

## Theoretical basis of the essence and classification characteristics of expenditure

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Organization of effective cost management process aimed at the formation of the optimal structure, reducing costs while maintaining the quality of products will improve the competitiveness of products and the company as a whole.

The paper studied the main works of domestic and foreign scientists, who are devoted to determining the economic essence of the costs. This will allow in the future to determine main directions, methodological developments in the formation of the cost management processes.

Consumption – an important and complex category, which is one of the decisive factors of influence on the financial results of the business entities. Therefore, cost information is central for the control system, such as the enterprise, as a whole and each of its divisions.

Studied interpretation costs in terms of economic theory and accounting, which have differences among themselves. Definition from an economic point of view more fully disclose the actual content of economic

categories, from financial – economic effects of expenditure after the end of the production process.

Analyzing the above interpretation of the nature of costs, it is clear that the direction of accounting researchers are impressed by definition that characterizes the greater effects of increased costs than their economic substance.

For a better understanding, knowledge, and for the efficient organization of cost accounting summarizes the main classification features. For effective cost management and business management classification expenditures are essential, as it allows to determine the features of the formation and distribution of objects of management costs. Splitting the cost into different types for different classification criteria is intended to solve various problems. Reasonable classification of costs gives the opportunity to manage costs effectively and to implement their clear account and to achieve the goal of the enterprise activity.