International Journal of Engineering & Technology, 7 (3.2) (2018) 6-11

International Journal of Engineering & Technology

Website: www.sciencepubco.com/index.php/IJET

Research paper

Product Cost Calculation Methods in Construction

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Abstract

The order of accounting and features of the methodology of cost expenditures at the concrete enterprises of the field was studied and it has been found out the fact that in the practical activity of the enterprise, they tend to apply the normative method of cost expenditures accounting. It has been conducted a detailed research of enterprises which use the normative method of cost expenditure accounting, and the calculation of the planned cost price. In addition, given advantages of the normative method of cost expenditure accounting have two functions: it provides the operational control over the production cost expenditures by accounting for cost expenditures under current norms and their changes and provides accurate calculation of the cost price of construction products.

Keywords. *calculation, construction, construction products, costs' expenditures, cost estimate, method.*

1. Introduction

At the present stage, there is a number of issues that need to be solved on the basis of existing cost expenditure accounting methods in construction. Above all, it is necessary to reveal the internal reserves for reducing the cost price of production of construction products, by comparing the planned and actual calculation, which are determined by one of the methods of accounting for costs' expenditures in the construction industry. It is also necessary to elucidate how to predict the calculation in subsequent periods, which method on cost expenditure accounting controls costs' expenditures in the best way, how to timely prevent overtime costs' expenditures at performing the BIS and which of the methods has the greatest benefits in accounting for costs' expenditures in construction organizations [11, p.50-53].

2. Main Part

The main tasks of accounting for the cost' expenditures for production and calculating the cost price of construction products are to account for the volume of performed work and provided services and control over the implementation of the business plan for these indexes; accounting actual costs' expenditures for production of products and control over the use of material, labor and other resources, in compliance with the established estimates for certain items of overhead; calculation of the cost price of construction products and control over the implementation of the business plan at cost price; identificating the results of the structural units of the construction company to reduce the cost price of construction work; identificating reserves to reduce the cost price of construction work.

The main presentation of material. When taking into account the production costs' expenditures for building structures, launch complexes and construction objects, it is important, according to Maliuga N.M. [9, p. 319] and other co-authors, to have a choice of accounting objects and objects of calculation. It can be displayed in the form as in Fig. 1

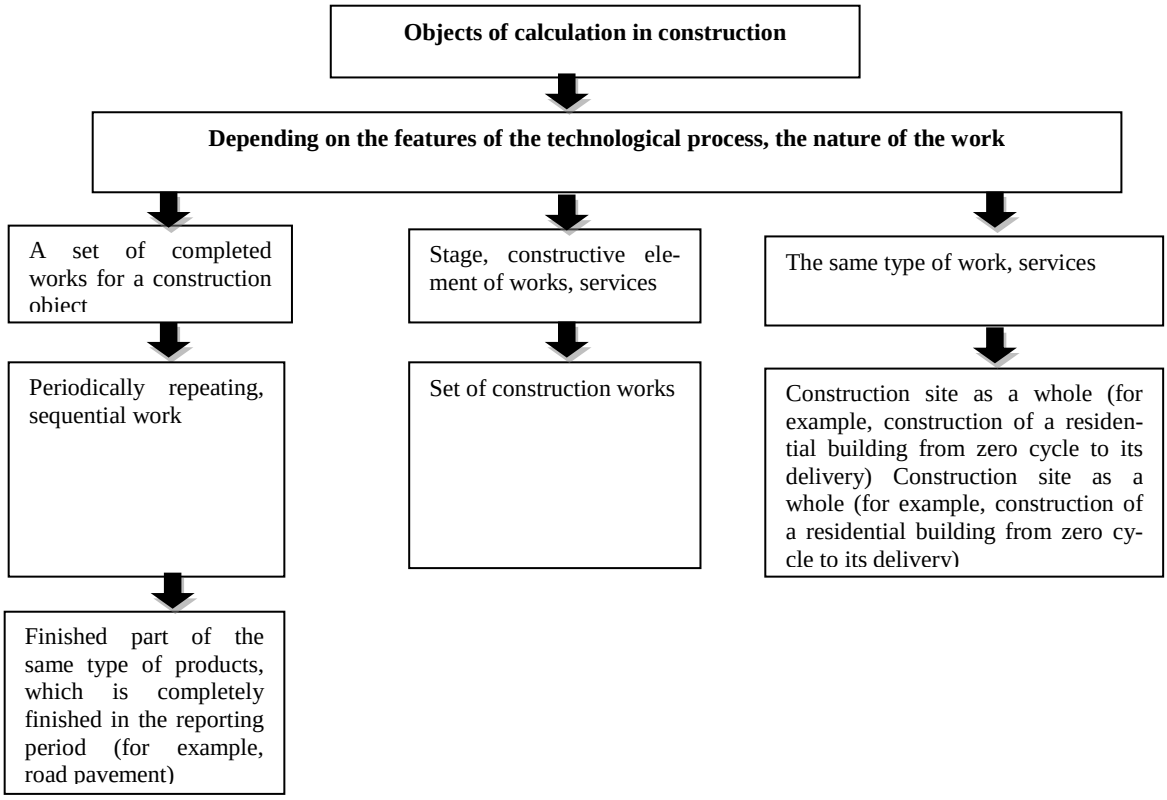
In the general contractor the entire launch complex , a separate turn of the enterprise or construction object can be as the costing object.

