

CALCULATION AND REDUCTION COSTS IN THE ROMANIAN CLOTHING INDUSTRY BY THE DIRECT-COSTING METHOD

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Abstract:

The scientific paper presents a cost calculation system in the clothing industry in Romania based on manufactured goods production, presented in an empirical study to identify ways to reduce production costs. The use of the Direct-Costing method in relation to clothing production provides a high level of responsibility for cost managers in obtaining operative information on the development of the production process and the application of calculation methods for making efficient managerial decisions and the proper management of money resources. The research results from the calculation of indicators specific to the presented method show that CONF Ltd. is exposed to the bankruptcy risk because the volume of sales and the profit related to turnover are low. The results are useful to managers on making the best decisions for business development, profit growth, reducing production cost, achieving profitable investment, and business partners to know the financial situation of the companies with which they collaborate.

Keywords: *cost calculation, Direct-Costing method, manufactured goods production, cost reduction, economic performance, clothing industry*

JEL codes:: *M41, M49*