

CHAWALIT KAEWPRASONG : ACCOUNTING PRACTICE PROBLEMS STANDARD COST ACCOUNTING SYSTEM OF PVC PIPE INDUSTRIES. THESIS ADVISOR : ASSI. PROF. M.L. VORAKALAYA VADHANASINDHU, THESIS CO-ADVISOR : MR.SOMNUK MEERASRI, 163 PAGES, ISBN 974-579-326-4

Purposes of this thesis are to present result of studies on analysis of standard cost setting, cost accounting practice and actual cost calculation method in PVC pipe industries. Part of the study are gathering problems the business facing and propose some suggestions in order to get better detail than the present method and also propose more efficient method to control cost of PVC pipe.

The study found that 9 problems of accounting practice in standard cost accounting system are faced by the business. There are 1. The actual quantity of raw material used is lower than the quantity set by the business because the quantity set include all amount of waste material, the suggestion is the quantity set should include only the real amount of waste which can not be re-processed. 2. Present accounting practice for raw material used requested amount of raw material, the suggestion is the actual amount of raw material used should be applied. 3. The measurement of raw material in the silo by knocking will give the incorrect amount, the suggestion is to have the better design of the silo in order that the correct measurement can be achieved. 4. The delay in billing from the supplier gave rise to incorrect price of the raw material used in the period acquired. The suggestion is to apply the price committed or the standard price. 5. The high cost of replacing the spare parts is included in the actual cost of that period, the suggestion is this cost should be deferred charges. 6. The actual labor cost in the period that the bonus is paid is high, the suggestion is to allocate the amount of bonus to the labor cost to each period of the year. 7. Because the service hours reported are incorrect, this makes the actual manufactured cost too low. The suggestion is that all service hours to be the measurement of the performance of the service department. 8. The accounting practice for the total quantity produced does not include the amount of product rejected, the suggestion is the rejection should be recorded in some accounts. 9. The factory overhead allocated to the product using the weight of the product causes incorrect decision making. The suggestion is to change the allocation method to be based on the number of hours of production.

For better controlling of production cost the business should set the standard cost according to the production process in order that more detail of analysis of cost variance can be obtained.