Accounting for production costs expenditures is always organized in accordance with the calculation requirements, so it is expedient to group the production costs in the context of the calculation objects. In this case, there is a coincidence of accounting objects with objects of calculation. In addition, before accounting for production costs' expenditures, other tasks may arise, namely accounting, exercising control functions, should provide timely information on the rationality and expediency of the costs incurred. This can be achieved by grouping costs not only for costing objects, but also for performers. Consequently, the objects of accounting for production costs' expenditures can be not only types of works, as well as individual parts of the production process which are characterized by uniform costs' expenditures, within which the costs are grouped. And in order to control the level of costs, the objects of accounting are the costs of the maintenance and operation of construction machineries and mechanisms, overhead and other costs.

Occasionally, due to the large number of small objects, it is complicated to directly attribute costs to the cost price of each construction object. In this case, the object of accounting may be a group of homogeneous construction objects.

In the case, when arranging the accounting, if the objects of accounting correspond to the object of calculation or are part of the calculation object, it is provided a more precise definition of their cost. The consolidation of costs' expenditure accounting objects can generate conditional methods of cost allocation Therefore, it is important to know the degree of detailing cost expenditures, which, without complicating the primary accounting, will be able to ensure the reliability of the actual cost price of production.

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Fi.g. 1. Objects of calculation in construction [9, p. 320].

However, in the opinion of the aforementioned authors' group, in construction, even in those sub-sectors where the individual production is distinct, the coincidence of objects of accounting and objects of calculation can be only relative [9, p. 239].

Considering this issue, their research has shown that when grouping costs for construction objects, production costs are taken into account not only by them, but also by appointment: the costs of maintenance and operation of construction machineries and mechanisms, overhead costs, etc. In the case when, with the participation in the construction work of one or more units of the enterprise, accounting is carried out by the executors, that is, in fact, here the objects of calculation are larger than the object of accounting. But then, when the final accounting records on accounts (closing of the aggregated distribution accounts) and the generalization of the costs of different performers, the object of accounting will coincide with the object of calculation.

In factories that repair buildings and structures with a large number of refurbished objects, the accounting object is more cost-effective, because it combines the costs that relate to several costing objects. Here, the current accounting, as a rule, is organized by a set of similar objects, which are repaired by one staff or brigade. Often, account groups can include all construction objects of one customer that differ significantly in terms of cost or all objects of the same site and organization as a whole irrespective of the variety of objects. Such accounting, according to experts, leads to a distortion of the actual cost of individual construction objects [5, p. 362-366].

The unit of account is the value adopted to measure the performance of a homogeneous volume of work or manufactured products.In construction, when calculating the unit actual cost, it of road, pipelines, a cubic meter of capacity, volume, a unit of power of industrial workshop, and others. The building industry can use indexes of the estimated, planned (calculated by the construction company, taking into account the specific conditions) and actual (actually formed on the construction site), the cost price of construction and installation work (here in after - BIW).

The essence of the estimated cost drew the attention of numerous specialists, noting that the estimated cost of the BIW- is expressed in monetary terms, the regulatory costs of construction and installation organizations (here in after referred to as the BPM) for the production of these works, determined by the estimated standards and current prices. The size of the estimated cost price is equal to the estimated cost of direct costs and SG, except for operating expenses without estimated profit [17, p.73].

