

# Shortcomings and Possibilities of Improvement Concerning Cost Calculation in the Furniture Industry

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## Abstract:

*This paper treats the shortcoming and the exigencies regarding the cost calculation of the products obtained by the manufacturing entities from furniture industry and presents the possibilities to improve it.*

*In Romania, a large part of entities from furniture industry apply the „ Job Order Method „ as a part of the cost calculation of the products .*

*An issue also treated in this article is the evaluation of the work in process whose value varies from one period to another.*

*In our paper we propose a method of the cost calculation through the mediation of the management accounts with respect of the production cost principles regulated by the International Accounting Standards IAS 2 „ Stocks“ and by the Romanian legislation .*

*Also, we propose an evaluation model of the production in work in process at the end of the period.*

Keywords: method on order, Cost calculation, furniture industry

## Shortcomings of cost calculation in the furniture industry

In the circumstances of strong competition manifesting itself in the field of the furniture manufacturing/trading, the managers of various hierarchic levels need information concerning the forecast assessment of consumptions and the evolution of costs, as well as an efficient monitoring of the effective amount of expenses and of their structure, of the deviations from the planned level, of the causes which generated these deviations.

**The method on order**, used in the cost calculation, **by a significant number of entities in the furniture industry**, is considered a classical, traditional calculation method. Due to their application methodology, traditional methods are very much criticised, as they are not appropriate for the necessities of modern management; consequently, they call for adaptation and improvement.

The classical methods are part of the historical system of calculation, based on the calculation of the historical cost and oriented towards the performances registered in the past. So, the fact that the supplied information has a historical nature characterizes the classical methods which have as an objective the periodical assessment of the complete effective cost after the completion of the manufacturing process. Consequently, one of the shortcomings of the method on order consists in the fact **that it does not ensure the effective and systematic control of the operating expenses that can be included into costs**. By calculating the complete effective cost after the end of the manufacturing process, the personnel in charge with accounting no longer has enough time to analyse in more detail the manufacturing expenses and to come with proposals for their reduction. Thus the entity management is deprived

of an efficient instrument meant to improve the activity. Another shortcoming in the case of the methods of calculation of the complete effective cost calculation method is represented by the **ignoring of the effects of the activity variation upon the expenses.** The complete cost calculation is based on the division of the costs into direct costs and indirect costs on cost bearers. This differentiation does not take into account the dependence of costs upon the (variable costs and overhead costs), consequently, the settlement of costs on cost bearers is not made rationally, i.e. function of their origin.

In the **cost calculation model, within many entities in the furniture industry, the planned, precalculated cost system is used.** As presented in the specialty papers, the generalization of the cost methods planned in the economy of the enterprises in our country between 1951 - 1990, when we passed from the centralized economy to the market economy, suppressed the exclusive post-factual nature of the cost calculation and created the possibility of comparing and controlling effective costs. However, the planned cost calculation methods do not include in their working technique adequate concrete effective monitoring of manufacturing and of reporting the deviations from the plan. The effective monitoring of the main manufacturing consumptions through consumption rates and workloads is limited to the quantitative aspect and has the main purpose of creating a data base for the planning of the activity performed during the next period and is less used for the information of the entity decision makers. In what **the deviations of the effective expenses from the pre-established level,** I am stressing the fact that they are merely determined as simple amounts (of the excess or economies as compared with the precalculated value), without the determination of the places of factors that have generated them, as well as the persons responsible for their occurrence. The subsequent calculations and investigations imply are labour intensive and do not have available information, be it registered in documents or not, thus leading in most of the cases, to the belated assessment of deviations or to the impossibility of determining the causes of these deviations.

The methods using the orders can also be attributed other disadvantages:

- It does not ensure, at the end of the management period, the determination of the real production costs, because the fulfilment of some orders continues over the next periods
- There are difficulties if only part of the quantity launched into production was manufactured and delivered to the customer or handed over to the store. For example, there are problems concerning the evaluation of these quantities because the effective cost of the products afferent to the launched order cannot be assessed at the end of the month, but only after the completion of the order. For the evaluation of the quantity of finished product, the pre-established cost or the cost of such products from a previous period is usually used. This assessment leads to the distortion of the costs afferent to the production which is in the process of being fulfilled, as well as of the effective costs of the products determined on the occasion of the completion of orders, and implicitly, of the financial results afferent to the management period
- In the case of the entities in the furniture industry, due to the periods of the finalisation of orders, (two months as an average), at the end of the management period many orders appears as being in the process of fulfilment, and the determination and assessment of

the unfinished production requires a high volume of work, as it can influence the exactness, the quality and the efficiency of the calculation indicators

