Industrial Cost-Finding

Ficker Nicholas Thiel
FACTORY MANAGEMENT COURSE AND SERVICE

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BY

NICHOLAS THIEL FICKER

Consulting Engineer in Industrial Organization and Management,
Staff Lecturer on Factory Engineering and Cost
Reduction at New York University

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INDUSTRIAL EXTENSION INSTITUTE
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TO MY WIFE
MARY DODGE FICKER
PREFACE

The ultimate objective of all cost finding is executive control, by means of which all forms of waste may be eliminated. It is a lamentable fact, however, that there are still many executives of industrial enterprises who look upon the compilation of their production costs as nothing more or less than a bookkeeping fiction. Shop costs, when compiled under the direction of such men, are practically worthless.

The fact that cost accounting is only a single phase of cost finding is the important point which is usually lost sight of. Cost accounting deals with the treatment of the data pertaining to costs after such data have once been collected. Cost finding embraces not only the accounting phase, but also the collection of the data which makes such accounting possible. The purpose of this treatise is to acquaint the student with both the collection and accounting phases of industrial cost finding, without attempting to infringe upon the field of general financial accounting practice, which is now thoroughly standardized and universally adopted.

Notwithstanding the commendable progress which has been made during the past ten years in the direction of standardization, it is important not to overlook the fact that much further progress must be made before anything approaching a fixed universal cost policy will be possible of attainment. The author has endeavored to present in this treatise what he considers to be the best examples of present-day practice.