



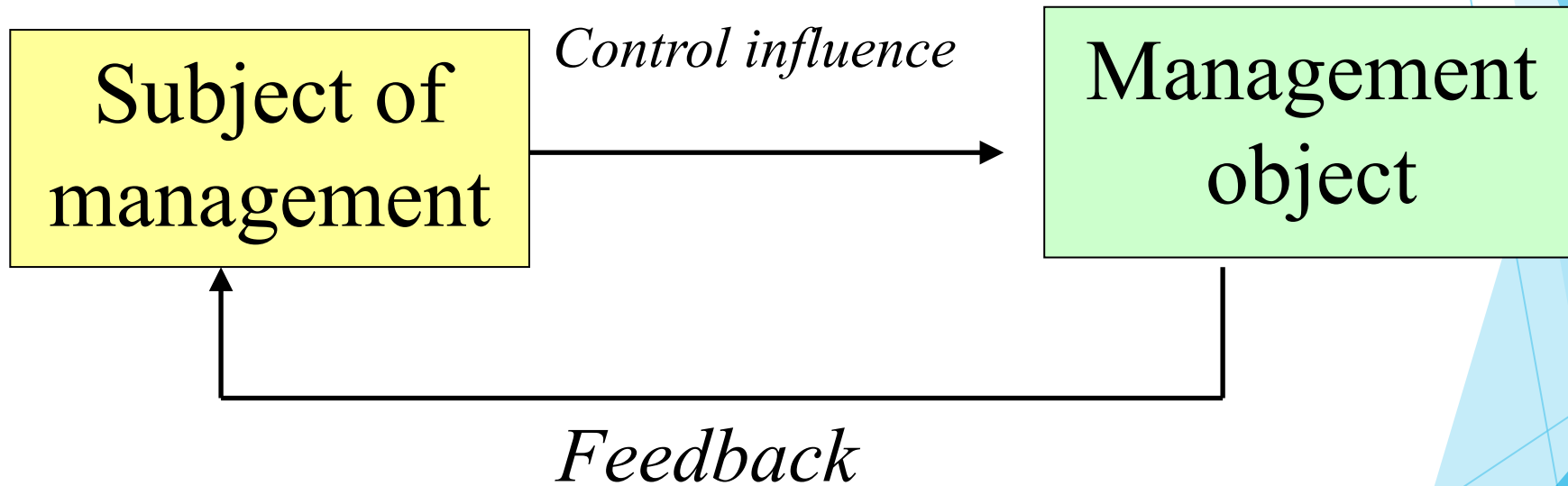
Al Farabi University

- ▶ Cost management system
- ▶ Management Department
 - ▶ “Cost Management” Course
- ▶ Dr., professor Adambekova A.A.

*Adambekova
Ainagul*



Management system structure





Cost management system

- ▶ A cost management system (CMS) is a targeted, multi-level system, where the object of management is the organization's costs, and the subject of cost management is the management subsystem