- Moreover, if the workload vouchers or the vouchers reflecting the consumption of raw materials other materials are not handed over / registered until the conclusion of the respective order, the afferent expenses are not included into the cost of the respective order, they are instead distributed to other orders. The same effect is also produced if certain parts or products, common to several orders, pass, while being manufactured, from one order to another, distorting, in this manner, the cost of the products of various orders
- The distribution of indirect manufacturing expenses, of the EMOC-type (equipment maintenance and operation costs) and GWC-type (workshop general costs), on cost bearers, is made by using an inadequate distribution basis - the directly productive worker salary expenses (direct labour). In the management accounting the fact that special attention must be paid to choosing and using the indirect expense distribution basis is unanimously accepted. This choice is based on four criteria:
  - the criterion "cause - effect" -implies the identification of the variable which causes the resource consumption, leading to the most credible distribution manner;
  - the criterion "advantages - received" - implies the identification of the beneficiary and the percentage distribution function of the benefits received by each;
  - the criterion of the "correctness and equity/equitableness" - shows that product is allotted that cost which leads to a reasonable price for everybody. It is used especially in governmental contracts, being considered as having a more elevated objective than the operational criteria;
  - the criterion "possibilities of sustaining". The best exemplification of the application of this criterion is represented by the allotment of the salaries of the managers function of the profits of the divisions, according to the principle that where the profit is higher, an important part of expenses can be "sustained".

**The most recommended criterion is that of "cause - effect",** especially for the information of the cost-type intended for the marketing and personnel motivation decision making. (Horngren et al 1997 in Albu and Albu 2003)

In the model of calculating the cost of the products obtained by entities in the furniture industry, analysed in the course of this research, the bookkeeping in the case of the stocks obtained by manufacturing is performed at the precalculated price which, besides the complete cost, also contains the benefit/the profit (in the case of most of the orders, this precalculated price represents the agreed price specified in the contracts concluded with the beneficiaries. Although, as a result of the performed analysis, in the financial accounting the manufactured stocks are estimated at the production cost composed in conformity with the relevant law provisions, however, besides the previously mentioned shortcoming, in the case of the application of the method using the orders, I found the cost calculation extremely complex and allowing for the possible occurrence of errors. The integrated information system also comprises procedures that perform the cost calculation; however, some distributions and calculations are made manually, on the basis of internally settled rules/regulations.

**Proposals concerning the cost calculation improvement in the furniture industry**

I believe that, by improving the cost information system, and consequently their calculation, the proposals I am about to present will increase the management process quality and efficiency by identifying the information that is able to characterise the cost phenomenon to a greater extent, by reducing the work load and diminishing / eliminating the possibility of error occurrence in the cost calculation. The version of registering and calculating product costs by means of management accounts, which I propose, expresses my opinion, consequently, it is a point of view that can be criticised or supported.

The version proposed for the product cost estimation/costing by means of management accounts according to the movement stages:

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I. Take-over of direct costs on orders

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- Direct raw materials (wooden components):

921.	01.	01.	=	901	
xxxx					Internal reimbursements
basic		wooden			related to costs
direct	order				
activity		components			
costs					
costs					

- Direct materials:

921.01.	02.	xxxx	=	901	
		direct			
		materials			

- direct labour:

921.01.	03.	01.	xxxx	=	901
		direct	value		
			manual		
		direct manual	labour		
		labour			

- employer's contributions related to the wages of the directly productive workers:

921.01.03.	02	.xxxx	=	901	
		employer's			
		contributions			
		related to			
			direct		
		labour			

Note: For account 921 we will open analytics, consequently **for the direct costs** taken over on orders we will have account **921.Analytic 01** which, in its turn, will have analytics on types of direct costs:

921.01.01	→	Raw materials (wood)
921.01.02	→	Direct materials
921.01.03	→	Costs of the wages of direct labour and employer's contributions related to them
921.01.03.01	→	Wages of direct labour



**Observation:** In this moment, in account 921 opened on analytics for each order, we have the **production cost** afferent for the finished and unfinished production made for each order.

