

COST ACCOUNTING- I,II

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Cost Accounting – I, II

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Kripa-Drishti Publications, Pune.

Book Title: **Cost Accounting – I, II**

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Prof. Murlidhar Wakode, Dr. L. C. Kurpatwar**

Price: ₹750

1st Edition

ISBN: **978-81-19149-63-6**



Published: **August 2023**

Publisher:



Kripa-Drishti Publications

A/ 503, Poorva Height, SNO 148/1A/1/1A,
Sus Road, Pashan- 411021, Pune, Maharashtra, India.

Mob: +91-8007068686

Email: editor@kdpublications.in

Web: <https://www.kdpublications.in>

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PREFACE

When utilised in isolation, the phrase 'cost accounting' has no meaning; however, when linked to human effort in the firm, the phrase gains meaning. Cost accounting is a deliberate and rational process used by accountants to accumulate costs¹ and relate such costs to specific services or departments for efficient leadership action. Such costs are included in balance sheets and income statements for valuation of stocks and income determination. Cost accounting is a type of accounting for management that attempts to record a company's total cost of manufacturing by assessing the variable costs of each step of manufacture as well as fixed costs, such as a lease expense. Cost accounting is the implementation of accounting and costing concepts, techniques, and approaches to the determination of costs and the analysis of savings or excess costs incurred when compared to prior knowledge or standards.

To improve the basis of cost accounting by preparing cost sheets. To provide management with a feasibility report on the labour turnover and overheads incurred by each department. To teach costing methods, i.e., the techniques and processes used to determine cost in various industries and manufacturing activities.

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Kripa-Drishti Publications

A-503 Poorva Heights, Pashan-Sus Road, Near Sai Chowk,
Pune - 411021, Maharashtra, India.

Mob: +91 8007068686

Email: editor@kdpublications.in

Web: <https://www.kdpublications.in>

Price: ₹ 750

ISBN: 978-81-19149-63-6



9 788119 149636