

Date
19/02/2025

B. Com Part III

* Factors to be taken into consideration Before Installing a cost Accounting System -

- ① Organizational objectives -
Cost accounting system with the the organization's overall objectives, mission and vision.
- ② Cost Accounting objectives -
Define the specific objectives of the cost accounting system, such as cost control, profitability analysis or performance measurement.
- ③ Type of Business -
Consider the type of business, industry and products or service offered as this will impact the design and implementation of the cost accounting system.
- ④ Cost structure -
Analyze the organization's cost structure, including fixed and variable costs, direct and indirect costs and overhead costs.
- ⑤ Training and Support -
Provide training and support to personnel who will be using the cost accounting system, including accountants, managers and production staff.