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**Id # 15095**

**Subject: cost accounting (Major assignment)**

**Submitting date: 15th june, 2020**

**Organization:** Louis Allen defines it as “Organization is the process of identifying and grouping work to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of enabling people to work most effectively together in accomplishing objectives.”

In the words of Allen, organization is an instrument for achieving organizational goals. The work of each and every person is defined and authority and responsibility is fixed for accomplishing the same.

**Planning:** it is the preliminary function of management which involves deciding in advance what is to be done in the future, when is the right time to do it, how we can do it and who will do it.

**Controlling:** Controlling is the measurement of performance on a set of standards and correcting any deviation. Controlling means to create necessary steps for correction and achieving the target.

**Organizing:** It is a function in which the synchronization and combination of human, physical and financial resources takes place. All the three resources are important to get results.

**Concept of management**: One way to analyse management is to think in terms of what a manager does. Using this approach, we can arrive at the management process which describes the work of any manager.

**What is cost accounting:**

Cost accounting is the accounting method for ensuring cost-effectiveness by accumulating, organizing, recording, calculating, analyzing and assessing the overall expenses incurred on a product, process or project, etc. It is mostly used in industrial units or factories where the goods are manufactured.

**Scope of cost accounting:**

* **Cost Analysis**: Cost accounting determines the deviation of the actual cost as compared to the planned expense, along with the reason for such variation.
* **Cost Audit**: To verify the [cost sheets](https://theinvestorsbook.com/cost-sheet.html) and ensure the efficient application of cost accounting principles in the industries, cost audits are done.
* **Cost Report**: Cost reports are prepared from the data acquired through cost accounting to be analysed by the management for strategic decision making.
* **Cost Ascertainment**: To determine the price of a product or service, it is essential to know the total cost involved in generating that product or service.
* **Cost Book Keeping**: Similar to financial accounting; [journal entries](https://theinvestorsbook.com/journal-entries.html), ledger, balance sheet and profit and loss account is prepared in cost accounting too. Here, the different cost incurred is debited, and income from the product or service is credited.
* **Cost System**: It provides for time to time monitoring and evaluation of the cost incurred in the production of goods and services to generate cost reports for the management.
* **Cost Comparison**: It examines the other alternative product line or activities and the cost involved in it, to seek a better opportunity for generating high revenue.
* **Cost Contol**: Sometimes, the actual cost of a product or service becomes higher than its standard cost. To eliminate the difference and control the actual cost, cost accounting is required.
* **Cost Computation**: When the company is engaged in the production of bulk units of a particular product or commodity, the actual per-unit cost is derived through cost accounting.
* **Cost Reduction**: It acts as a tool in the hands of management to find out if there is any scope of reducing the standard cost involved in the production of goods and services. Its purpose is to obtain additional gain.

**Job order costing:**

Job order costing is a system that takes place when customers order small, unique batches of products. This system determines the price of each individual product and ensures that the cost for each product is reasonable enough for a customer to purchase it while still allowing the company to make a profit.

**Process costing:**

Process costing is a method of costing used mainly in manufacturing where units are continuously mass-produced through one or more processes. Examples of this include the manufacture of erasers, chemicals or processed food. In process costing it is the process that is costed (unlike job costing where each job is costed separately). The method used is to take the total cost of the process and average it over the units of production. Cost per unit = Cost of inputs Expected output in units