CONTROLLING

MANAGEMENT ACCOUNTING

1. Introduction

Controlling Module in SAP provides supporting information to Management for the purpose of planning, reporting, as well as monitoring the operations of their business. Management decision-making can be achieved with the level of information provided by this module.

Some of the components of the CO (Controlling) Module are as follows:

- Cost Element Accounting
- Cost Center Accounting
- Internal Orders
- Activity-Based Costing (ABC)
- Product Cost Controlling
- Profitability Analysis
- Profit Center Accounting

Cost Element Accounting: component provides information which includes the costs and revenue for an organization. These postings are automatically updated from FI (Financial Accounting) to CO (Controlling). The cost elements are the basis for cost accounting and enable the User the ability to display costs for each of the accounts that have been assigned to the cost element. Examples of accounts that can be assigned are Cost Centers, Internal Orders, WBS (work breakdown structures).

Cost Center Accounting: provides information on the costs incurred by your business. Within SAP, you have the ability to assign Cost Centers to departments and /or Managers responsible for certain areas of the business as well as functional areas within your organization. Cost Centers can be created for such functional areas as Marketing, Purchasing, Human Resources, Finance, Facilities, Information Systems, Administrative Support, Legal, Shipping/Receiving, or even Quality.

Some of the benefits of Cost Center Accounting: (1) Managers can set Budget /Cost Center targets; (2) Cost Center visibility of functional departments/areas of your business; (3) Planning; (4) Availability of Cost allocation methods; and (5) Assessments/Distribution of costs to other cost objects.

Internal Orders: provide a means of tracking costs of a specific job, service, or task. Internal Orders are used as a method to collect those costs and business transactions related to the task. This level of monitoring can be very detailed but allows management the ability to review Internal Order activity for better-decision making purposes.

Activity-Based Costing: allows a better definition of the source of costs to the process driving the cost. Activity-Based Costing enhances Cost Center Accounting in that it allows for a process-oriented and cross-functional view of your cost centers. It can also be used with Product Costing and Profitability Analysis.

Product Cost Controlling: allows management the ability to analyze their product costs and to make decisions on the optimal price(s) to market their products. It is within this module of CO (Controlling) that planned, actual and target values are analyzed. Sub-components of the module are:

- Product Cost Planning which includes Material Costing(Cost estimates with Quantity structure, Cost estimates without quantity structure, Master data for Mixed Cost Estimates, Production lot Cost Estimates) , Price Updates, and Reference and Simulation Costing.

- Cost Object Controlling includes Product Cost by Period, Product Cost by Order, Product Costs by Sales Orders, Intangible Goods and Services, and CRM Service Processes.

- Actual Costing/Material Ledger includes Periodic Material valuation, Actual Costing, and Price Changes.

Profitability Analysis: allows Management the ability to review information with respect to the company's profit or contribution margin by business segment. Profitability Analysis can be obtained by the following methods:

- **Account-Based Analysis** which uses an account-based valuation approach. In this analysis, cost and revenue element accounts are used. These accounts can be reconciled with FI(Financial Accounting).

- **Cost-Based Analysis** uses a costing based valuation approach as defined by the User.

Profit Center Accounting: provides visibility of an organization's profit and losses by profit center. The methods which can be utilized for EC-PCA (Profit Center Accounting) are period accounting or by the cost-of-sales approach. Profit Centers can be set-up to identify product lines, divisions, geographical regions, offices, production sites or by functions. Profit Centers are used for Internal Control purposes enabling management the ability to review areas of responsibility within their organization. The difference between a Cost Center and a Profit Center is that the Cost Center represents individual costs incurred during a given period and Profit Centers contain the balances of costs and revenues.

Controlling (CO) and Financial Accounting (FI) are independent components in the SAP system. The data flow between the two components takes place on a regular basis.

The data relevant to cost, flows automatically to Controlling from Financial Accounting. At the same time, the system assigns the costs and revenues to different CO account assignment objects, such as cost centers, business processes, projects or orders. The relevant accounts in Financial Accounting are managed in Controlling as cost elements or revenue elements. This enables you to compare and reconcile the values from Controlling and Financial Accounting.

2. Maintain Controlling Area

An organizational unit within a company, used to represent a closed system for cost accounting purposes.

A controlling area may include single or multiple company codes that may use different currencies. These company codes must use the same operative chart of accounts.

All internal allocations refer exclusively to objects in the same controlling area.

