Functions & objectives of Cost Accounting :-

1) To ascertain the cost per unit of the different products manufactured by a business concern.

2) To advise management on future expansion policies and proposed capital projects.

3) To ensure effective working of internal audit system.

4) To provide useful data to management for taking decision.

5) To organize cost reduction programme.

6) To help in preparation of budgets & implementation of budgetory control.

7) To helps in formulation & implementation of ~~to~~ incentive bonous plans based on productivity and cost savings.

8) To organize an effective information system so that different levels of management may get required information at right time.

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Techniques & Methods of Costing

1) **Historical Costing** :- " The ascertainment of costs after they have been incurred on the production.

2) **Standard Costing** :- The preparation and use of standard cost, their comparision with actual cost and analysis of variance to their causes and points of incidence.

3) **Marginal Costing** The ascertainment of marginal costs and of the effect on profit of changes in volume or type of output by differentiating between fixed costs and variable costs.

4) ~~Direct~~ Absorption **Costing** :- The practice of charging all costs, both variable and fixed, to operations, processes or products.

5) **Direct Costing** :- The practice of charging all direct costs to operations, process or products

leaving all the indirect costs to be written off against profit in the period in which they arise."

o) Uniform Costing :- The use by several undertakings of the same costing principles and/or practices.

Methods of costing :-

1) Job Costing

2) Contract Costing

3) Batch Costing

4) Target Costing

5) Process Costing

6) Single costing or output costing.

7) Operation Costing

8) Departmental Costing.