

# **COST ACCOUNTING**

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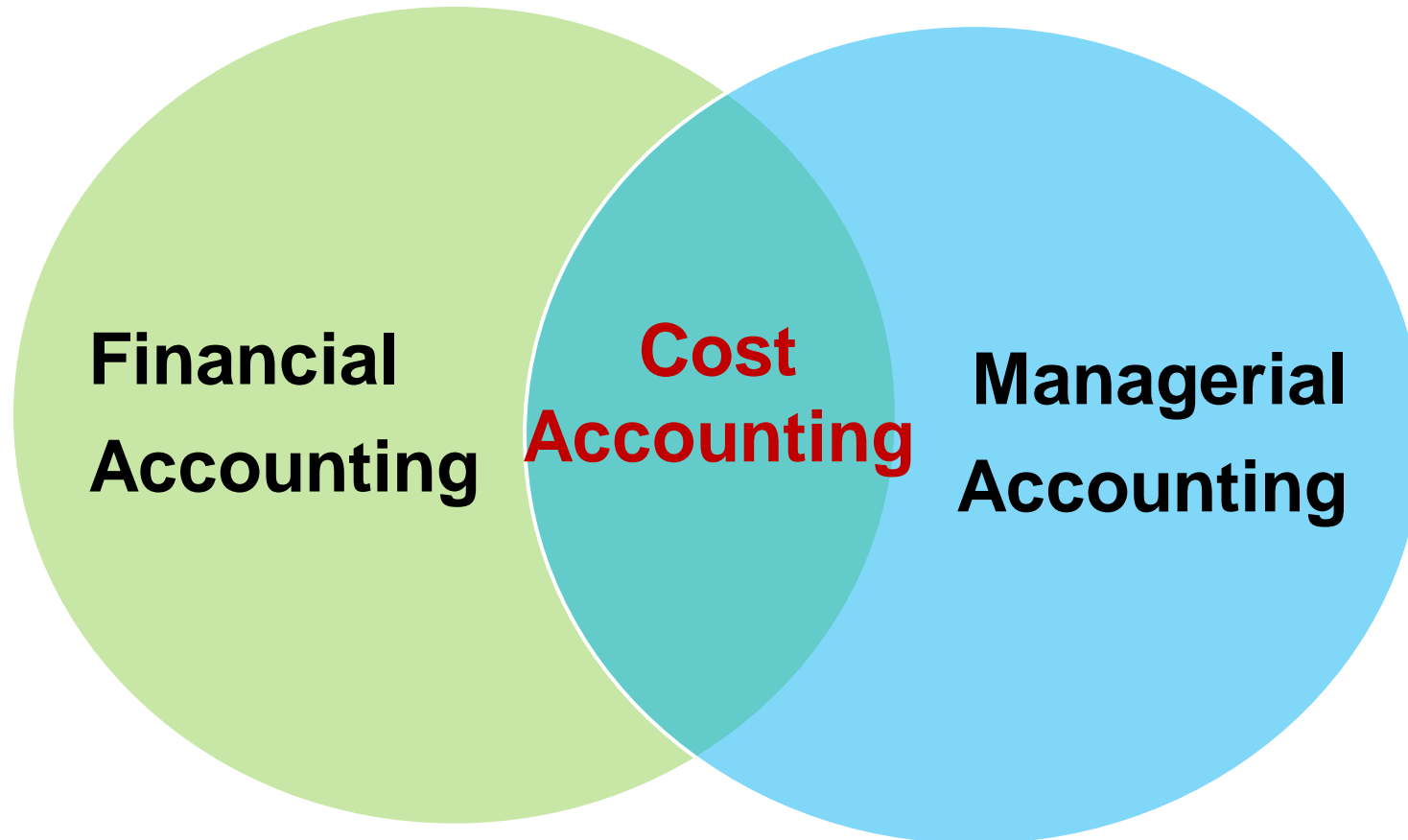
# Chapter 1

## **Roles and Concepts of Cost Accounting**

# **Definition of Cost Accounting**

**Cost Accounting as a tool of management, provide management with detailed records of the costs relating to products, operations or functions.  
It estimated future costs for planning purpose or actual costs for evaluating performance.**

# **Roles and Concepts of Cost Accounting**



# **Objectives of Cost Accounting**

**1. To determine product costs**

**2. To facilitate planning and control of regular business activity**

**3. To supply information for decision**

# **Role of Cost Accounting**

- 1. To analyze material, labor and the overhead expenses**
- 2. To reconcile daily production with accounting transaction**
- 3. To coordinate with R&D for production of new items**
- 4. To assist the controller in developing cost improvement opportunities**
- 5. To prepare the new product costing as well as the gross profit analysis for marketing**

**THE END**