921. Order xxxx

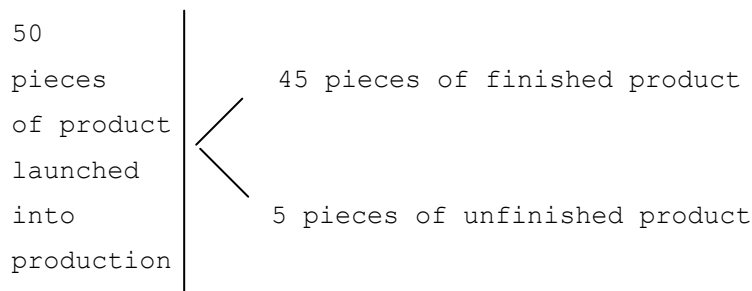
<ul style="list-style-type: none"> <li>• Direct costs</li> </ul> 921.01.xxxx = 901	
<ul style="list-style-type: none"> <li>• EMOC ratio</li> </ul> 921.02.xxxx = 923.02	
<ul style="list-style-type: none"> <li>• GWC ratio</li> </ul> 921.03.xxxx = 923.03	
Production cost / order xxxx (finished and unfinished production)	

IV. The unfinished production is estimated and registered at the end of the period, on elements of expenses

*The correct estimation of the production in progress has a special importance for the exact calculation of the finished production cost, as well as other company activity performance indicators, like profit, rate of return, etc. For example the overestimation of the production in progress leads to the unjustified reduction of the finished production cost, thus artificially increasing the profit and respectively, the rate of return. On the other hand, the underestimation of the production in progress had the opposite effects, with unfavourable influences on the activity of the company.*

*If, out of an order, only a certain quantity of products was finished and handed over to the warehouse, these products are usually evaluated at the effective production cost of the previous period. This type of evaluation leads to the distortion of the costs afferent to the production in progress and implicitly, of the cost of the finished products at the completion of the order, especially in the situation of the modification of the production effective costs from one period to another.*

*My proposal concerning the determination / assessment of the unfinished production also implies an additional effort from the personnel implied into cost calculation in order to determine the degree of technical finishing and the elements incorporated into the unfinished products. For example, in the case of an order comprising 50 pieces of LUFA night tables model 4520 (order 1111), when, until the end of the period, out of the entire order, 45 pieces were, I shall determine the value of the unfinished and finished production as follows:*



For the 45 pieces of finished products, the degree of integration of the elements composing the production cost is 100%.

Effective cost = 45 of production (for the finished production) (100% x Costs of raw materials and direct materials +100% x Costs of direct wages and accessories +100% x EMOC ratio +100% x GWC Rat.

For the 5 unfinished products, we must analyse, for each of them, the value of the direct raw material and other materials given for consumption and existing into the unfinished products, as well as the finishing percentage from the point of view of manual labour performed by the direct production workers. I am assuming that:

	Raw materials and direct materials	Direct manual labour (% from the total necessary for completion)
For the first unfinished piece	100%	60%
For the second unfinished piece	40%	20%
For the third unfinished piece	70%	42%
For the fourth unfinished piece	100%	80%
For the fifth unfinished piece	20%	10%

If the raw materials and the direct materials are taken from the warehouse for the whole order and are given for consumption, the percentage taken into account will be 100%.

I am also suggesting that the EMOC and GWC ratios for the unfinished production should be taken into account with the same percentage corresponding to direct manual labour. Consequently:

$$\begin{aligned}
 \text{Effective cost of unfinished production for the 5 pieces} &= \text{Costs of raw materials and direct materials} && (100\%+40\%+70\%+100\%+20\%) \\
 &+ \text{Costs of direct wages and accessories} && (60\%+20\%+42\%+80\%+10\%) \\
 &+ \text{EMOC ratio} && (60\%+20\%+42\%+80\%+10\%) \\
 &+ \text{GWC ratio} && (60\%+20\%+42\%+80\%+10\%) \\
 &= \frac{330}{100} \text{ Costs of raw materials and direct materials} &+ \frac{212}{100} \text{ Costs of direct wages and accessories} &+ \frac{212}{100} \text{ EMOC} &+ \frac{212}{100} \text{ GWC}
 \end{aligned}$$

We will assume that for order 1111, the amount cumulated on the debit

of account 921.Analitic order 1111 is composed of:

Raw materials and direct materials	921.01.01.1111	} → € 40000
	921.01.02.1111	
Direct labour and accessories	921.01.03.01.1111	} → € 21000
	921.01.03.02.1111	
EMOC ratio	921.02.1111	→ € 6000
GWC ratio	921.03.1111	→ € 4200
<hr/>		
Total production costs (finished and unfinished production) order 1111	= €71200	

