

Date
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B. Com Part - III

* Essentials characteristics of an ideal Costing System:

① Accuracy -

Provide accurate and reliable cost data to support decision-making.

② Relevance -

Provide relevant cost information that is useful for decision-making and Planning.

③ Timeliness -

Provide cost information in a timely manner to support decision-making and Planning.

④ Consistency -

Use consistent methods and procedures to ensure that cost data is comparable over time.

⑤ Flexibility -

Be able to adapt to changes in the organization, industry or market.

⑥ Simplicity -

Be easy to understand and use, with minimal complexity.

⑦ Cost Effectiveness -

Be cost-effective and provide value for the resource used.