# *IQRA NATIONAL UNIVERSITY*

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**DATE 15TH June,2020**

Assignment write up to 800 words

Management

Management is to make full use of your resources in a proper way. Management sets certain objectives which it tries to accomplish through the efforts of the people it directs. In this sense it looks toward a final goal through a series of steps and processes. To be successful management requires the integration of its own knowledge, skills and practices and experience of those who are entrusted with the task of carrying out the objectives.

Planning

The way or the process by which you can achieve a certain goal. Planning is fundamental to the management process, without planning there is no basis for controlling, planning provides the foundation upon which the control function works.

The Organization Chart

The organization chart sets forth each principal management position and helps to define authority, responsibility and accountability. The accountants reports must help management evaluate the effectiveness of its plans must point out successes or failures in terms of specific responsibilities and must establish the condition that will lead to corrective action. The coordinated will lead to an approach to accounting and reporting called responsibility accounting.

Scope Of Cost Accounting

In the beginning cost accounting was considered only for manufacturing operations. But with the passage of time this concept is changed and almost very sector focuses on cost accounting techniques like Banks, Whole Sale and Retail Business, Insurance Companies, Transportation Company and many more. All of these companies apply cost accounting techniques to work effectively.

Income Statement

The income statement is based upon revenue, cost and expenses of manufacturing, marketing and administration and other income and expanse items and income tax. The income statement is complementary to the balance sheet. Neither statement alone offers a sufficiently clear picture of the status and progress of a company for most purposes they should be presented together as a unit.

The Cost Of Goods Sold Statement

The cost of goods sold statement divided into five different parts

Direct Materials

It is composed of beginning inventory, purchases any purchase return or allowances and ending inventory.

Direct labor Section

It includes the cost of those employees whose work directly in manufacturing processes.

Factory Overhead

It consist of all those cost which assist indirectly in the manufacturing of the product e.g factory supplies and depreciation of machinery.

Add Work In Process

These are those inventory which are under process at the end or in the beginning of the year.

Add Finished Goods Inventory

It includes the finished goods of beginning of the year and end of the year.

Cost And Profit Analysis

It is also called break even technique and by the help of cost accounting techniques we can see that our company is doing profit or loss or at break even point.

Operation Research

The techniques of linear programming involves the application of scientific methods to the study of planning and controlling the operations of complex organization or activities.

The Concept Of Cost

Cost is a forgoing measured in monetary terms incurred or potentially to be incurred to achieve a specific objective. Cost is defined as an exchange price a forgoing a sacrifice made to secure benefit. The forgoing or sacrifice at date of acquisition is represented by a current or future diminution in cash or other assets.

Uses Of Cost

1. Planning profit by means of budget.
2. Controlling cost via responsibility accounting.
3. Measuring annual or periodic profit including inventory costing.
4. Assisting in establishing selling prices and a pricing policy.
5. Furnishing relevant cost data for analytical processes for decision making.

Costing By Departments

The nature of manufacturing operations in firms using process or job order cost procedures is usually such that work on a product take place in severl departments. With either procedure, departmentalization of materials, labor and factory overhead costs facilitates application of responsibility accounting. Each department performs a specific operation or process towards the completion of the product.

Department total and unit cost are determined by the use of the costs of production report. Most of the activity in process costing involves the accumulation of data needed for the preparation of these cost reports.

Product Flows

A product can flow through a factory in numerous ways . these product flow formats associated with process costing, parallel and selective basically the same costing procedures can be applied to all types of product flow situation. In a sequential product flow each item manufactured goes through the same set of operations. Material are placed into production in the Blending Department and labor and factory overhead are added. When the work is finished in the blending department it moves to the testing department. The second process and any succeeding processes may added more material or simply work on the partially completed.