It is determined by the design organization in the process of drawing up the necessary design and budget documentation and determining the estimated cost according to the estimated standards and rates at the time of its calculation. It allows construction companies to pre-forecast their future costs, and the customer to assess the limits on which he can trade with a contractor of a construction organization.

The estimated cost of capital construction objects is determined on the basis of the estimated rates on BIW, prices and tariffs for materials, water, energy, labor costs and other costs of construction. This is the estimated cost of construction products.

The estimated cost of construction is the value which is approved on the basis of project data and standard costs. And, as a rule, it carries out the role of price in construction.

The estimated cost represents the amount of estimated cost and estimated profit (planned savings). Thus, the cost of the order (project) is estimated before the work starts.

The planned cost of the BIW from the estimated one differs by the amount that corresponds to the set planned reduction in the cost price. It is less than estimated cost. Planned cost, according to researches, is a forecast of the cost of a particular building organization for the implementation of a certain amount of BIW. According to P.S. Rohozhyna, the purpose of planning the cost of the BIS - is the definition of the cost of work in the terms of the contract for the construction at the most rational and efficient use of machines and mechanisms, other production resources that are actually located at the disposal of the construction organization, the compliance with the rules of technical exploitation of basic production assets and ensuring safe working conditions [14, p. 359].

At the same time, V.A. Lukinov, N.M. Maliuha and their co-authors emphasize that in the absence of a calculation of the planned cost of construction objects,it is calculated the planned cost of the BIW in general for the construction company. [5, p. 363; 8, p. 323-324]. For this purpose, the level of profitability (as a percentage of the BIS) is determined, as the ratio of planned profit to the estimated cost of the planned work to be performed on objects to be deposited in the planned period. The difference between the planned level of profitability and the percentage of planned savings is taken at the planned level of reduction of the

estimated cost, and this percentage reduction in the cost price extends to the entire volume of BIW. In their opinion, the planned cost of the actual realized volume of BIS is also calculated by adjusting the estimated cost of works performed by own forces, with the same planned percentage reduction in the estimated cost and adding actually off set by amounts of indemnity.

P.S. Rohozhin offers the following procedure for calculating the planned cost of BIW for each year: from the estimated cost (the sum of direct costs and overheads, planned savings and compensations to the estimated cost under the contract) deduct the amount of planned savings and savings provided by the implementation of organizational and technical measures to reduce cost price [14, p. 359]. The compensation is included to the planned cost to compare it with the actual cost, which also includes compensation

Thus, the planned cost of BIW (Cpl) can be calculated by the formula 1:

$$\tilde{N}pl = EC - Apl - SC + \hat{E}. \quad (1)$$

Where: EC - estimated cost of BIW;

Apl - planned accumulation, UAH ;

SC – saving of funds from the implementation of organizational and technical measures to reduce the cost of BIW, UAH.;

K - compensations agreed with the customer at a contractual price, UAH.

Since the order and methods of planning the cost, each construction company establishes independently, based on the conditions of its activities, while the planned cost of work can be calculated both for individual objects, and for contract and for the production program as a whole.

Considering the order of planning the planned cost of BIW by the method of V.A. Lukinova and N.M. Maliuha and other collaborators, in our opinion, can be submitted it using the following formulas [9, p. 323-324].

The planned cost of the actual realized volume of BIW (planned cost) is calculated by the formula 2:

$$\tilde{N}pl = EC - (EC \times Rrc)/100\% + \hat{E}. \quad (2)$$

where EC - estimated cost of work, UAH;

Rrc - planned level of reduction of estimated cost,%.

The planned level of reduction of estimated cost is determined by the formula 3:

$$Rrc = R - Ppl. \quad \% \quad (3)$$

where R - profitability level of BIW,%;

Ppl - planned profit %. And the level of profitability of the BIW is determined by the formula 4:

$$R = \frac{Ppl}{EC} \times 100\% \quad (4)$$

We propose the calculation of the planned cost of BIW with the above formulas according to the method.

Example. During the year 2017, the construction company planned work in a major part of a residential building. The estimated cost of work amounts to 118,000 UAH, planned profit of 8000 UAH, the amount of compensation and benefits under the contract 580 UAH. Determine the planned cost of work on overhaul of a residential building by two proposed methods.