Taking into account the effective cost of the finished production and that of the unfinished production, we will have:

→for finished production	the : 45	Costs of raw materials and direct materials	+45	Costs of direct wages and accessories	+45	EMOC	+45	GWC
→for unfinished production	the : 3.30	Costs of raw materials and direct materials	+2.12	Costs of direct wages and accessories	+2.12	EMOC		+2.12
<hr/>								
Total expenses for finished and unfinished production	=48.30	Costs of raw materials and direct materials	+47.12	Costs of direct wages and accessories	+47.12	EMOC		+47.12
<hr/>								
48.30 costs of raw materials and direct materials	= € 40000		⇒	Costs of raw materials and direct materials / piece	=€ $\frac{40000}{48,30}$		= €	828.157 / piece
47.12 costs of direct wages and accessories	= € 21000		⇒	Costs of direct wages and accessories / piece	=€ $\frac{21000}{47,12}$		= €	445.671 / piece
47.12 EMOC	= € 6000		⇒	EMOC / piece	=€ $\frac{6000}{47,12}$		= €	127.334 / piece
47.12 GWC	= € 4200		⇒	GWC / piece	=€ $\frac{4200}{47,12}$		= €	89.134 / piece

Consequently, we will have:

Total expenses/costs for the unfinished and finished production	Expenses/costs for the finished production	Expenses/costs for the unfinished production
Raw materials and direct materials =	45 x 828.157 = € 37267	3.30x 828.157 = € 2733



40000 €		
Direct manual labour and accessories = € 21000	45 x 445.671 = € 20055	2.12x 445.671 = € 945
EMOC = € 6000	45 x 127.334 = € 5730	2.12x 127.334 = € 270
GWC = € 4200	45 x 89.134 = € 4011	2.12x 89.134 = € 189

We will register/enter the unfinished production on component elements of the cost as follows:

Raw materials 933. 01.01.xxxx = 921.01.01.xxxx  
 (wooden cost of the components) unfinished production

Direct materials 933.01.02.xxxx = 921.01.02.xxxx  
 Direct manual labour 933.01.03.01..xxxx = 921.01.03.01.xxxx  
 Contributions due to direct wages 933.01.03.02.xxxx = 921.01.03.02.xxxx

EMOC ratio 933.02.xxxx = 921.02.xxxx  
 GWC ratio 933.03.xxxx = 921.03.xxxx

V. The obtained finished production is entered, at the standard (precalculated) cost

931.xxxx = 902. xxxx  
 order Internal order  
 The cost settlements of the related to obtained the obtained production production

The amount corresponding to the book entry will be obtained by multiplying the quantity of finished products from the order by the precalculated production unit cost (precalculated direct costs + EMOC ratio + GWC ratio per product)

VI. The effective cost of the obtained finished production is entered

902.xxxx	=	%	Effective production cost for the finished production
		921.01.01.xxxx	→raw materials (wood)
		921.01.02.xxxx	→direct materials
		921.01.03.01.xxxx	→direct manual labour
		921.01.03.02.xxxx	→contribution due to direct wages
		921.02.xxxx	→ EMOC ratio
		921.03.xxxx	→GWC ratio
			142 43 for finished production

In this moment account 921.xxxx open on each order becomes balanced.

VII. The cost differences for the obtained finished production are determined and entered.

902.Order xxxx

Effective production cost (stage VI)			Standard production cost (stage V)
902.xxxx	=	%	931.xxxx = 902.xxxx
		921.01.xxxx	
		921.02.xxxx	
		921.03.xxxx	

- The case effective cost > standard cost  $\Rightarrow$  economically unfavourable cost differences:

903.xxxx = 902.xxxx      Amount in black  
(ef c- std c)

- The case effective cost < standard cost  $\Rightarrow$  economically favourable cost differences:

903.xxxx = 902.xxxx      Amount in red  
(ef c- std c)

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VIII. Taking over the general administration costs of the workshop were the order is fulfilled.

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924 = 901  
general  
administration  
costs

*I believe that the usage of goods production planned through the budget as general administration costs distribution on workshops, sectors, responsibility centres is inadequate and I would suggest using the criterion of the average of the goods production on a period of three previous months.*

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IX. Taking over the general selling costs of the workshop which fulfils the order expenses.

