



ANALYSIS OF COST ACCOUNTING IN BUSINESS CONTROL

Gustavo Igor Alves Buzaglo Cordovil.

Graduating from the Administration course of the Federal University of Rondônia.
guxtavu2018@gmail.com

Nayarah Ferreira Melo.

Graduating from the Administration course of the Federal University of Rondônia.
nayarahnx@gmail.com

Flávio de São Pedro Filho.

Post-Doctorate in Management and Economics. PhD in Business Administration from USP.
Professor of the Department of Administration/Federal University of Rondônia Foundation.
flavio1954@gmail.com

Éliton da Silva Souza.

Master's student in Public Administration / PROFIAP / Federal University of Rondônia.
Specialist in Fiscal and Tax Audit by FATEC.
eliton@unir.br

Carlos Alberto Paraguassu-Chaves.

PhD in Health Sciences, University of Brasília - UnB, Brazil and PhD in Science - University of Havana, Cuba and Post-Doctor in Health Sciences, UnB and Degli Studi D'Aquila University, IT, Professor at the University Institute of Rio de Janeiro, IURJ, Brazil.
carlos.paraguassu@gmail.com

David Lopes Maciel.

Master of Science in Emergent Technologies in Education. MUST UNIVERSITY, MUST, EUA, Academic of the Doctoral Program in Regional Development and Environment (UFRO).
[maciel.1000@hotmail.com](mailto:maciел.1000@hotmail.com)

Fabício Moraes de Almeida.

PhD (UFC) in Physics with post-doctorate (DCR/UFMT/CNPq). Specialist in Production Engineering (FUNIP). Professor of the Doctorate/Master's program in Regional Development and Environment (PGDRA/UFRO).
dr.fabriciomoraes001@gmail.com

Abstract

Corporate control is the set of practices adopted by an organization to monitor, regulate and direct its operations and activities in accordance with its perspectives. In this context, cost accounting brings a significant contribution to controls, as it provides relevant information on the costs involved in the production of goods or services. Thus, the present study aims to study cost accounting for business control. The methodology used is a qualitative approach and bibliographical research with data

collection through books, magazines, articles, and others. As for the tool adopted, the SWOT analysis was used because it is a strategic tool used to analyze environments. In the analysis of the study, it was possible to observe that cost accounting helps to make informed decisions about prices, resource allocation, cost reduction strategies and insights into operating expenses. On the other hand, it faces challenges such as accurate allocation of costs, distinction between variable and fixed costs in operations, collection of inaccurate data and need for understanding for informed decisions. In this way, it requires greater attention to face obstacles with skill, training and the need for adaptability, as well as the search for constant improvements. Therefore, the research carried out shows that cost accounting plays a key role in efficient business control, providing detailed information on the costs involved in the production of goods or services. However, overcoming challenges in understanding and applying these techniques requires a careful approach, a solid understanding and commitment to continual improvement.

Keywords: Cost Accounting; Efficient Management; Business Control.

Resumo

O controle empresarial é o conjunto de práticas adotadas em uma organização para monitorar, regular e direcionar suas operações e atividades de acordo com suas perspectivas. Neste contexto, a contabilidade de custos traz significativo aporte nos controles, pois possibilita informações relevantes sobre os custos envolvidos na produção de bens ou serviços. Dessa forma, o presente estudo tem o intuito de estudar a contabilidade de custos para o controle empresarial. A metodologia utilizada é de abordagem qualitativa e com pesquisa bibliográfica com levantamento de dados por meio de livros, revistas, artigos e outros. Quanto a ferramenta adotada, a análise SWOT foi empregada por se tratar de uma ferramenta estratégica utilizada para analisar os ambientes. Na análise do estudo, foi possível observar que a contabilidade de custos ajuda a tomar decisões informadas sobre preços, alocação de recursos, estratégias de redução de custos e *insights* sobre despesas operacionais. Por outro lado, enfrenta desafios como alocação precisa de custos, distinção entre custos variáveis e fixos em operações, coleta de dados imprecisos e necessidade de compreensão para decisões informadas. Dessa maneira, requer maior atenção para enfrentamento dos obstáculos com habilidade, capacitação e necessidade de adaptabilidade, bem como, busca por melhorias constantes. Portanto, as pesquisas realizadas, evidenciam que a contabilidade de custos desempenha papel primordial no controle empresarial eficiente, fornecendo informações detalhadas sobre os custos envolvidos na produção de bens ou serviços. No entanto, superar desafios na compreensão e aplicação dessas técnicas requer abordagem cuidadosa, um entendimento sólido e comprometimento com a melhoria contínua.

