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TABLE OF CONTENTS

	PAGE
ACKNOWLEDGEMENTS	
INTRODUCTION.....	1 - 4
OBJECTIVES.....	5
METHODOLOGY.....	6
SCOPE AND LIMITATION OF STUDY.....	7
LITERATURE REVIEW.....	8 - 19
FINDINGS AND ANALYSIS OF FINDINGS	
Company Profile.....	20 - 23
The Existing Costing System.....	24
Basic Elements In The Existing System...	24 - 32
Role Of Costing In The Operation Of The Company.....	33 - 38
Weaknesses.....	38 - 39
CONCLUSION.....	40 - 42
RECOMMENDATIONS.....	43 - 48
ENDNOTES	
BIBLIOGRAPHY	
APPENDICES	

INTRODUCTION

According to the provision of law either in the law of the Countries or religious laws, it is illegal and sinful to steal or break into other people properties and right. Based on this fact, another section in services industries was created. It is known as security services industry. However, this industry and public law enforcement are two different thing as public has the option either to render the services or to depend on the enforcement of public laws. Furthermore, these companies only operate within the area that they are contracted.

The growth of this industry cannot be denied anymore as public recognised security as one of their needs. This fact is supported by Maslow's Need Hierachy Theory as he ranked security as the second level of the hierachy (Refer Diagram I).¹ Furthermore, with the increased in crime today, public is more aware to the important of security.

In our country, Malaysia, according to analysis given by Ministry of Domestic Affairs there are 75 security companies in operation. However, this figure only represents the registered one as there are also illegal companies which operate without a licence. Security company licence is issued by Ministry of

Domestic Affairs. Registration is required for monitoring both the growth and also the quality of these companies. An association known as Persatuan Kawalan Keselamatan is also set up by the Ministry to ensure uniformity of the registered companies.

As one of the type of companies which is also operating for profit, a proper costing method is required. However, problem arises as all the costing systems created normally give more emphasis on product based industry rather on people based industry like security services. The suitability of these systems for the implementation in this industry is another question due to the different nature of operations. The problem becomes deeper as policymakers are not aware to the increased in contribution of the people based industries to the growth of economic. Thus, the question to be asked, " **HOW DOES THE SERVICES INDUSTRIES DO THEIR COSTING ?** ". Like product based industries, this services industry also requires a proper costing plan starting from budgeting, recording actual results and comparing stages to ensure the profitability level of their operations. In the process, the industry also required to seek for the suitability of costing concepts like relevant costs, differential costs, opportunity costs and others to their nature.