

## B. Com III (Cost Accounting)

### \* Needs of Cost Accounting including :-

- ① **Cost Control :-** It helps in monitoring and controlling costs by providing insights into where resources are being spent and identifying areas for cost reduction or optimization.
- ② **Decision Making :-** Cost accounting provides data and analysis that support various managerial decisions, such as pricing, product mix, make-or-buy decisions, and investment appraisal.
- ③ **Budgeting and planning :-** Cost accounting provides essential information for preparing budgets and forecasts, allowing management to set realistic targets and allocate resources effectively.
- ④ **Inventory Valuation :-** It aids in valuing inventory accurately for financial reporting purposes, such as determining the cost of goods sold and ending inventory on the balance sheet.
- ⑤ **Resource Allocation :-** It assists in allocating resources efficiently by identifying cost drivers and determining the most cost effective use of resources to achieve organizational objectives.