Palavras-Chave: Contabilidade de Custos; Gestão Eficiente; Controle Empresarial.

1. INTRODUCTION

Business control is the set of practices adopted in an organization to monitor, regulate and direct its operations and activities according to its perspectives, ensuring the monitoring and evaluation of performance, risk management, identification of irregularities and application corrective actions. In this perspective, cost accounting brings significant contribution in the controls, because it allows relevant information about the value of the expenses related to the manufacture of products or provision of

services, in this way, improves the making of managerial decisions and the implementation of appropriate strategies.

In this context, the present study is justified by the need to understand and explore the importance of cost accounting for business control in organizations, and can provide insights to professionals and academics about the advantages and opportunities that the analysis of cost accounting data brings to the efficient management of organizations. Given this scenario, the following question emerges: What is the importance of cost accounting for business control in the path of efficiency? To answer this question, the present research presents as general objective, to study the accounting of costs for the business control; and as specific objectives, to characterize cost accounting in business control (1); Analyze the benefits of cost accounting for more efficient management (2), and identify the challenges and obstacles in using cost accounting as a business control tool (3).

This work is organized in topics and subtopics, where after the introduction presented, a theoretical and conceptual review begins, which consists of the theoretical foundation of the present study, later, the methodological approach used, the results obtained and the bibliographical references that supported the research are presented.

2. THEORETICAL AND CONCEPTUAL REVIEW

The present study is supported by the Institutional Theory, to which, in the context of managerial control, institutionalism emerges as an adequate theory to elucidate the processes of transformation in accounting management, so these changes are triggered by the context in which they occur, and can be driven by advances in information technologies, greater competitiveness in markets, different organizational structures and new management practices (Burns; Scapens (2000), apud. Oliveira; Voese, 2014).

2.1. Theoretical and conceptual elements on the characterization of cost accounting in business control.

Cost accounting for business control is fundamental to help companies understand and monitor their costs related to the production of goods or services, since the method of recording and analyzing expenses related to the production and operation of the company, seeks to measure the value of inventories, provide data that allow understanding the elements that make up the cost and provide data to help in decision making, addressing topics such as recipes, investments, discontinuity of products or services, and customer-related choices (Gimenez et al., 2019).

In this way, cost accounting plays a key role in business management, because in addition to evaluating and controlling inventories, it helps to make strategic decisions, providing important data for short- and long-term planning, including introduction or cutting of products, price management, and purchasing or production decisions (Valter; Missagia, 2010).

2.2 Theoretical and conceptual elements on the benefits of cost accounting for more efficient management.

The search for expense reduction is an essential target for companies. However, this requires costs to be clearly identified, allowing you to find opportunities to optimize processes and identify tasks that do not add value to products or services. Any expense that does not bring benefits, should be eliminated, because it is a waste (Albertin; Guertzenstein, 2018). In this context, cost reduction plays an important role in maintaining the efficiency of companies, especially smaller ones that often lack the necessary tools and methods, as the absence of cost analysis techniques impairs performance and highlights the urgency of implementing cost management approaches.

Therefore, cost accounting plays an essential role in financial management by providing detailed data on the costs of processes and products, guiding informed and strategic decisions. In addition to controlling costs, enabling significant savings through thorough analysis, it highlights inefficiencies and areas for improvement (Abreu, 2018). However, its complexity can make it difficult to understand for those without specific training, and the analysis may not consider external factors (Oliveira et al., 2019). This approach provides opportunities to identify profitable products and align with favorable

market trends, while cost accounting also identifies threats such as increases in production costs and impacts of changes in tax regulations (Abreu, 2018).

