

Date
07/02/2025

B. Com Part III

Basis	Financial Accounting	Cost Accounting
1) Purpose	The Purpose of financial accounting is external reporting mainly to owners, creditors, tax authorities government.	The purpose of cost accounting is internal reporting i.e, to the management of every business.
2) Control	It does not make use of any control techniques.	It makes use of some important control techniques such as marginal costing, budgetary control.
3) Recording	It classifies, records and analyses the transactions according to the nature of expenses.	It records the expenditure according to the purpose for which the costs are incurred.
4) Valuation of stock	stock is valued at cost or market price whichever ever is less.	stock is valued at cost price.
5) Figures	Its mainly deals with actual facts and figures.	Its deals partly with actual facts and figures and partly with estimates.