

INTRODUCTION

1.1 Background of the Study

The main concern of this work is the research on the impact of cost accounting in manufacturing organization. In the last ten years or more, the Nigeria economy has been going through a turbulent phase a development which has been going through greatly affected the manufacturing sector of the economy.

Ever since use of the money replaced “barter” people have been into one form of business of the other for direct exchange for money in the business world. This has made businesses out grown its boarder, businesses has grown from smaller unit into multinational because such businesses have applied simple cost accounting system and techniques.

Cost accounting help to allocate the expenditure of a business in such a way it is possible to ascertain the cost of each job, contract or process carried out per time. However, it is by no means its function amongst other benefit occurring from cost accounting, is that it helps to distinguished between unpredictable activities from the profitable ones. It indicated source of wastage or losses whether of time materials or in the usage of machinery equipment or tools decision making e.g. a function of management is a process that requires details, the past and present so that we can tackle future challenge so as to achieve organizational set goals.

Cost accounting is mainly concern with internal reporting to management so as to be able to plan control and make effective decision that will emanate to goals effectively and efficiently. It is therefore follow that the role of cost accounting in an organization such as hospitals, transportation companies, financial houses, manufacturing companies should no be over emphasized to goals effectively and efficiently. It is therefore follow that the role of cost accounting in an organization such as hospitals, transportation companies, financial houses, and manufacturing companies should not be over emphasized.

1.2 Statement of the Research Problem

From the foregoing it has been stated that, management has the responsibility of making decision in business entity and it should also be known that if a wrong decision is made, it will go a long way in affecting the output of such organization and when a right decision is made at the right time there will be positive result and organizational goals are achieved effectively and efficiently. It therefore means an efficient application of cost accounting techniques and method necessary for dry business concern. Despite this glaring and obvious facts, some entrepreneur/managers still complain of high cost of installation and maintenance of this vital system. Others too see this system as a mere duplication of financial accounting role.

It has observed that to a large extent that the major course of failure in business organization is due to the negatives of non application of these vital tools of costing techniques in its day to day operations.

The non application of costing techniques has led to the following problems.

1. Poor/inaccurate accumulation of product cost in other words, the cost of product is not truly know.
2. Poor/inadequate information that is needed to enable the company establish competitive selling price especially when in other words, the product cannot be ascertained.
3. Poor/inadequate information that is needed for planning, control and decision making.
4. Poor/inadequate information makes it difficult for proper control of activities thus leading to increase in waste, losses etc.

Thus, this study is embarked upon to critical evaluate and report as to whether or not efficient cost accounting system is in place.

1.3 Objectives of the Study

The study seek to achieve the under listed objectives.

1. To investigate and report on whether cost accounting techniques is in operation.
2. Investigation and report on the problem or constraints of establishing cost accounting system.
3. Investigate and report reasons why most entrepreneurs do not apply cost accounting techniques.
4. Investigate and report the impact of cost accounting techniques.
5. Makes appropriate recommendations on the subject matter.

1.4 Research Question

In trying to find out more about the impact of accounting in manufacturing organization, the following research questions have been raised;

- a. What are the various problems of establishing cost accounting system?
- b. To what extent has proper cost accounting have effect on an organization?
- c. To what extent can it be that cost accounting system is in operation?
- d. To what extent does accurate cost accounting serve in the life of the manufacturing organization?
- e. To what extent can it be said that cost accounting generate adequate information for planning, control, and decision making in an organization?
- f. What are the various reasons why most managers/entrepreneurs do not want to establish cost accounting system in their organization?
- g. To what extent can it be said that management make use of this information generated from cost accounting in formulating its policies for the organization?

h. What are the general recommendations?

1.5 **Justification of the Study**

This study is significant in what;

- a. The findings and recommendation are veritable tools for decision making for management.
- b. The study will be use for persons interested on the subject matter.
- c. The study will help to update the literature on the subject matter.
- d. This study can serve as a base for further studies on the subject matter.
- e. The study will help potential manufacturing organization to install or improve on their cost account system.

