

MODERN APPROACHES TO THE DETERMINATION OF THE ESSENCE OF THE CATEGORY “COST”

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With the development of market relations and the start of the globalization of the economy, various types of expenses are introduced into scientific circulation. Costs are studied as an object of accounting, analysis, control, and researched in Ph. D. and doctoral theses.

It is known that to receive any profit, a company needs to incur expenses but they will be individual for everyone, and in the current context of inflation processes the actual and plan costs, in general, will vary substantially. Therefore, the exact definition of the cost categories is important for the overall process of enterprise management, despite the significant scientific achievements of domestic and foreign scholars on the subject.

The definition of “cost” is generalized on the following approaches: resources and industrial, financial and monetary, economic, accounting, management, marketing, analytical, legal.

An analysis of the literature, regulatory and legislative acts revealed that the category of “costs” is interpreted in different ways, as evidenced by the lack of consensus among the scientists in this matter.

Resource and production approach reveals costs as resources purchased or used in the production. For monetary financial approach, costs are determined as expressed in the form of money spent resources, materials, products, services, that are used in the process of economic or other activity for a particular purpose or getting profit.

Also, comparing definitions presented in the provisions of Accounting Standards and International Financial Reporting Standards, one can come to the conclusion about their similarity, caused by the fact that while writing Ukrainian accounting standards, the international documents were used as a basis. However, there is no single international standard, which discloses the records on accounting and cost definition.

Thus, “costs are all resources and factors of production, requiring accounting, expressed in monetary terms, also used in the process of economic activity for getting financial results and necessary for its analysis, making a managerial decision, and are internal pricing factors”.