

To,  
Technical Manager  
Professional Accountants in Business Committee  
International Federation of Accountants  
545 Fifth Avenue, 14th Floor.  
New York, New York 10017 USA

**Sub:Comments on Exposure Draft IFAC: IGPG**

Dear Sir,

Being a Professional Accountant (AICWA), I would like to offer my comments as under:

**The principles**

1. Do the principles cover all the fundamental areas in thinking about costing and how it drives organizational performance?

**The principles do cover all the fundamental areas in thinking about costing and how it drives organization performance. However I would like to add that:**

- a. Costing information do play a vital role in apprising the transition phase or convergence principle of VALUE. The principle co-relates the cost of assets, inventories or products to future value and therefore, plays a leading role for the managerial evaluation and analysis as well as decision making and mitigating the risk in the business field of accounting and finance.**
- b. Cost Accounting forms the basis for Management Accounting as well as Financial Accounting. Therefore, it is virtually in the motherhood role. Thus the Sound and scientific principles, concepts, conventions, methods and techniques of Cost Accounting on which the system is put to operate would yield the required results to contribute positively in the organizational performance and good governance. Principle A application guidance particularly highlights this essential feature.**

**With the above oversight I am sure that organization performance and governance would excel to perform.**

**The guidance**

2. Is the application guidance for each principle adequate to guide good practice?

**Yes, the application guidance for each principle is adequate to guide good practice\* (subject to General suggestions mentioned below).**

3. Is there national guidance on costing not already mentioned in appendix D that should be considered?

No comments.

**\*GENERAL COMMENTS:**

- **In General I would like to indicate following two basic suggestions:**

- 1. Uniform Costing (Modified): The system and methodology for applying the common/general Cost Accounting System alike Financial Accounting System to a Group of Industries/Sector or Segment such as Manufacturing, Banking/Insurance, Non-Banking Financial, Non-profit Institutions, etc.**

**Within such a general frame work we may have complex, industry specific, objective specific, purpose specific or product specific Costing Systems to operate.**

- 2. To keep a pace with the world over emerging, changing scenario and robust system feature Uniform (International/Global) Cost Accounting Standards, Cost Auditing Guidelines, Generally Accepted Cost Accounting Concepts and Conventions, Rules and Guidelines in timely and systematic manner need to be evolved, recognized and mandated for all the member countries/bodies to follow with.**

**With Regards**

**Ashutosh Kumar Gupta**

**Associate Member of ICWAI (M-21517)**

**Aug.19,2008**