2.3 Theoretical and conceptual elements on the challenges and obstacles in the use of cost accounting as a business control tool.

Effective implementation of cost accounting often faces a number of challenges and obstacles that have multifaceted origins. One of these significant challenges arises from the shortage of qualified personnel and the constant turnover of employees, consequently, this situation negatively impacts the continuity and consistency of services, generating gaps in knowledge and in the execution of processes (Borinelli et al., 2020). In addition, the absence of accounting and statistical data of reliable quality represents another considerable obstacle, since the lack of solid information compromises the accuracy in the measurement of the resources used in the different processes and activities, making it more challenging to obtain insights to support strategic decisions (Duarte; Lucena, 2022).

Another factor is the lack of training of employees, because the lack of knowledge and familiarity with the principles and methods of management, particularly those related to cost accounting, creates a gap between the potential and the reality of the processes (Abreu, 2018). This knowledge deficit is more evident among professionals who play a crucial role in the interaction with the managers of the various organizational units. Lack of alignment in this regard can result in erroneous decisions or underutilization of the information provided by cost accounting.

3. PREPARATION METHODOLOGY

The scientific research for the present study focuses on bibliographic research, where data collection is carried out through existing manuscripts: books, journals, publications, articles, among others (Prodanov; Freitas, 2013). In addition, qualitative approach, as it aims at analysis and exploration of social and behavioral phenomena, including various scenarios that shape the lives of individuals (Yin, 2016).

3.1. As for the Content Analysis Method.

The method of content analysis is a set of research methods characterized by the search and interpretation of the meanings present in a document, through the preliminary analysis, definition of units, coding, categorization and presentation of the interpretation obtained. Thus, it is possible to understand, through descriptions, quantifications or interpretations, various aspects of a phenomenon, such as its meanings, intentions, results or contexts (Sampaio; Lycarião, 2021).

3.2. As for the procedures adopted.

For the development of this research, a meticulous collection was carried out in bibliographic collections relevant to the scope of the study, by which it was possible to identify the dominant perspectives, as well as the different interpretations and approaches of the authors in relation to the theme in question, contributing to the solid theoretical foundation and comprehensive understanding of this research work.

3.3. As for the tool applied.

SWOT analysis is a strategic tool used to analyze environments. Thus, it examines both the internal and external factors that affect the organization, because in a competitive business environment, companies need to constantly look for ways to stand out in the midst of intense competition, in order to achieve the desired business success (Araújo et al., 2015). It is composed of four fundamental pillars, divided into two fields, namely: the internal environment, composed of strengths and weaknesses and the external environment, characterized by opportunities and threats (Leite; Gasparotto, 2018).

3.4. As for the analysis.

The Theory of Communicative Action (TAC), by the philosopher Jürgen Habermas, seeks to understand how communication plays a fundamental role in the construction of knowledge, ethics and social structures, as he argues that communication is based on the search for mutual understanding and that people participate in communicative processes to reach rational agreements (Fidelis; Gomes, 2022). In this way, the analysis of Habermasian theory can contribute to a more

reflective and participatory approach, promoting a more complete understanding of the social and ethical implications.

4. RESULTS ON THE IMPORTANCE OF COST ACCOUNTING FOR BUSINESS CONTROL.

The theoretical and conceptual analysis of the present study demonstrates that the authors align that cost accounting is important for efficient business control, since, through it, it is possible to obtain information about resource allocation and cost reduction strategies, as well as insights into operating expenses. However, it is possible to observe that the implementation of measurement techniques and cost control can take time, and there is a need for professional training.

4.1 Results on the characterization of cost accounting in business control.

Having an in-depth knowledge about how costs behave is essential for the management of a company, as these costs play a determining role when making decisions and making predictions for the future. In diagram 1 below, three important points of the role of cost accounting in business control are highlighted:

Diagram 1: Diagram regarding the role of cost accounting.

