

EXPENSES AND COSTS OF PRODUCTION - A CONCEPTUAL APPROACH

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Abstract:

In specialized literature, the concept of expenses is less study than that of costs. They are given wider or broader meanings. Production costs are treated much widely in specialized literature. This is proved by the numerous definitions given to this concept. What can be deduced from these definitions are the following facts: production costs are studied from two different viewpoints: the theorist's and the practitioner's (the accountant's). For the theorist, the production cost is regarded as a generality, as a currency term used to express the consumption of resources necessary for obtaining goods and services for the market, without considering the fact that for its estimation, the application of a certain methodology is required. For the practitioner's, on contrary, production cost does not have to be analyzed as a generality, as a consumption, in currency terms, of production factors, but as a way of grouping or regrouping. From this point of view, cost is the result of a laborious and very strict work. Very often, in economic theory and practise, the terms "expenses" and "costs" have been used as synonyms. From this point of view, in specialized literature, in the opinion of some specialists, a distinction between the two terms is necessary.

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