

Using abc to enhance throughput accounting: An integrated management approach

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Abstract

The relevance of the article is in studying the problems of the use of modern methods in the enterprise management accounting under TA method (Throughput accounting) and ABC method (activity based costing). The authors carried out a comparative analysis of these methods, considered possible options for their integration and interaction for effective decision making by managers. Reports on the financial results with a breakdown to products using TA method can be drawn up weekly, monthly, quarterly, etc. For the purposes of determining the profitability of each product, improvement of the control function, TA method can be supplemented by the elements of ABC method. In this case, the operating costs are accumulated by the activities of the enterprise, so that the process of costing and cost control becomes more transparent. It is recommended not to increase the work labor input, and to accumulate costs by type of activity of the enterprise, as appropriate: at predetermined stages and phases of the product life cycle, to calculate the price of the product, by changing the company's strategy or annually, to control the costs and benefits in the future by comparison with the planned figures, and historical data. It is expedient to draw up a Profit and Loss Statement according to TA method with ABC elements with a breakdown to customer once a year. During a year, it will be gathered all the information about incomes and costs for each customer that usually cannot be obtained quickly due to the chosen pricing policy and complicated discount policy.

Keywords

Activity-Based Costing, Costs, Enterprise, Enterprises, Management, Throughput Accounting