The company code assignment to the controlling area must be made according to the processes your company has in logistics and accounting. The organizational environment is also very important. It is difficult or at best, time-consuming to change the 1:1 or 1:N relationship between the controlling area and company code after the decision and the assignment have already been made.

The company code and controlling area organizational units can be combined in a number of ways. Using these combinations you can represent organizations with different structures.

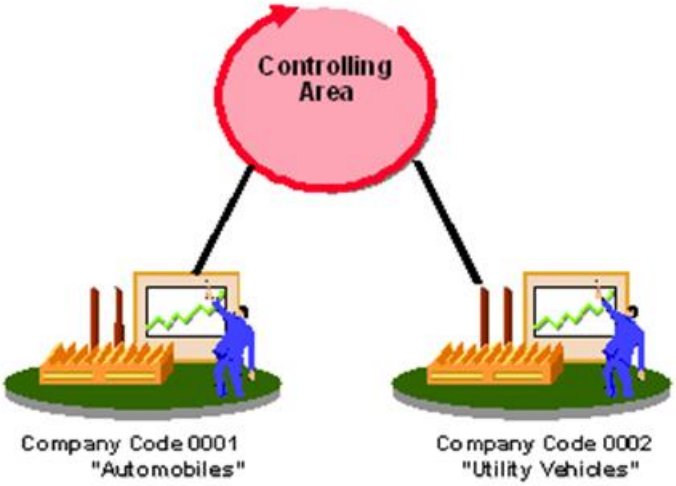
One Controlling Area is Assigned to One Company Code

In this example, the financial accounting and cost accounting views of the organization are identical.

Multiple Company Codes Assigned to One Controlling Area

This example is **Cross-Company Code Cost Accounting.** Cost accounting is carried out in multiple company codes in one controlling area. All cost-accounting relevant data is collected in one controlling area and can be used for allocations and evaluations. In this case, the external and internal accounting perspectives differ from each other.

For example, this method can be used if the organization contains a number of independent subsidiaries using global managerial accounting. Cross-company code cost accounting gives you the advantage of using internal allocations across company code boundaries.



If you assign more than one company code to **one** controlling area, then you need to note the following:

- You need to use same operational chart of accounts for all company codes

You need to treat each cost element (in all company codes) in the same way (for example, as a primary cost element, or as an accrual cost element).

In Financial Accounting, you can also use country-specific charts of accounts.

- The operative fiscal year variants in the company codes must match the fiscal year variants in the controlling area.

- You should execute period-end closing in Controlling for all company codes at the same time. Separate period-end closing for each company code would be too time-consuming.

You can only execute period-end closing for a shared controlling area once closing is complete in Financial Accounting.

- If you wish to calculate plan prices automatically, you need to wait until planning is complete.

- The system only posts reconciliation postings across company codes without tax, which means that it cannot automatically create invoices.

For tax reasons, cost flows (that are cross-company code) in Controlling can only be passed onto Financial Accounting if the company codes form an integrated company with sales tax.

- If you wish to prevent cross-company code postings in Controlling, then you need to create a detailed authorization concept.

- **Retrospectively** excluding a company code in another SAP system or client, requires more time and effort than in cost accounting by company code.

- If you only use **one** controlling area, you can only use **one** operating concern.

- You can only display profit center allocations in a controlling area.

- You can only use transfer prices within a controlling area.

You need to take the following into consideration when deciding on the controlling area – company code assignment:

- It is currently not possible to make CO allocations across controlling areas.

However, if you then create a controlling area with more than one assigned company code so that you can use all the functions in Controlling, you may be causing a significant amount of extra work. Therefore, check to see if you really need a 1:n relationship and whether the extra work it would create is acceptable.

SAP recommends a **1: N relationship** between controlling area and company code for the following situations:

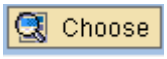
- Cross-company code transactions that MUST be processed in a controlling area, for example, production in an associate plant, special cases of intercom any processing.
- Cross-company code CO postings that can be displayed in the reconciliation ledger, such as assessments, capitalization of internal activity in Asset Accounting, activity allocation.
- Representation of group costing
- Use of Profit Center Accounting and transfer prices
- Multilevel Product Cost Management across company codes

SAP recommends a **1:1 relationship** between controlling area and company code for the following situations:

