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# A comparative study of the different costing techniques and their application in the pharmaceutical companies

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## Abstract

After its induction in the 19th century, the pharmaceutical industry covered a long way and now it became one of the most successful and influential industries in the world, with both praise and controversy on its part. The current study is performed on the pharmaceutical firms working in the Punjab (Pakistan). Like the other profit-driven organizations, the main aim of the pharmaceutical firms is to earn the maximum profit. The profitability also depends on the costing system. The current paper evaluates the costing systems, the level of satisfaction regarding the costing system, the major problems faced during the costing process and the best method of costing in the pharmaceutical sector. The questionnaire was designed for the collection of data from 130 pharmaceutical companies working in the Punjab. For the data analysis, the descriptive statistics and the graphical method were used. The significant result of the study is that most of the organizations used the marginal costing and many managers are satisfied with the costing system which they are using.

**Keywords:** Pharmaceutical industry, costing system, marginal costing, ABC costing, Punjab.

**JEL Classification:** M41.

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