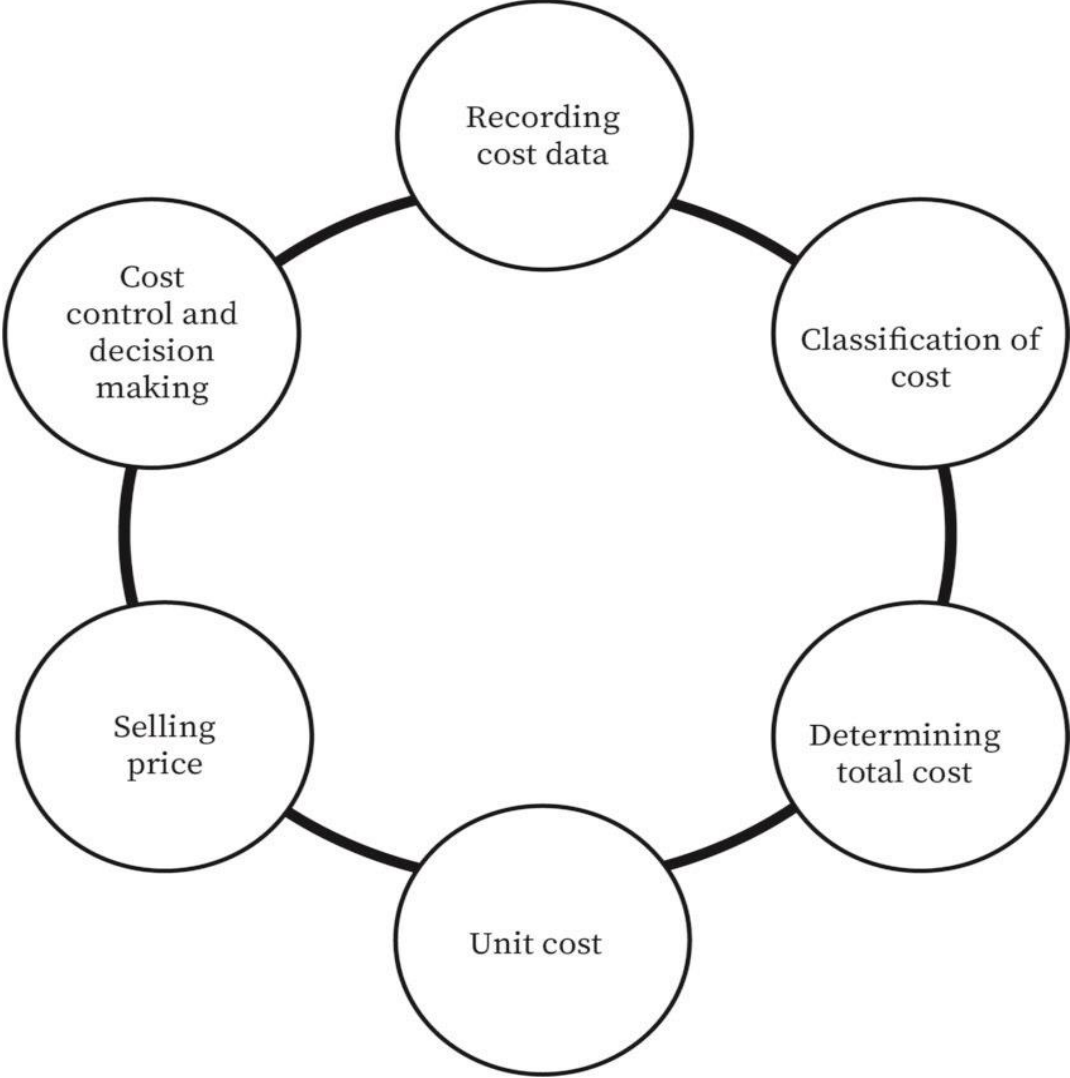


# Cost Accounting Cycle



<b>BASIS</b>	<b>COST ACCOUNTING</b>	<b>MANAGEMENT ACCOUNTING</b>
<b>OBJECTIVE</b>	Computation of cost per unit.	To provide information to the management for decision making purposes.
<b>FOCUS</b>	The cost of producing an item either historic or projected	The measurement of past performance against targets and the setting of those targets
<b>DEALS WITH</b>	Ascertainment, allocation, apportionment and accounting aspect of costs.	The effect and impacts of costs on the business.
<b>IMPORTANCE</b>	To be competitive in a global economy, companies must optimize material, labor and overhead costs. Cost accounting for a production process can help identify inefficient activities and improve productivity while also lowering cost.	Management accounting is used for internal managerial decision making, project selection, budgeting, performance evaluation and strategy.