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925 = 901  
Selling  
costs

*In a similar way as for the general administration costs, the selling costs will be distributed on workshops, sectors, responsibility centres, choosing the basis of the distribution of the obtained and sold finished production on a period of a few previous months, on each workshop or profit centre.*

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X. The distribution of general administration and selling costs on fulfilled orders

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The used distribution basis can be the effective production cost of each order for the distribution of general administration costs and the effective cost of the obtained finished production corresponding to each order for the distribution of selling costs.

- The distribution of general administration costs on orders:

%	=	924	General administration costs on the workshop
921. xxxx	04.		General administration cost ratio on order xxxx
<i>Administrative order costs</i>			
.			.
.			.
.			.

- The distribution of general selling costs on orders:

%	=	925	Selling cost on the workshop
921. xxxx	05.		Selling cost ratio on order xxxx
<i>selling order costs</i>			
.			.
.			.
.			.

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XI. The costs corresponding to the finished production are settled

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901	=	%	
		931.xxxx	The standard cost of the finished products obtained from order xxxx
		903.xxxx	(black or red) price differences afferent to the finished production obtained from order xxxx
		921.04.xxxx	General administration costs afferent to order xxxx - finished production*
		921.05.xxxx	Selling costs afferent to order xxxx (integral)

\*General administration costs afferent to the finished production (order xxxx) as follows:

Production costs afferent to the finished production (order xxxx)

Production costs afferent to the finished and the unfinished production (order xxxx)

General administration costs distributed on order xxxx

After going through all the stages, final balances will remain.

933 Analytic on orders		901	
933.01 →	The value		*production

<p>of raw materials and direct materials, direct wages and accessories</p> <p>933.02 → EMOC</p>		<p>costs. Order xxxx (unfinished production)</p> <p>*general administration costs expenses. Order xxxx (unfinished production)</p>
<p>933.03 → GWC</p> <p><math>Sf_D</math> = value of the unfinished production to production cost on order xxxx</p>		
921.04. Analytic on orders xxxx		
<p>The value of general administration costs on order xxxx (unfinished production)</p>	<p>General administration costs settled for the finished production (stage XI)</p>	<p>Production and administration costs for the unfinished production</p>
<p><math>Sf_D</math> = General administration costs corresponding to the unfinished production</p>		

**Observation:**

At the beginning of the next period the unfinished production will be resumed in order to be finished, by the opposite accounting formula as compared to the one presented at stage IV, on calculation elements:

	921.01.xxxx	=	933.01.xxxx	
	921.02.xxxx	=	933.02.xxxx	
	921.03.xxxx	=	933.03.xxxx	
Example:	- 921.01.01.xxxx	=	933.01.01.xxxx	

raw materials (wooden components)

I am also **proposing introducing the following accounts for the calculation of the result on the order:**

{	906 →	the entire production cost / order
	9071 →	income generated by the products / order
	9078 →	differences in the income generated by the products / order
	9121 →	result / order

When the order is completed, the following are entered:

**\* the complete product cost / order:**

912 1 = 906  
 Result / order xxxx The entire product cost / order xxxx

**Observation:** The amount corresponding to the above-presented entry will be extracted from the account debtor turnover:

$R_D \rightarrow$	921.01.xxxx	Direct costs
$R_D \rightarrow$	921.02.xxxx	EMOC
$R_D \rightarrow$	921.03.xxxx	GWC
$R_D \rightarrow$	921.04.xxxx	Administration costs
$R_D \rightarrow$	921.05.xxxx	Selling costs
<hr/>		
Amount $R_D$	921.0(1,2,3,4,5).xxxx	Entire cost for order xxxx
	=	

**\* the income generated by the products included in the order:**

917 1 = 9121  
 Income generated by the products / order xxxx Result / order xxxx

The value corresponding to the presented entry is obtained by multiplying the negotiated price / contract with the customer by the quantity included in the order (or the price agreed for sale x quantity / order)

**\* the adjustment corresponding to the income brought by the order as a result of its modification as compared to the initial situation (if the selling price is modified):**

907 8 = 9121 Result / order  
 Differences Income xxxx - amount in  
 generated by the black (if the selling  
 products / order xxxx price is increased )  
 or in red (if the  
 selling price is  
 decreased)

**Observation:** The positive or negative price difference is multiplied by the quantity of the products in the order the price of which was modified.

Consequently, the result on the order and implicitly on the products can be calculated with the help of account 9121 / Order analytic.

