

L. Germanenko

*PhD, Associate Professor of Accounting and Auditing,
East European University of Economics and Management*

ECONOMIC COSTS AS OBJECT AND ACCOUNTING CATEGORY

The article deals with the economic category of “cost” and the procedure for the formation of accounting information on the costs of activities including the elements. Criteria of differentiation category “expenses” and “expenses” are systematized. The main factor in the distinction between costs and expenses is defined the principle of periodicity in accounting. It is established that the classification of costs is not relevant for pricing and determination of cost of production. The methods of cost accounting for commercial and industrial enterprises are analyzed and the order they appear in the current reporting format for financial results, including small businesses.

“Expenses” and “costs” are different concepts, which makes their separation in accounting. This is the broader concept of “expenses”, which according to certain conditions and may be recognized as an asset in the balance sheet, or – the period and expenses in the statement of income.

Among the necessary conditions for the effective functioning cost accounting system of the following:

- reality, timeliness and completeness of mapping costs accounting system of the company;
- ensuring the timeliness, appropriateness and sufficient analyticity initial information on the cost of the enterprise;
- logistical and organizational support for record-keeping costs.

Such a system of cost accounting of the company allows to systematize and analyze information on costs and improves accounting and analytical support costs of management control. Information and registration system should serve the complex tasks set before accounting management of the company. For proper classification of costs must decide which accounting subsystem they belong. For decision-making on the effectiveness of investment policy - the classification of expenditure in financial accounting, and for the regulation and control costs in order to obtain the greatest profit - in management accounting.