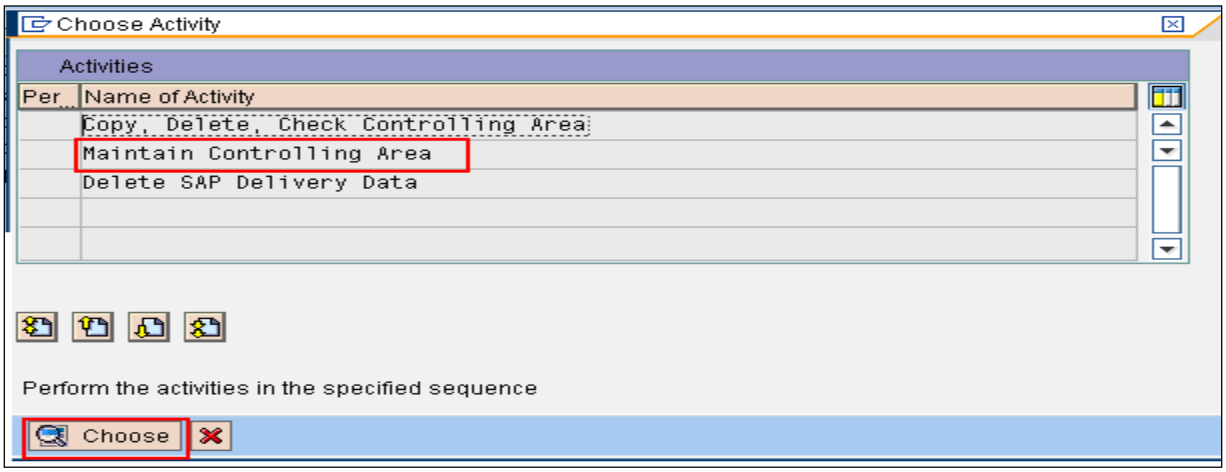
- Consolidated analysis of settled transactions across company codes in Profitability Analysis (CO-PA) In this situation, you assign more than one controlling area to an operating concern
- Representation of intercom any processes, whereby producing and delivering plant are the same.

Path: SPRO→ Controlling → General Controlling → Organization → Maintain Controlling Area.

Transaction Code: OKKP
Database Table: T001, TKA00, TKA01, TKA02, TKA07, TKA09, TKT09, TKVS, TKVST

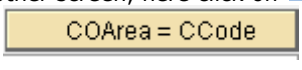
Click on  (IM Activity), select "Maintain Controlling Area" click on 

button or pres enter key



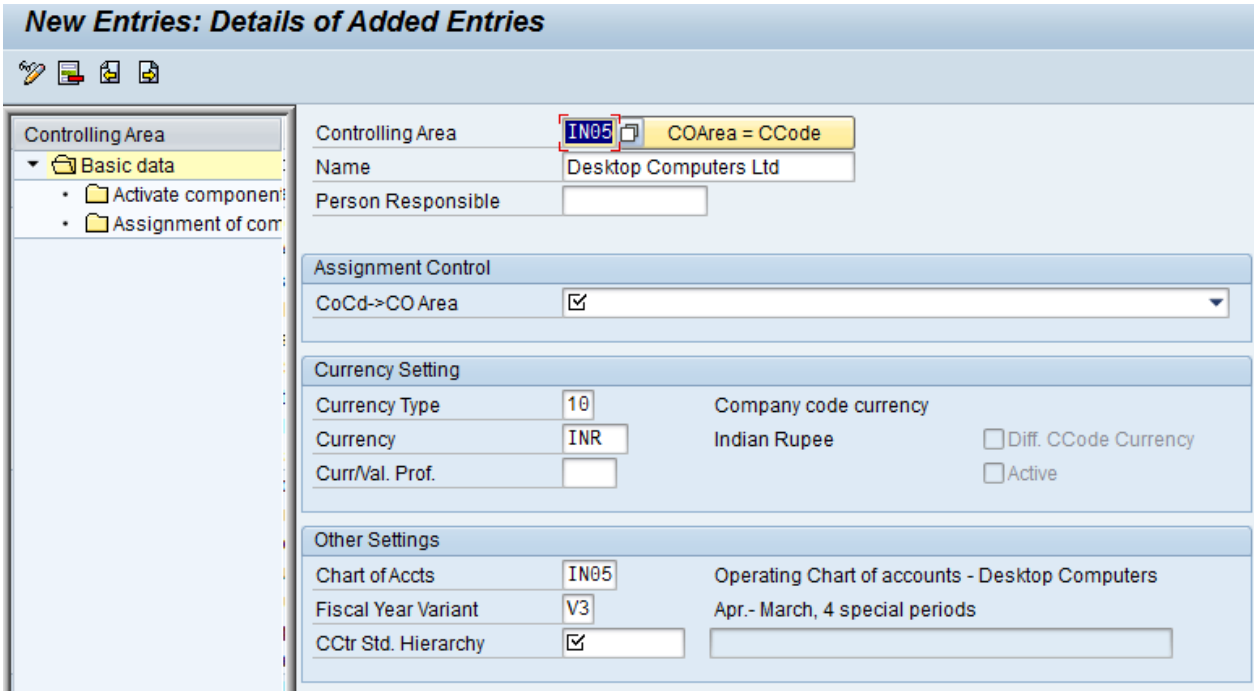
It take to another screen, here click on 