9121 Result / Order xxxx

<b>The entire cost of the product in order xxxx</b>	<b>Income generated by the product in order xxxx</b>
9121.xxxx = 906.xxxx	9071.xxxx = 9121.xxxx adjustment of the income generated by the products in order xxxx 9078.xxxx = 9121.xxxx / black or

	red
Case a) $Sf_D$ = loss on order xxxx (the entire cost exceeds the income generated by the order)	Case b) $Sf_C$ = profit on order xxxx (the income generated by the order exceeds the entire cost of the order)

Our proposed model of the cost calculation through the mediation of the management accounts with respect of the production cost principles regulated by the International Accounting Standards IAS 2 „ Stocks“ and by the Romanian legislation. Stocks' evaluation obtained after manufacturing, under personal administration, is done on the cost of production. The components of the cost of production, according to the national accounting norms (Order of the Public Finance Minister - OMFP 1752/2005) which coincide in this regard with the provisions of the international accounting standards (IAS 2, par. 10), are:

- Direct production expenses (consumption of raw materials and materials, direct manual work)
- Rate of indirect expenses systematically allotted to the obtained good (amortization, maintenance of tools and sections, leading and managing sections).

Regarding the indirect production expenses, one must retain the following aspects. The indirect expenses consist of the fixed and variable production administration. Fixed administration of production includes indirect costs which remain relatively constant, irrespective of the production volume, such as: amortization, maintenance of tools and sections and others. Variable administration includes indirect costs of production which vary proportionally with the production volume, as: indirect costs with materials and labour force. Allotting the fixed administration on the cost of production is done on the basis of the normal capacity of production (normal capacity of production is the production estimated to be obtained, on average, along several cycles of manufacturing, periods or seasons, under normal conditions, having also in view the capacity loss resulted after the planned repairing). Allotting the variable administration on the cost of production is done on the basis of the real capacity of production.

IAS 2 norm as well as the national accounting norms state that one can include within the stocks' cost only expenses supported by the enterprise for their bringing to the state and place where they are, as for example the designing cost of products destined to some clients. But the following are not to be included in the costs, being considered expenses of the period (the exercise):

- Materials' losses, manual work and other production expenses, beyond the normal limits;
- Storing expenses, others than those which separate two stages of the production process;
- General administration expenses which do not contribute to the stocks' bringing to the state and place where they are.

Moreover, I propose creating a few calculation situations, through the integrated information system, by the efficient reflection, during each order, of the quantitative and value differences as compared to the situation of costs on precalculated calculation items. For each quantitative and value deviation, the places and the factors that generated it as well as the persons responsible for their occurrence will be determined. Steps will be taken for the minimisation of the cost exceeding (where it is possible) but not in the detriment of quality, or, in case of economies, for the strict review of the

previously made precalculation.

In the specialised literature several simple **deviation analysis possibilities** are indicated:

- The study of the deviation absolute value
- The deviation as percentage of the standard value
- Cumulative deviation
- Figures concerning the previous periods. The comparisons with the previous periods can be useful in the presentation of the business tendencies/trends, but these constitute a guide for the adjustment actions that are necessary only if the actuating factors are the same
- Deviations between similar units of the same group. The comparison must be performed only for units of the same size
- Deviations as compared to the previously made forecasts. (Garbutt in Dennis Lock 2001)

One must take into account the fact that certain deviations can be hidden: they do not appear immediately in the process of comparison with the standard levels. For this reason, one should move to taking actions only after investigating all the facts.

There are several **potential causes of deviations**:

**1 External factors**, such as:

- Changes of an economical, social or legal nature
- Changes in what the competition is concerned
- Changes in the supply conditions at the domestic or international level.

**2 Internal factors**, such as:

- Changes in the activity system
- Inefficiency
- Changes due to modifications of other elements. For example, the stocks and the debtors vary in comparison with sales, but the same thing also happens with the production or the selling costs.

The inadequate standards can also be responsible for the existing deviations.

In all the cases where deviations from the standards are found, the responsible manager must be called to accounts and must be asked to recommend corrective actions. All the explanations must be collected and reported to the company management who, in their turn, must set the necessary actions and issue clear instructions for their application. The application of the actions must be monitored and reported. Once the decisions related to the adjustment have been made, the operational objectives must be re-evaluated. At the same time, a monitoring system should be organised which could allow for the assessment of the extent to which these objectives are achieved.

Standards can be used together with the budgetary control, as a basis for a flexible budget system, for the accounting of the deviations or for the performance control.

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