Determine the level of profitability of installation work:

$$R = \frac{8000}{118000 - 8000} \times 100\% = 7{,}27,\%$$

Then determine the planned level of reduction of the estimated cost of installation work:

$$Rr\tilde{n} = 7{,}27 - 6{,}78 = 0{,}49. \ \%$$

$$(6{,}78\% = (8000/118000) \times 100\%)$$

and, finally, we determine the planned cost of repair work by the formula 2:

$$\tilde{N}pl = (118000 - 8000) - ((118000 - 8000) \times 0{,}49\%)/100\% +$$

$$+ 580 = 110041hrv.$$

since Lrc is equal to Ere, and Ppl is equal to Apl, then the planned cost according to formula 1 is:

$$\tilde{N}pl = 118000 - 8000 - 539 + 580 = 110041hrv.$$

Consequently, the formula given by us in two methods for determining the planned cost of BIS and a certain example enable to conclude that the planned cost of BIW is one and the same amount in two methods. Although, the methodology of V.A. Lukinov and N.M. Maliuha, in our opinion, is more reasonable, as it allows gradually and visually to identify the components of the formula of the planned cost of BIS and thereby prove that the planned cost is less than the estimated cost of the BIW [9, p. 323-324].

Thus, from the calculations, it is showed that the reduction of the estimated cost is carried out in direct proportion to the increase in the profit value, and it may be increased due to the effective use of material and labor resources without changing the total value of estimated value. In our opinion, it is especially important in the case when financing construction (performance of works) is carried out at public funds.

The actual cost of the BIW - is the amount of costs incurred by specific construction companies during the implementation of a given set of works under prevailing production conditions. It reflects the actual costs of their performance according to the accounting data and includes not only the costs provided by the estimates, but also non-production costs (losses associated with the loss and damage of materials, etc.).

And according to the types of cost in the construction it is distinguished three ways of costing - calculating in the monetary meter of the result of any economic process: estimated, planned and actual ones.

The estimated calculation is calculating the estimated cost, for example, 1 m2 of the house (the cost of the object as a whole or individual ways of works, structures of the building) at estimated costs (norms), taking into account overhead costs and limited costs per 1 m2 of the building.

The planned calculation in general is the calculating the planned cost of 1 m2 of the building (or the planned cost of all works at the site), that is, the difference between the estimated cost of the object and the size of the costs of measures that increase the organizational and technical level of construction production to build a specific object per 1 m2 building.

The actual calculation (according to the general scheme) – is determining the actual cost of 1 m2 of the building, all construction works on the site, based on actual costs incurred for the production of 1 m2 of construction products, including unplanned unproductive costs.

Consequently, with the help of calculations, it was showed the benefits of calculating the planned cost of the type of work, because the company can plan and thus predict the value of production costs, taking into account the measures associated with its reduction.

The above mentioned types of calculations and, accordingly, the cost of finishing work carried out on the basis of norms and current prices for labor and logistical resources, which relate to direct costs, and total production costs (hereinafter referred to as GC) are determined in the calculation. At the same time, the bases were used for the distribution of indirect costs, which are valid at the construction company: direct costs are for general operating expenses; machine-hours –are for costs of operation of construction machines and mechanisms (hereinafter - EBMM).

In our opinion, it is necessary for enterprises in the construction industry to make a planned costing not only for the effective use of direct or indirect costs, but also for improving the efficiency of

the entire enterprise, since adjusting the estimated cost to the level of the plan simultaneously increases the amount of profit in the enterprise, the receipt of which is one of the main goals of work of enterprises.

To determine the planned and actual cost of BIW in this field, it is used the following methods of cost accounting and costing:

- By order (extra-curricular method), which we believe can be called as an object-based method of accounting for costs;
- normative method.

Regardless of the chosen method of cost accounting, it is carried out for each object of calculation, which is determined by the construction organization itself, based on the technological direction of production [4, p. 109-111].

For general construction organizations, the object of calculation is usually the object of construction, for specialized ones is the most often type of work.

In accordance with the Methodological recommendations of clause 3 of Section VII, the main accounting method for expenses for the BIW implementation is accounting for orders according to contracts [2].

The main accounting method for the BIS implementation expenses is the registration of objects (orders), in which the order is opened for each construction object (type of work) in accordance with the contract. The cost accounting in this method is carried out by the incremental outcome until the completion of the order.