1.6 **Scope of the Study**

The scope of this study is centred on the impact of cost accounting in manufacturing organization as it relates to Beta Glass Company Limited, Ughelli, however, findings can be use to generalize on the subject matter.

1.7 **Limitation of the Study**

The research encounters a lot of constraints both human and non – human. The study was faced with financial problem as well as challenges of time. Also some information was treated as top secret. Be that as it may, the data available for the study will be sufficient to achieve the stated objectives.

1.8 **Research Methodology**

The study made of both primary and secondary data. Primary data were gotten from observation and questionnaires. Whereas, secondary data were gotten from journals, books, interview etc.

The statistical tools used to analyzed the data were collected was the chi – square method and simple percentage method.

1.9 **Plan of the Study**

The research work contains five chapters, chapter one covers the background of the study, statement of the research problems, objectives of the study, research questions, justification of the study, scope of the study, plan of the study and definitions of terms of the study.

Chapter two covers the literature review while chapter three deals with research methodology, chapter four focuses on the data presentation and analysis and chapter five covers the summary, findings, conclusion and recommendation of the study.

1.10 **Definition of the terms**

A. **Cost:** This defined as that which is given or sacrifices to obtain something

B. **Cost accounting:** It is that part of management accounting which established budget and standard cost and actual of operations, process, department or products and the analysis of variance, profitability of social uses of fund.

- C. **Classification:** This is the grouping of all item of expenditure, therefore can be classify under the following headings in common characteristics.
- D. **Cost centre:** It is a place or person and equipment around which cost are segregated e.g. secretaries.
- E. **Idle time:** Where workers are remunerated on the time basis the different between the home for which they have paid but from which he obtained no direct loan advantage.
- F. **Cost code:** The institute of cost management has series of alphabetical and or numerical symbols each which represent a descriptive title in cost classification.
- G. **Cost audit:** It is defined as the verification of the prescribed cost accounting procedure and the continue relevance of such opinions.
- H. **Cost unit:** A qualitative unit of product or services in relation to which cost is ascertained.
- I. **Cost absorption:** Absorption refers to the process of dividing cost in some equitable ways among the numbers of cost on cost centre.
- J. **Cost allocation:** This means tracing cost to cost and then making transfer to reflect wages of one cost centre by another.
- K. **Fixed cost:** A cost which occurred in relation to the passage of time, and within certain output or turnover.
- L. **Variable cost:** A cost which is aggregate tend to vary indirect proportion to changes in the volume of output or turnover. Examples are material, labour, power or steam etc.
- M. **Contribution:** This can be defined as the difference between sales value and marginal cost of sales.
- N. **Ideal standard:** This is based on perfect performance, it is assumed there is no wastage, no deficiency, no idle time, no breakdown, or either imperfection in the manufacturing process.
- O. **Attainable standard:** This is a sort of average achievement wastage avoid and reasonable allowance makes for breakdown and after amendable lapses for perfect efficiency.
- P. **Capacity ratio:** A measure of the use that is made of resource in the capacity ratio.

THE IMPACT OF COST ACCOUNTING IN A MANUFACTURING ORGANISATION A CASE STUDY OF BETA GLASS PLC

The complete project material is available and ready for download. All what you need to do is to order for the complete material. The price for the material is NGN 3,000.00.

Make payment via bank transfer to Bank: Guaranteed Trust Bank, Account name: Emi-Aware technology, Account Number: 0424875728

Bank: Zenith Bank, Account name: Emi-Aware technology, Account Number: 1222004869

or visit the website and pay online. For more info: Visit <https://researchcub.info/payment-instruct.html>

After payment send your depositor's name, amount paid, project topic, email address or your phone number (in which instructions will sent to you to download the material) to +234 70 6329 8784 via text message/ whatsapp or Email address: info@allprojectmaterials.com.

Once payment is confirmed, the material will be sent to you immediately.

It takes 5min to 30min to confirm and send the material to you.

For more project topics and materials visit: <https://researchcub.info/> or For enquiries: info@allprojectmaterials.com or call/whatsapp: +234 70 6329 8784

Regards!!!