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As we gear up to bring out the fully coloured journal in this issue - something that our members have been cherishing for long and share the views of the experts on the Union Budget 2012, our Hon'ble Finance Minister's momentous Budget for the financial year 2012-13 would have been discussed and analysed thread bare by industry experts, financial analysts and the general public. Budget, in India, is not just a cartload of figures in black and white, but they also represent myriad lights and shades of India's life, the contrasting tones of poverty and wealth, and hopes and despairs of the teeming millions. From the Prime Minister to the pauper, everybody waited in rapt attention to see the great balancing act of the Finance Minister. There were expectations and promises - some are fulfilled, some are not. While the Budget 2012-13 will always remain a subject of intense debate for many years to come, the kind of reaction from the gold and jewellery industry by resorting to strike to protest harsh measures taken in the budget proposal has hardly been seen before. The retrospective amendments to the Income-tax Act - probably fallout of the Vodafone case, have been resented by the captains of the Indian industries. But what else can the government do to rope in the tax evaders who are in unending competition with the tax collectors with ingenious subterfuge in the tax havens like the Cayman Islands?

Coming back to the task at hand, this issue of the Management Accountant is focused on Cost Accounting Models for Pricing. Cost accounting has a very ancient root. When double entry book-keeping was a nascent discipline, the essentials of cost accounting were found to be practiced at the Arsenal of Venice in the medieval Italy. Modern features of cost accounting system like numbering and warehousing of finished parts, assembly line of production system, personnel practices, standardisation of parts, control by accounting, inventory control and cost control were found to be practised in the Arsenal. However, evidence of systematic cost accounting could hardly be found before the Industrial Revolution in England and basic text books on the subject of cost accounting did not appear before Charles Babbage's "The Economy of Machinery and Manufactures", which was published in 1835. The 'renaissance in cost accounting' is definitely attributed to the twentieth century American Industrial Revolution triggered by the Scientific Management, when substantial improvement was noticed in the four major areas of activity: cost control techniques, accounting for overhead, costing for routine and special decision making, and standard costing. Indeed, the development of standard costing in the United States was a direct consequence of F.W. Taylor's Scientific Management, when engineers attempted to standardize and simplify production processes to promote efficiency in the use of direct labor and direct materials.

In the field of cost and management accounting the Americans continued to dominate the scene till 1970s when the Japanese model of cost and management accounting entered the scene. Target costing, Kaizen costing and Just-in-Time inventory techniques brought some fresh breeze in the field. It needs to be recognized that the traditional cost accounting models were developed decades ago when product diversity was low, production processes were largely driven by direct labour, and information processing costs were high. But in a technologically advanced and globally competitive environment, new methods like the activity-based costing, life-cycle costing and similar techniques must be invented and tried by the managers in order to remain competitive and relevant.

I hope that the contributors to this issue will leave indelible mark of their scholarship by apprising our readers exactly what is going on in the field of cost and management accounting.

Wish you a very happy reading!