

THE EFFICIENCY OF CALCULATING THE COSTS THROUGH ORDER METHOD IN THE FURNITURE INDUSTRY - CASE STUDY

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Abstract:

Furniture industry represents the most efficient and profitable form of superior capitalization of wood, having the greatest added value in the wood processing industry. In this paper we make a motion for presenting the method of calculating costs per order and its positioning as compared to other methods of managing the costs, as well as applying the method in a big entity in wood industry in Romania. The case study presents entirely the appliance of the method of calculating costs per order and aims to conclude its efficiency in the costs' management process in the Romanian wood industry. We opine that despite the fact that the method of calculating costs per order is a classical one, having certain assumed limits it has a special utility in the sector due to the activity's specifics of furniture manufacturing. By applying the method per order in the wood industry from Romania, a good run-down and integration is made concerning the expenses incurred by manufacturing, as well as their reflection in a trusty way in the managerial accounting.

Keywords: *furniture industry, managerial accounting, accounting cost, accounting, case study*

JEL codes:: *M40, D24, M41*