The essence of this method is: with the design, estimate documentation and the plan for financing construction, the contracting enterprise must issue an order for the start of works and the inclusion of the object in the plan. The planned department for each such object issue an order, which is assigned a regular number (code, cipher) from the beginning of the year, which in the future is necessarily included in all documents at the time of registration.

In order to properly organize the accounting of actual costs and assigning them to the appropriate construction objects, the accounting department of the construction organization, along with production and technical and planning departments arbitrarily develops and approves the accounting nomenclature of ciphers on the construction objects.

The nomenclature contains a systematic list of objects that are calculated and, accordingly, it is given a number-code, which is fixed for each object before the end of the BIW and after their completion, another object is not assigned.

When forming the costs of the primary documents, these ciphers must be enclosed with objects that include these costs.

The nomenclature is issued to all construction workers who have a connection with the account (foreproms, craftsmen, foremen, storekeepers, economists, accountants, mechanics, etc.).

Accounting for production and costing is carried out by an incremental result from the commencement of work on each object separately according to the actual and estimated costs. It enables to compare monthly the actual costs for each object with estimated cost and planned cost and timely detection of deviations.

On the basis of this, in the accounting department of the construction company, the cost accounting is carried out, while it is carried out for each order. In this case, direct costs are accounted for each object separately, and invoices are distributed between the objects.

The actual costs are grouped according to cost items defined by the company. Direct expenses are determined monthly and distributed on a direct features on the basis of primary documents for individual objects of calculation.

As far as EC are concerned, they are distributed among all orders in proportion to the distribution base accepted at the enterprise (wages of workers, volume of BIS, etc.) under normal conditions.

At the end of the month, a comparison of the actual costs is carried out with the planed ones and thus the savings or over-expenditures are revealed. The calculation of the cost of the BIW is carried out only after the work completion and the delivery of the object to the customer. The register of executed BIW is Logbook of the performed work (typical form number KB-6), which is conducted by the master. According to the data of this journal, reports are being compiled, worker wages are calculated, the volume of work performed by construction machineries and vehicles is determined [8, p. 28; 18, p. 41-49].

The cost of an order is determined by the sum of all costs of production from the day it was opened and by the day of execution and closing. The compilation of the reporting cost occurs when the object (extra-linguistic) accounting method after the work on the order will be fully executed, which is a significant disadvantage of this method [10, p. 418].

The disadvantages of this method consist in that the deviation of the actual cost from the planned one is found out only after the reporting period, and not at the time of their formation, therefore this method does not contribute to the operational management of economic indicators, in addition, the planned cost is an average indicator in this case. Consequently, the deviations do not provide a reliable idea about the rational use of material, labor and financial resources [9, p. 330-331].

However, the authors believe that to bring this method of calculation to operational management of production costs can be by drawing up signaling documents on the rejection of spending resources from the existing production standards. Only by periodic generalization of such deviations can be obtained the necessary operational data on the amount of deviations, reasons, place of origin, perpetrators, etc. But not only disadvantages, but also there are advantages in the objective method of accounting for costs, which consists in the fact that primary documents statement correctness careful control in accordance with the planned or normative calculation and normative and technical documentation, as well as for the correct assignment of costs for individual orders has the great importance. The control should also ensure the prevention of work not provided by the technological process and not executed by the corresponding orders.

At object method of cost accounting the systematized checking of records made in the registration cards for each order has an important significance. In such check, the written off-to-order materials are matched with their specifications, technological cards and other technical documents that contain the list of necessary technological operations [15, p. 212].

The object-oriented (extramarital) method has its own disadvantages, which can be avoided using the normative method of cost accounting. The normative method of accounting for the costs on production and the calculation of the cost of production is used mainly to timely prevent of the irrational spending material, labor and financial resources.

In this method of cost accounting, the normative calculations in the construction on individual work are made up only of direct costs (materials, wages), and on the object as a whole – on all items of production cost.

The basis for calculations is the following documents: object estimates, project work, production standards, norms of materials consumption, calculation of wages and salaries needs calculations in machines and mechanisms, planned and calculated prices for materials.

The following documents are used for calculating normative costing: production norms (DBN 1.1-1-2000 or developed independently); projects of implementation of BIS; estimates of the construction object; labor and wage standards; calculations of the need for machines and construction machinery; estimated prices for building materials; other sources.

