

Emerging concepts of cost accounting

Target costing

Life cycle costing

Bench Mark

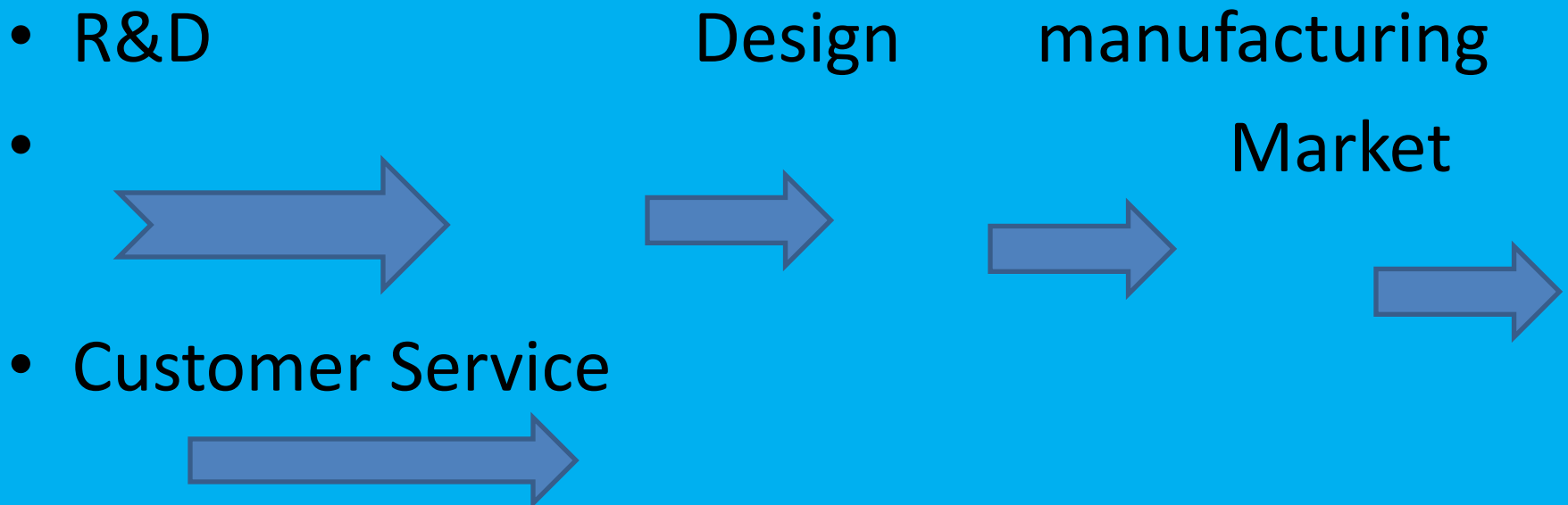
Activity base costing

By

Asst. Prof. Kashish Malik

Target costing

- Target costing is defined as a cost management tool for reducing the overall cost of product.
- Target cost = competitive price – Desired Profit



Product life cycle costing

- PLC cost incurred right from design stage to market launch and sale and withdrawal from market

Activity base costing (ABC)

- It is a recent development in the field of costing
- Under this system costs are grouped according to what drives them or cause them to be incurred
- ABC is based on belief that activities cause cost and therefore ,there should be a link between activities and costs.

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- This is a continuous systematic process of evaluating performance of company by world class standards .

- plan



- Collect



- Analyze



- Adopt



- review

