

CHARACTERISTICS OF ACTIVITY BASED COSTING METHOD

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Abstract: *Activity-based costing (ABC) was created to provide more accurate ways of assigning the cost of indirect and support resources to activities, business processes, products, services and customers. ABC systems recognize that many organizational resources are required not for physical production of units of product, but to provide a large number of support activities that enable a variety of products and services to be produced for a diverse group of customers. ABC is one of the tools used in the value maximization process.*

Key words: *Maximizing company value, Costing methods, Activity based costing, Overhead rate, Cost assigning, Activity cost pools, Cost of idle capacity.*

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