Basic elements of the CMS

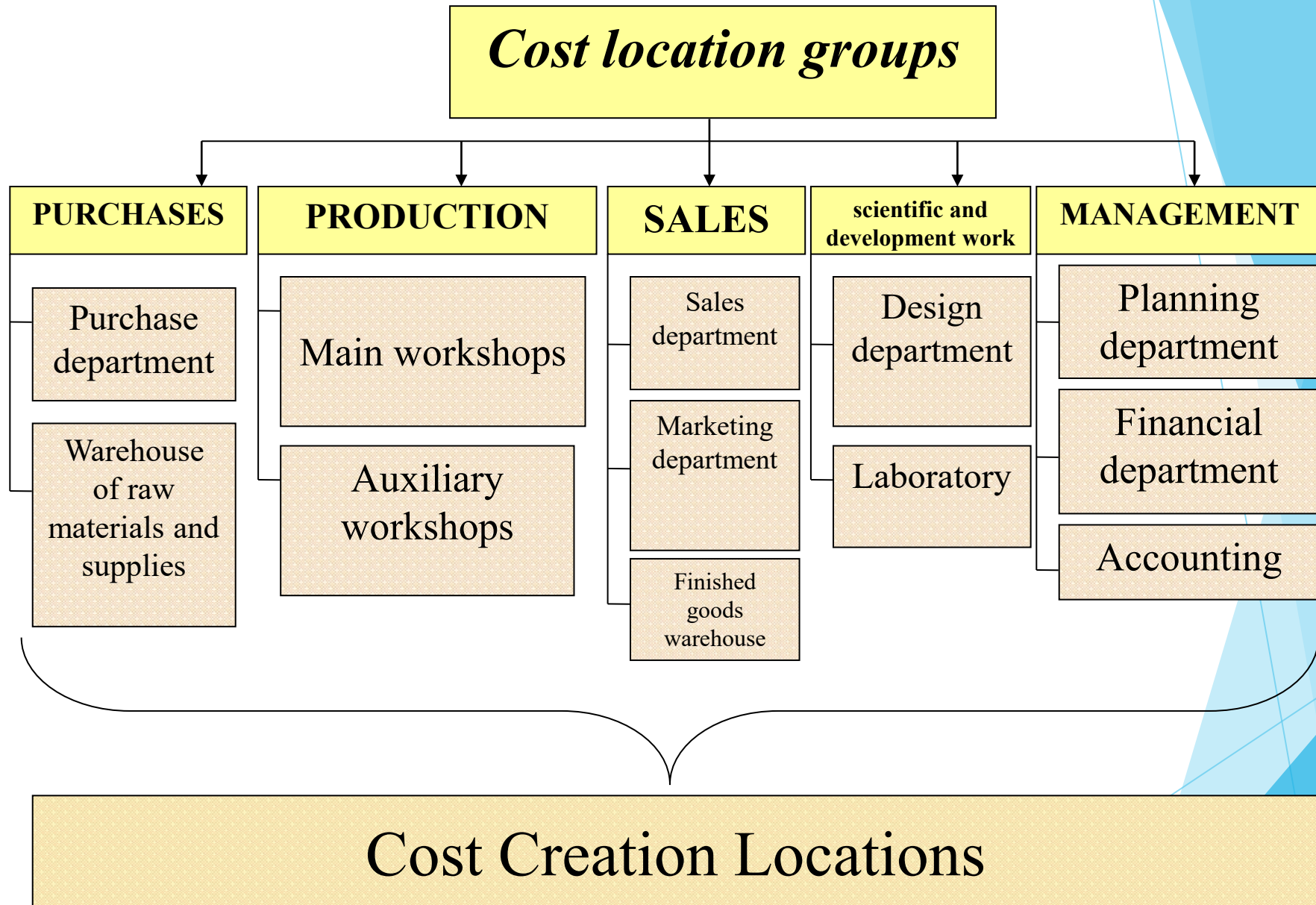
- ▶ organizational structure
- ▶ management processes
- ▶ management methodology





Cost management system

- ▶ Manufacturing costs are best controlled where the manufacturing process or service occurs
- ▶ Enterprise segments
- ▶ Cost Creation Locations
- ▶ Cost centers
- ▶ Financial Responsibility Centers





TYPES OF COST CENTERS

If possible, cost regulation

Standard cost centers

Non-standard cost centers

In relation to production

Manufacturing cost centers:

- Production
- Shop
- Plot
- Brigade

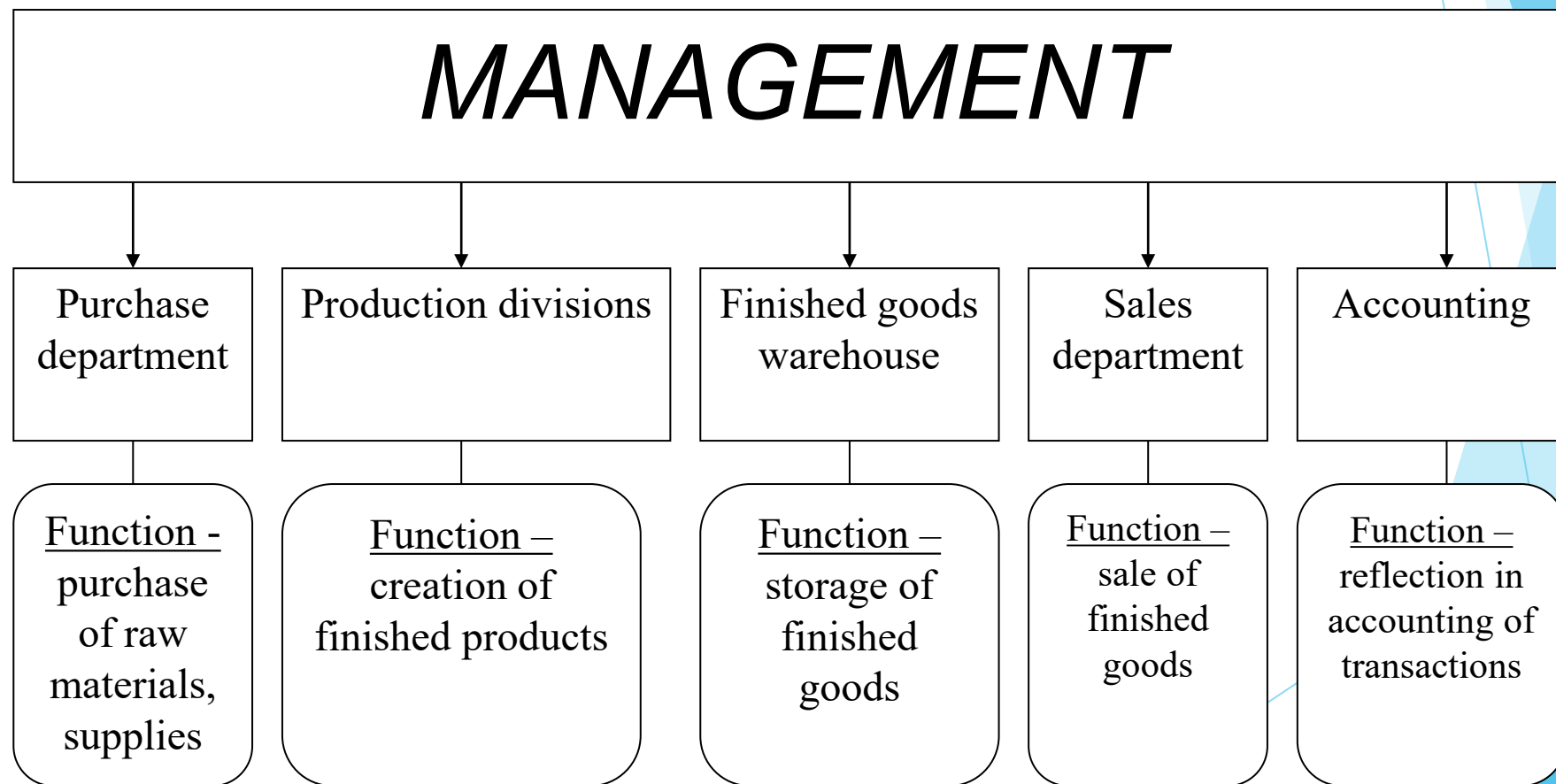
Servicing cost centers:

- Management Services
- Service industries

Conditional cost centers – cost item, integrated cost item, economic element

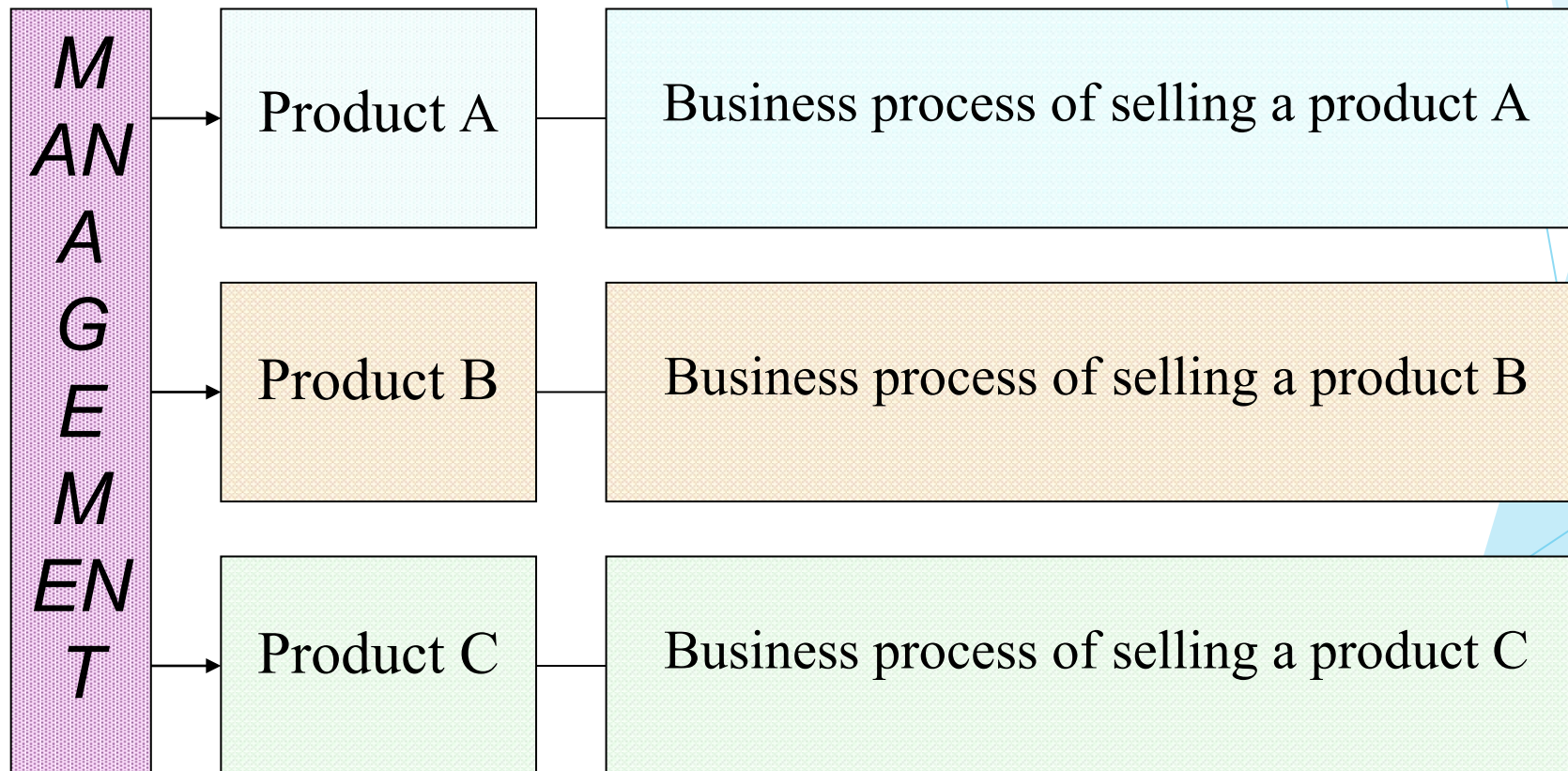


Enterprise management by function





Enterprise management by business processes





Cost management system

- ▶ When managing costs in an enterprise, you should pay attention to the following points:
- ▶ 1. The effectiveness of the functioning of cost centers largely depends on the content of reports on cost centers.
- ▶ 2. Should pay more attention to areas of reducing production costs.



Reducing cost of product as affects

- ▶ 1 Obtaining the greatest effect at the lowest cost,
- ▶ 2 saving labor, material and financial resources