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Pricing Decisions and the role of Cost Accounting Systems and Cost Information in Tourism Organisations

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ABSTRACT

The accounting literature reports that the ability to set prices efficiently for products and services is supported by an effective costing system. Prior research indicates the dominance of pricing methods using fixed and variable cost information and discusses the benefits of applying sophisticated costing methods to aid in pricing decisions. The purpose of this paper is to investigate the role of cost information and costing systems in the pricing decisions of tourism organisations. Data was collected via an online survey instrument from a range of Queensland tourism organisations. Full cost information was found to have relatively greater importance. Customer oriented and short-term survival objectives were found to be the more important pricing objectives. Several correlations were found between sophistication of the cost accounting system and choice of pricing method and objectives. This paper contributes to the literature by providing an analysis of the role of cost information and cost accounting systems in pricing decisions within tourism organisations.

Keywords: Cost information, pricing decisions, cost accounting systems, Tourism industry