

Development of alternative cost accounting methods of wood harvesting in Russia

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An improvement in cost accounting (CA) is one of the most important elements of the development of modern logging industry in Russia. CA of wood harvesting is important for management and decision making; it provides necessary information for choosing the optimal method of wood harvesting and for increasing profitability of business. The domestic method of CA has a long history of development during the whole period of planning economy in Russia. Now domestic method of CA has been used only for taxation purposes.

Nowadays the Nordic machines for wood harvesting play the important role in the Russian wood harvesting development. Cost per machine hour is the important factor for future development of CA in Russia. Nowadays, the Nordic CA method of wood harvesting is an alternative for traditional method. The Nordic approach has been promoted also by making textbooks and leaflets of the CA in forest work with international cooperation.

In this presentation the general points of domestic CA method and Nordic CA method of wood harvesting cost calculation are compared. Both in the domestic and Nordic methods wood harvesting costs are divided into fixed and variable costs. The most difference between these two methods is that exchange value of the new machinery is taken into account in the Nordic method, but not in the domestic method.