Abstract:

The concept of impact of Costing Systems on the financial position of Small Scale Engineering Tool Industries indicates the difference in performance in Production, Sale and Profit between the Small Scale Engineering Tool Industries using Costing Systems and the Small Scale Engineering Tool Industries that are not using costing system in Maharashtra. This research study is based on the industrial survey, which included 245 small scale engineering tool industries in Maharashtra. Sample of the research study are selected out of 5321 population of different districts in Maharashtra. Data are collected through questionnaire from accountant and cost accountant or manager or concern contact person. Data analysis is made through using the SPSS version 19 software. Hypotheses are tested through Chi-Square method using SPSS version 19 software. The data analysis presented with the help of different tables and different graphs as per the requirement of research objectives. This research work includes five chapters to provide the research objectives such as the growth of Small Scale Sector, study of costing systems in Small Scale Engineering Tool Industries.

Firsts Chapter Introduction deals with the introduction of industrialization
in India. Progress of the industrialization over the last fifty to sixty years has been analyzed. Maharashtra is the leading state in concern of growing industrialization. State has adapted favorable industrial policies that affect on the establishment of good industrial infrastructure which can help to continuous accelerate the speed of industrial growth. Meanings, Definition, role of Small scale sector are explained. Evolution of Costing System is studied from the period of 15th century in the world. Basic Costing concepts, different costing methods and different costing techniques are explained.

Review of literature is second chapter includes the research related literature in different available sources. Such review has been taken sources like research thesis, books, research articles and government reports by researchers, scholars, thinkers, authors, economist, philosophers, professionals, government etc. This chapter is provided 9 relevant thesis from different universities, 10 books, 20 research articles and 2 government reports.

Chapter third growth of Small Scale Sector provides the growth of micro small and medium scale sector in India and Maharashtra for the period of 2000-2001 to 2010-201. Growth of micro, small and medium scale industries had been seen in the period of 2001-2002 to 2013-2014 was 105.21 lakh to 488.46 lakh, Growth in employment was 249.33 lakh was increased at 1114.29 lakh. Growth in market value of fixed assets of small and medium scale industries was in 2001-02 at Rs.154349.00 crore and it was grow at Rs.1363700.54 crore in the year 2013-14
Manufacturing output of the small scale and medium scale industries contributes a significant role in the total manufacturing output of the country. Year 2001-2002 shows the gross value of the output of MSME sector at Rs.1132913.97 crore that was reached at 1809976 crore in the year 2012-2013. Percentage share of MSME in total output was 39.71% in 2000-2001 it was constantly maintained at 37.52% in the year of 2011-2012 and contribution in GDP 6.04% was shown in 2000-2001 that was 7.04% in the year 2012-2013. Export of the MSME has contribute at Rs.69797 crore in the year 2001-2002 that was at Rs.232850 crore in the year 2009-2010.

Chapter fourth deals with the analysis of data collected from Small Scale Engineering Tool Industries of Maharashtra in concern with the research objectives and hypothesis. The data are collected from 245 Small Scale Engineering Tool Industries working in different districts of Maharashtra. The research data are highly connected with the working style and implementation of different costing system in the Small Scale Engineering Tool Industries. As per the data analysis 80.82% Small Scale Engineering Tool Industries using costing systems and they are maintaining separate costing department and 19.18% small Scale Engineering Tool Industries are not using costing systems for the purpose of cost control. Overall financial performance of costing system using Small Scale Engineering Tool Industries is more than not using costing system Small Scale Engineering Tool Industries due to the establishment of costing department and
implementation of suitable costing methods and use of different costing techniques.

Summary, Conclusion, Findings and Suggestion is the last topic which provides the summary, major conclusion, major findings, important suggestions and concluding remark on the research work.

According to the research problem statement “In order to survive for the long run, small scale enterprises ultimately must be able to show that it can make more money from a product or service than it cost to make that product or service. Enterprises face the problems of, not be able to increase revenues at a consistent cost level. Enterprises not are able to reduce costs given consistent revenue levels. Enterprises not increase revenues at a rate faster than costs increase. Enterprises not decrease costs at a rate faster than revenues decrease. Costing is the expensive system hence not able to adaptable to small scale enterprises”. Costing system has different methods and techniques of costing to solve the problem of controlling and reduce cost at consistent. It also solve the problem of increase the revenues at a rate faster than the expenditure of cost. Costing systems also provides the information of financial analysis to the management of the industry’s future decisions. This is a system to be compulsory maintained by small scale engineering tool industries for their long term survival and future growth in the competitive market.

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