However, those or other production standards are applied depending on who is the customer of the object. That is, in the case if the customer has a budget structure and payment is made from the budget, it is necessary to apply production standards of DBN 1.1-1-2000 [1; 3, p. 240/200]. And if the customer is a non-state structure and construction is not at the expense of budgetary funds, the production standards can be developed by the construction company itself and agreed with the customer. In both cases, the normative calculation for each object or type of work is approved by the head of the enterprise (construction or object).

The normative indicators are resource estimates. Based on these norms and current prices for labor and material and technical re-

sources, direct costs of construction costs are determined. The rest are determined not by the norm, but calculation. [16, p. 8].

At the standard method, the combined accounting for production costs is led with the distribution of costs for norms, costs for deviations from norms and changes in standards [12, p. 73-79].

Such a consolidated account can only be conducted on documented deviations (based on aggregated data of deviations). Usually the actual consolidated costs of the main production at the end of the month are compared with the estimated and regulatory costs, and for this purpose a comparative calculation is made. At the end of the month, the accounting department of the construction company submits to the chief accountant for the analysis of the comparative calculation with the table of deviations in accounts. Under this calculation, it is carried out the analysis of deviations for each position, at that the special attention paid to the undocumented deviation. According to the analysis, proposals are made on the issue of preventing over-expenditures in the future or there is a need to clarify certain standards.

The normative method of cost and cost calculation involves the management of economic processes through deviations, which are fixed by the reverse connection mechanism.

There are three options for organizing normative cost accounting:

1. Accounting is generally carried out at normative costs (NC), while the credentials are periodically adjusted to the magnitude of the detected deviations (D) from actual costs (AC). That is, the accounting is carried out in accordance with formula (5):

$$NC \pm D = AC. \quad (5)$$

2. The accounting is carried out in parallel on actual and standard costs. The formula in this case will have the following form (6.):

$$AC - NC = \pm D. \quad (6)$$

3.The accounting is conducted in a mixed way.

In economically developed countries, the most widespread first option, in which the accounts (basic materials, production) reflect the movement of values in normative quantities. All deviations of actual costs from normative ones are recorded as they are detected. At the end of the reporting period, regulatory costs are adjusted to the accumulated amount of deviations. Each new reporting period begins with a normative cost estimate. [19, p. 85-86].

The opinion of Russian specialists, both practitioners and theoreticians regarding the normative accounting of expenses worth attention. In particular V.A. Varfolomeieva notes that the system of accounting for production costs developed on the basis of the normative method, does not deny the existing object-oriented (extramarital) method, but only introduces new elements for it for more detailed and operational control over the size of costs and the cost price of construction products [6, p . 12]

S.R. Vakhrameiev determined the correlation of normative calculations with the estimated cost of the BIS and proposes the standard calculations to be made according to the established nomenclature of the items based on the prices and norms contained in the estimates, adjust to the magnitude of the task of reducing the cost and amount of costs, which are compensated by the customers. [7, p. 14/200]

The recalculation of normative calculations at current prices, planned and calculated prices and norms should be attributed to the change of norms and to make out in the prescribed manner, indicating the causes and perpetrators.

We share the opinion of S.R. Vakhrameiev that the proposed method of consolidated cost accounting under the normative method will eliminate the duplication of accounting, will ensure the relationship of accounting with the results of the work of the staff. Despite some increase in the volume of accounting works, the method significantly simplifies the analysis and reduces the cost of working time for its implementation, with its application will significantly increase the validity of the next control [7, p. 14/200].

The significant advantages in the normative method of accounting for production costs and calculating the cost of construction works are suggested by V.A. Lukinov [5, p. 369]. In his opinion, the normative method of cost accounting ensures the control over production costs by accounting for costs under current norms and separately - deviations from norms and their changes and provides precise calculation of the cost of construction products. Analytical accounting functions are also being improved, which reflect the main factors that influence on the deviation of the cost from the planned one. At the same time, the technique of accounting for the cost of production is simplified as a result of the use of reasonable average percent of deviations from cost norms and prices for similar types of expenses. It is simplified and evaluation of work in progress, which uses data on the normative value of works and parts [5, p. 369].

The connection of the normative method with the account of actual production costs is determined by S. Pushkar, who has investigated that the normative method does not exclude the possibility of accounting for actual production costs, but also makes such a statement necessary [13, p. 261-262].

