

THE PRODUCTION COSTS AND CURRENT DIMENSIONS OF MANAGEMENT ACCOUNTING

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Abstract

Romania's actual accounting system is used since 1994 and is made up of two major categories, namely financial and management accounting. Both of these are regulated by the Accounting Law no. 82/1991 and Regulation no. 704/1993. Financial accounting, also named general accounting, is mandatory for all patrimonial units and involves the collection of all company transactions, as well as their transformation into accounting information. The goal is to synthesize data and create annual financial statements. On the other hand, management accounting is the second section of the accounting system and is not mandatory. This one is developed by each enterprise in accordance with its specifics and needs. Calculating costs is one of the main objectives of management accounting. It is followed by the synthetization of the results, establishment of the products and services profitability, as well as by the making of income and expenditure budgets according to the types of activities. Finally, their execution control and data transmittance in order to establish decisions regarding unit management are developed. Cost accounting or analytical accounting is a way to establish an information system through which the costs of the products are known.

Key words: calculating costs, management accounting, Activity Based Costing