1. Financial Management System

2. Effective Decision Making

3. Efficient Resource Allocation

Source: prepared by the authors of the research.

As for "1. Financial Management System" mentioned above, it is demonstrated that the financial management system is a powerful tool for business control, since, it helps the company to understand and control its costs, optimize its profitability, make informed strategic decisions and maintain a strict control over its finances, thus, it is essential for the long-term success and sustainability of any organization, as demonstrated and specified in Table 1 below:

Table 1: Specification about the Financial Management System.

Financial Management System	
Detailed cost recording	Detailed recording of all costs associated with the company's operations, this includes not only direct costs such as raw material and direct labor, in addition, costs not directly related to production are considered, such as administrative and general expenses.
Profitability analysis	Analyzes the profitability of your products, services or lines of business. This helps in identifying the most profitable products and analyzing those that may need adjustments or even be withdrawn from the market.
Strategic decision making support	The financial management system provides essential information for making strategic decisions, this includes decisions about pricing, market expansion, cost reduction and investments in new projects or technologies.

Source: prepared by the authors of the research.

Regarding "2. Effective Decision Making", cost accounting plays a central role in making effective decisions of a company, enables managers to evaluate the economic and financial performance of the company, optimize profitability, control costs, allocate resources efficiently and make informed strategic choices, therefore, it

helps the company to adjust to the transformations and demands of the market, improve its operations and achieve its business objectives more effectively, as illustrated in Table 2 below:

Table 2: Specification of Effective Decision Making.

Effective Decision Making	
Pricing of Products and Services	Determination of the actual cost of production of your products or services, fundamental to establish prices that cover costs and ensure adequate profit margins.
Budgeting Control	Tracking actual spending against planned budgets helps the company avoid budget overruns, identify areas of overspending, and take corrective action.
Investment and Expansion Decisions	Cost accounting provides crucial information about the costs associated with these initiatives. This helps managers assess the financial viability of such decisions.

Source: prepared by the authors of the research.

With regard to "3. Efficient Resource Allocation", as evidenced in table 3 below, demonstrates that the efficient allocation of resources is essential for effective business control, since it involves understanding and carefully managing how resources are spent throughout the organization, ensuring that they are directed to the areas that provide the highest return on investment and that strategic decisions are based on accurate cost data:

Table 3: Specification about the Efficient Allocation of Resources.

Efficient Resource Allocation	
Identification of Relevant Costs	Cost accounting helps the company identify the relevant costs associated with each activity or production line, this includes encompasses both direct costs, such as raw material and labor, and indirect costs.
Optimization of Scarce Resources	Cost accounting helps optimize the allocation of these scarce resources, ensuring that they are directed to the areas where they are most needed and can generate the most value.
Continuous Monitoring and Review	The company must conduct ongoing monitoring, adjusting resource allocation as needed based on changes in market demands, economic conditions, and business strategies.

