

COST ACCOUNTING Planning and Control (seventh edition)

Management's effort to achieve company objectives rest upon the twin functions of planning and control. The planning function is essentially a decision making process dealing with the establishment of a desired profit, the preparation and availability of materials, labor force, and plant and equipment for the anticipated volume, and the creation of communication system that permits reporting and controlling actual result against predetermined plans.

The control function deals with management task of organizing and marshaling natural force, human behavior and material object into a coordinated unit in order to attain the desire result. The connecting link between the originating planning function and the terminating control is the cost accounting information system, rightly termed a tool of management, that permits effective communication. Continues feedback, responsibility accounting, and managerial flexibility.

