

5. To reveal sources of economies in production having regard to methods, types of equipment, design, output and layout. Daily, Weekly, Monthly or Quarterly information may be necessary to ensure prompt constructive action.
6. To provide actual figures of costs for comparison with estimates and to serve as a guide for future estimates or quotations and to assist the management in their price fixing policy.
7. To show, where Standard Costs are prepared, what the cost of production ought to be and with which the actual costs which are eventually recorded may be compared.
8. To present comparative cost data for different periods and various volume of output and to provide guidance in the development of business. This is also helpful in budgetary control.
9. To record the relative production results of each unit of plant and machinery in use as a basis for examining its efficiency. A comparison with the performance of other types of machines may suggest the necessity for replacement.
10. To provide a perpetual inventory of stores and other materials so that interim Profit and Loss Account and Balance Sheet can be prepared without stock taking and checks on stores and adjustments are made at frequent intervals. Also to provide the basis for production planning and for avoiding unnecessary wastages or losses of materials and stores.

Or /Objectives Of Cost Accounting

1. Ascertainment Of Cost

This is the key objective of cost accounting to track and analyze the per unit cost of the product produced by the company. It helps to ascertain cost of each activity such as process, operation, job etc.

2. Fix Selling Price

Cost accounting provides base for determination of selling price of company's product by ascertaining the cost of each product. It helps the management to fix the selling price of products and services.

3. Cost Control

Cost accounting helps the organization to control the cost of production by taking necessary steps to reduce wastage of materials, time and expense while carrying out the operation.

4. Assisting In Decision Making

Cost accounting helps management in decision making such as make or buy decision, drop or continue decision, future expansion policies etc. It helps to make a choice out of two or more courses of action.

5. Ascertainment Of Profit

Cost accounting helps in tracking and ascertaining profitability of the product by preparing profit and loss account and balance sheet periodically.

6. Formulating Policies

Cost accounting plays important role to formulate policies of the organization. It provides necessary information and data to the top level management which are essential for framing marketing policies of the company.

7. Basis Of Financial Statement

Cost accounting is the foundation for the preparation of different financial statements (profit and loss account, balance sheet, trial balance etc.) of the company.

DISTINGUISH BETWEEN FINANCIAL AND COST ACCOUNTING

Basis	Financial Accounting	Cost Accounting
1. Nature	Financial accounts are maintained on the basis of historical records.	Cost accounts lay emphasis on both historical and predetermined costs.
2. Use	Financial Accounting is used even by outside entities.	Cost Accounting is used only the management of the concern.
3. System	Financial Accounting uses the double-	Cost Accounting does not use the double-