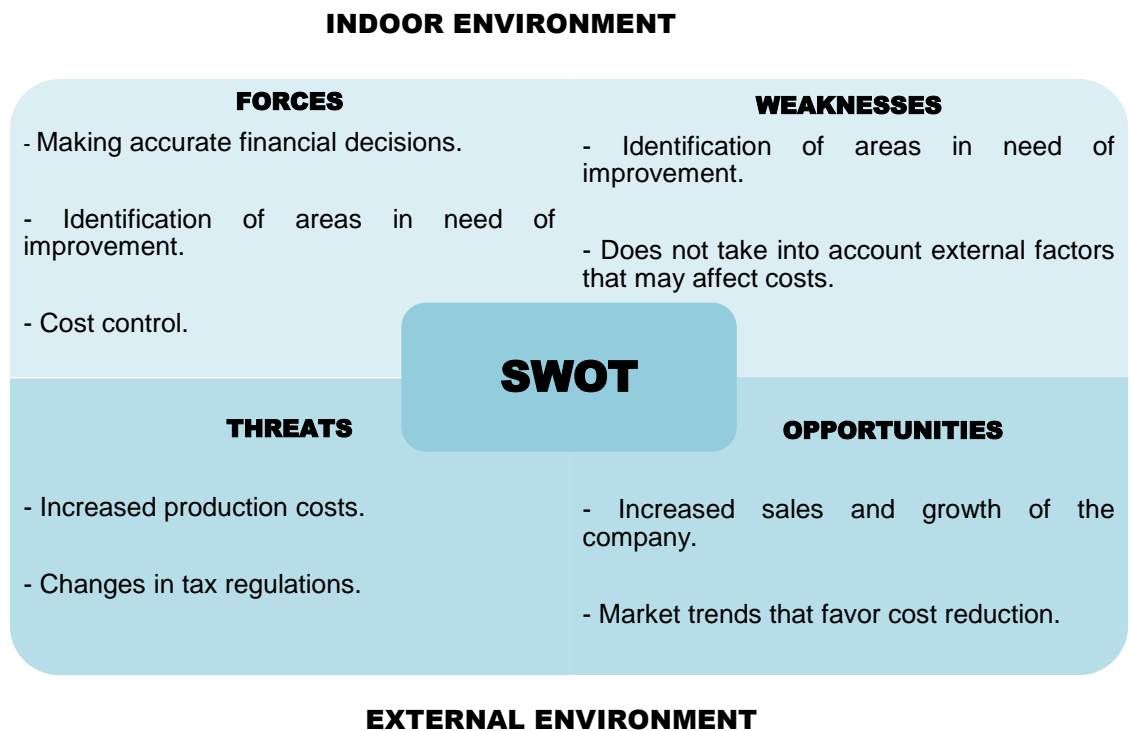
Source: prepared by the authors of the research.

In general, as above, the financial management system emphasizes that cost accounting acts as a centralized system to collect, record and analyze detailed financial information about the costs associated with the various processes, products and activities of the company. It also allows the company to make more informed and strategic decisions and ultimately allows the company to allocate its resources, such as money, labor and raw materials, more efficiently. In short, cost accounting is a valuable tool for improving efficiency and decision-making in a company's operations.

4.2 Results on the benefits of cost accounting for more efficient management.

SWOT analysis is a strategic tool that provides a comprehensive view of the internal and external factors that guide the benefits of cost analysis for business control, as shown in diagram 2 below:

Diagram 2: SWOT Analysis Diagram.



Source: prepared by the authors of the research.

In relation to the internal environment, the forces, evidence that a robust cost analysis offers several advantages as part of business control, because by having a detailed understanding of the costs associated with different aspects of the business, the company can direct investments intelligently, optimizing its resources to maximize the return on investment, in this way, enabling accurate financial decision-making. In addition, cost control allows the company to closely monitor its expenses and avoid unnecessary waste, with a clear understanding of where resources are being allocated, so the company can identify sectors in which it is possible to reduce costs without compromising quality or productivity. Still, the identification of areas that need improvement is an additional strength coming from cost analysis, since it enables the implementation of targeted improvements, resulting in greater operational efficiency. On the other hand, one of the weaknesses associated with cost analysis is the potential redundancy in identifying areas that need improvement, due to the lack of clear and organized communication between the teams involved. Another notable weakness is the lack of consideration for external factors that can affect costs, as ignoring changes in market conditions can result in inaccurate forecasts and inadequate decision-making.

As for the external environment, the identified threats highlight the risks associated with insufficient cost control, as soon as the increase in production costs can harm the profitability and competitiveness of the company, making it imperative to continuously monitor spending, as well as changes in tax regulations represent another threat that should not be underestimated. On another level, the opportunities generated by the cost analysis for business control are promising, since the increase in sales and the growth of the company are prospects that can be taken advantage of through effective cost control, since, with the optimization of expenses, the company can direct additional resources to strategic areas of growth. Still, taking advantage of market trends that favor cost reduction is another promising opportunity, because as the company adjusts to take advantage of these trends, it can improve its competitive position by offering products and services at more attractive prices.

