory for them.

(v) Proper utilisation of resources :-
Now a days all developing countries like as India try to

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use their all resources for required development with the help of this producer want to maximise production with minimum consumption of resources.

* Principal of Cost Accounting =

When principal of cost accounting are as follow :-

(i) Cost is always related to its cost and it is depend upon the collection and analysis of data.

(ii) Abnormal cost are not charge in cost accounting like as loss by fire exploiting because its not related to production in any situation.

(iii) Cost is charged after it is incurred.

(iv) In general principal cost accounting is adjustment for a specific period cost will not taken into consideration in future.

(v) This cost accounting system is depend on double entry system.

* Advantage of Cost Accounting

Cost accounting is rule in modern age one producer is also try to goes a help from another producer and with this process uncertainty goes to very high. The important of cost accounting describe under following here :-

~~1) Advantage to producer :-~~