He believes that in practice it is not always possible to record deviation from the norms that grow in the production process (replacement of materials, lack of production, additional labor operations, etc.), in the documents therefore there are undocumented deviations that are not taken into account in the formula for definition of actual cost (7):

$$Ac = Nc \pm Dn \pm Cn \quad (7)$$

where Ac - actual cost;

Nc - normative cost;

Dn - deviation from norms (saving or over-spending);

Cn - change of norms (in the direction of their increase or decrease).

Even with a well-adjusted system of documenting deviations, the undocumented deviations account of 30-40%. Also, the change of norms is not always fixed in the documents.

Thus, according to the scientist-economist, the normative method of accounting for the costs of production and the calculation of the cost must summarize the actual costs of production. Deviations from norms are necessary to subdivide into documented and undocumented ones.

The formula for calculating undocumented deviations is represented by the following form (formula 8):

$$Dnd = A\tilde{n} - Nc \pm Dn \pm Cn. \quad (8)$$

Where Dnd – deviations are not documented.

The normative method value he assesses not in the method of calculating the cost of production, but in the ability to control the formation of cost based on the documentation of deviations and changes in norms [13, p. 261-262].

The most rational way to manage is to manage the deviations. During the month, the signaling documentation records the deviation of the norms by component parts (expenditure of materials and additional labor operations), indicating the causes and perpetrators of the deviations.

When changing the predicted parameters of production, there are various deviations. Information about the deviations is handled by the accounting officers and is submitted in the form of a summary (indicating the amount and amount of deviations, the number of the polling station, the codes of the reasons and the perpetrators) in the specified terms.

For a higher level of management, data on deviations in summary form by place of origin and centers of responsibility are required, indicating aggregated data on the causes and perpetrators. For the middle management level,it is required the most detailed data on the variation of particular types of materials and wages. The par-

ticular information is provided for different departments and services of the enterprise.
Primary documents, which consist of deviations, have all necessary information for this: reason and the initiators of deviation [13, p. 237-243].
On all changes of the current norms that are occured at the enterprise regardless of their reasons, messages are issued.
In the reports on the change of norms, along with the indication of the previous and new norms, as well as the resulting difference, the exact date of the introduction of the new norm shall be specified.
All changes of standards are introduced into production only after their introduction into normative-technological documentation.
If the norms are changed during the reporting month, the difference between the norms given in the normative calculation and the new norms until the end of the reporting month is detected and taken into account separately. All changes of the norms introduced during the month are introduced into the normative calculation on the first day of the next month [13, p. 113-114].
When using the normative method of accounting and calculating the cost of BIS there is an opportunity to quickly detect unused economical reserves and apply them in the future for the operational management of production. Thus, the control over the extent of deviations is detected and unresolved problems are identified.

3. Conclusions

Investigating the accounting procedure and the specifics of the cost methodology at the specific enterprises of the industry, it was found that in the practical activity of the enterprise they tend to apply the normative method of cost accounting. It is this method that is more convenient and understandable for accounting practitioners of construction companies in determining the actual cost of the BIS, and in the planned cost of BIW do not need in recent years.
Moreover, it is proving that with the help of this method, the control over the application of established norms for determining the cost of BIW and detecting deviations from the norms of expenditure in an operational manner, ensuring timely the adoption of the necessary organizational measures for the correct calculation of the actual cost of BIW, and also provides interconnection with the the estimated cost and actual costs and is the basis for their determination. And this, in turn, confirms the significance in the construction accounting in particular the normative method.
The investigated enterprises calculate only the estimated and the actual costs. At the same time, the estimated cost is based on the prices and norms laid down in the estimates, which implies the absence of normative costing. Making a planned calculation is considered unnecessary. In our opinion, the planning of the cost of production of construction products involves the cost of its production in the rational and efficient use of material, financial and labor resources, as well as BMM, then the definition of the planned cost of objects (types of works) construction is needed. Since the investigated enterprises use the normative method of cost accounting, the calculation of planned cost must be carried out precisely by this method, despite the fact that the main method of accounting for costs in construction is the object method. In addition, the benefits of the standard method of cost accounting and are presented in two functions: provide operational control over production costs by accounting for costs for current norms and their changes; provide precise calculation of the cost of construction products.

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