In summary, the SWOT analysis above highlights how cost accounting can bring significant advantages to a company's financial and operational management,

while recognizing potential challenges and opportunities that can be taken advantage of or faced.

4.3 Results on the challenges and obstacles in the use of cost accounting as a tool for business control.

The use of cost accounting as a business control tool presents several challenges and obstacles, from the precise allocation of costs to the managerial understanding of accounting data for strategic decision making. Table 4 below presents some challenges and obstacles encountered in the use of cost accounting analysis techniques:

Table 4: Obstacles and challenges in implementing cost accounting techniques.

Cost elements	Obstacles / Challenges
Cost Allocation	Difficulty in presenting a fair and accurate allocation method, as incorrect allocation can distort the view on the profitability and efficiency of certain areas.
Variable Costs vs. Fixed Costs	Correctly identify these two types of costs, especially when operations are complex and dynamic.
Data Collection	Collecting complete and accurate cost data is critical, as incomplete or incorrect information can lead to skewed analysis and mistaken decisions.
Model Complexity	Creating cost analysis models that are tailored to the needs of the business can be challenging, as inadequate or oversimplified models can lead to erroneous or incomplete conclusions.
Management Understanding	Using accounting information to inform strategic decisions requires a deep understanding of cost data.
Technological Tools	Dealing with large volumes of cost data requires proper systems and software, as appropriate technological tools can make it difficult to analyze and manage costs effectively.

Source: prepared by the authors of the research.

Thus, the use of cost accounting as a business control tool presents several challenges and obstacles, from the precise allocation of costs to the managerial understanding of accounting data for strategic decision making. Therefore, overcoming

these challenges requires a concerted effort to strengthen the team with proper training, establish more robust data collection and analysis systems, and promote a culture of stability and commitment among employees. The integrated approach to defining these issues can lay the groundwork for efficient and impactful cost accounting, providing an objective view of the application of the resources involved in operations and, in turn, driving effective management and decision-making.

5. CONCLUSION

In view of the above, the research carried out in the present study shows that cost accounting plays a crucial role in efficient business control, providing detailed information about the costs involved in the production of goods or services. In this way, it helps companies make informed decisions, reduce waste, allocate resources efficiently, and achieve financial goals. Still, this practice also contributes to the evaluation of organizational performance and promotes continuous improvement. However, the successful implementation of cost accounting faces challenges such as cost allocation and the need for effective data collection and analysis systems. Therefore, such divergences need to be faced in order to fully enjoy their benefits.

In addition, it is important to highlight that scientific research can maximize the performance of public administrators who are dedicated to the advancement of knowledge and the insertion of innovations in government projects, with a focus on effectiveness and efficiency.

6. REFERENCES.

ABREU, GV. **Os benefícios da contabilidade gerencial para a micro e pequena empresa na tomada de decisão**. Monografia (Graduação em Ciências Contábeis). Curso de Ciências Contábeis da Universidade Candido Mendes – Unidade Centro-Assembleia: Rio de Janeiro, 2018.

ALBERTIN, M; GUERTZENSTEINS, V. **Planejamento Avançado da Qualidade**. Rio Janeiro: Editora Alta Books, 2018.

ARAÚJO, JC et al. **ANÁLISE DE SWOT: uma ferramenta na criação de uma estratégia empresarial**. Lins, 2015. V Encontro Científico e Simpósio de Educação Salesiano, Centro Universitário Católica Salesiano Auxilium, Faculdade de Lins, 2015. Disponível em: <<http://www.unisalesiano.edu.br/simposio2015/publicado/artigo0138.pdf>>. Acesso em 12 maio. 2023.

