

Chapter 1: basic concepts

- Cost: price paid for something. In management term, it refers to expenditure and not the price.

In cost accounting is the amount of resources used for good and services

Definition:

According to ICMA London cost refers to " the amount of expenditures incurred on a specific thing or activity

Cost accounting

- Cost accounting is the application of accounting and costing principles methods and techniques in the entertainment costs and the analysis of savings or expenses.
- cost accounting is a process of accounting for cost
- it provides detailed information of costs relating to individual products, process or department.

Costing

- Costing means the techniques and processes of ascertaining cost
- The techniques of ascertaining costs consist of body of principles and rules which governs the entire procedures of collection of cost data

Cost accountancy

- It is the application of costing and cost accounting principles, methods and techniques .
- It includes presentation of information for the purpose of managerial decisions making.