BORINELLI, ML; ROCHA, W; CARNEIRO, DM; SILVA, AS. Desafios no Desenvolvimento e na Implantação de Sistemas de Custos em Hospitais Universitários Brasileiros. **ABCustos**, [S. l.], v. 15, n. 3, p. 131–170, 2020. DOI: 10.47179/abcustos.v15i3.584. Disponível em: <https://revista.abcustos.org.br/abcustos/article/view/584>. Acesso em: 15 ago. 2023

DUARTE, FCL; LUCENA, WGL. A qualidade da informação contábil e a precificação do retorno em excesso no mercado brasileiro de capitais. **Revista Contemporânea de Contabilidade**, [S. l.], v. 15, p. 1-18, 30 jun. 2022. DOI <https://doi.org/10.5007/2175-8069.2018v15n35p161>. Disponível em: <https://periodicos.ufsc.br/index.php/contabilidade/article/view/2175-8069.2018v15n35p161/37679>. Acesso em: 15 ago. 2023.

FIDELIS, MB; GOMES, HF. Mediação da informação e ação comunicativa Habermasiana. **Logeion: Filosofia da Informação**, Rio de Janeiro, RJ, v. 9, n. 1, p. 91–111, 2022. DOI: 10.21728/logeion.2022v9n1.p91-111. Disponível em: <https://revista.ibict.br/fiinf/article/view/6104>. Acesso em: 11 ago. 2023.

GIMENEZ, L; SILVA OLIVEIRA, AB; PEREIRA DE CARVALHO, FJ. Pesquisa Ação: Implantação da Contabilidade de Custos e Gerencial para suporte do Processo Decisorial em um Call Center. **Redeca, Revista Eletrônica do Departamento de Ciências Contábeis & amp;** Departamento de Atuária e Métodos Quantitativos, São Paulo, Brasil, v. 5, n. 2, p. 48–63, 2019. DOI: 10.23925/2446-9513.2018v5i2p48-63. Disponível em: <https://revistas.pucsp.br/index.php/redeca/article/view/40845>. Acesso em: 22 julho. 2023.

YIN, RK. **Pesquisa Qualitativa do Início ao Fim**. Parte I - Compreendendo a Pesquisa Qualitativa, p. 2-21. 2016. Disponível em: https://www.sinopsyseditora.com.br/upload/produtos_pdf/2151.pdf. Acesso em: 11 ago. 2023.

LEITE, MSR; GASPAROTTO, AMS. ANÁLISE SWOT E SUAS FUNCIONALIDADES: o autoconhecimento da empresa e sua importância. **Revista Interface Tecnológica**, [S. l.], v. 15, n. 2, p. 184–195, 2018. DOI: 10.31510/infa.v15i2.450. Disponível em: <https://revista.fatectq.edu.br/interfacetecnologica/article/view/450>. Acesso em: 12 ago. 2023.

OLIVEIRA, RM; VOESE, SB. **Contabilidade Gerencial e Teoria Institucional: um estudo bibliométrico em periódicos internacionais**. XIV Congresso USP Controladoria e Contabilidade, p. 1-14, 21 jul. 2014. Disponível em:

<https://congressosp.fipecafi.org/anais/artigos142014/399.pdf>. Acesso em: 22 julho. 2023.

OLIVEIRA, AC; DAVID, BV; SILVA, V; GUEDES, KLA; CORREIA, JJA. Comportamento dos Custos das Empresas de Construção Civil Listadas na B3 entre 2008 e 2017. **ABCustos**, [S. l.], v. 14, n. 2, p. 70–95, 2019. DOI: 10.47179/abcustos.v14i2.524. Disponível em: <https://revista.abcustos.org.br/abcustos/article/view/524>. Acesso em: 15 ago. 2023.

PRODANOV, CC; FREITAS, EC. **Metodologia do trabalho científico: métodos e técnicas da pesquisa e do trabalho acadêmico**. 2. ed. – Novo Hamburgo: Feevale, 2013.

SAMPAIO, RF; LYCARIÃO, D. Análise de conteúdo categorial: manual de aplicação. Coleção Metodologias de Pesquisa. Brasília: Enap, 2021.

VELTER, F; MISSAGIA, LR. **Contabilidade de custos e análise das demonstrações contábeis**. Rio de Janeiro: Elsevier, 2010.