it will take to following screen.

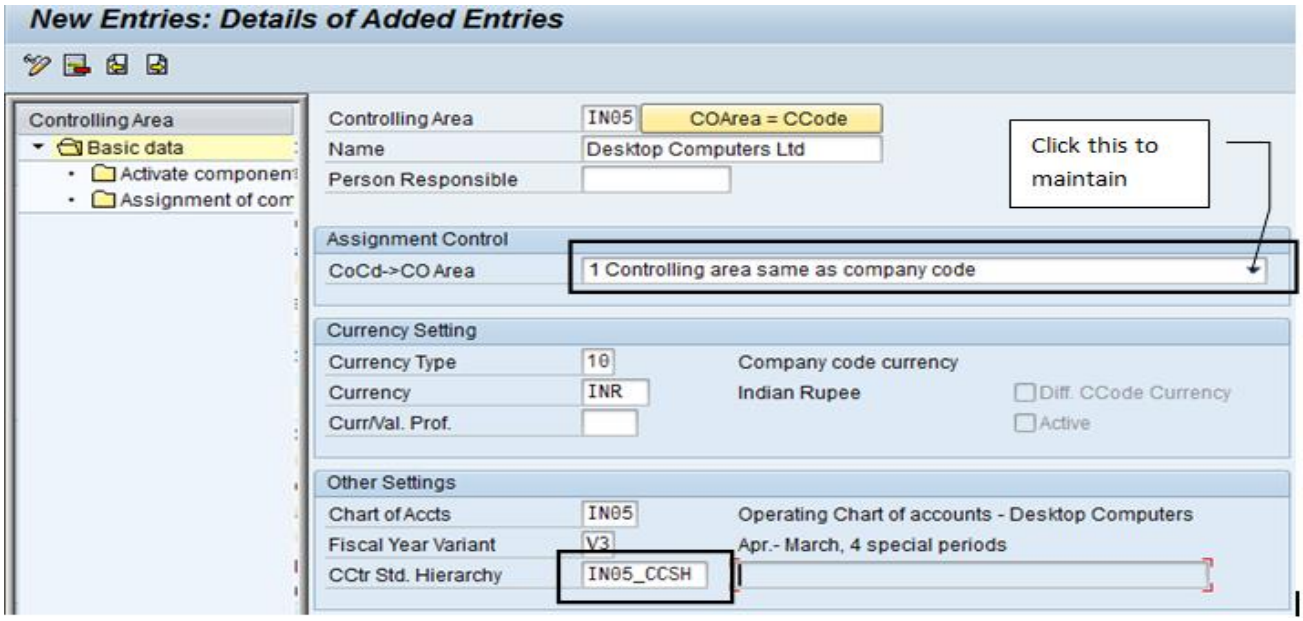
Now click on 

button so it will display following small window.

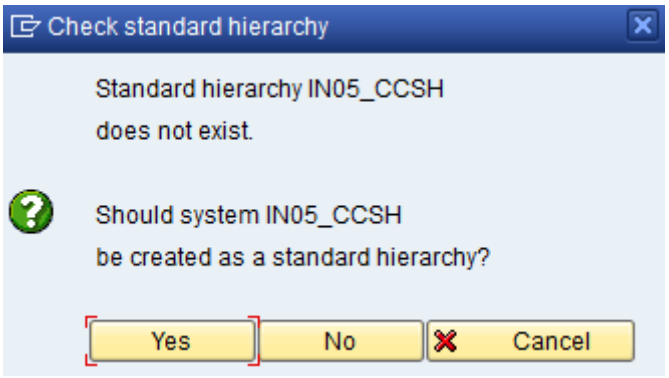
Enter your company code and pres enter button or click on continue key.
So it will copy few parameters to this screen form company code parameters as follow.



The other parameters we have to maintain as follow:



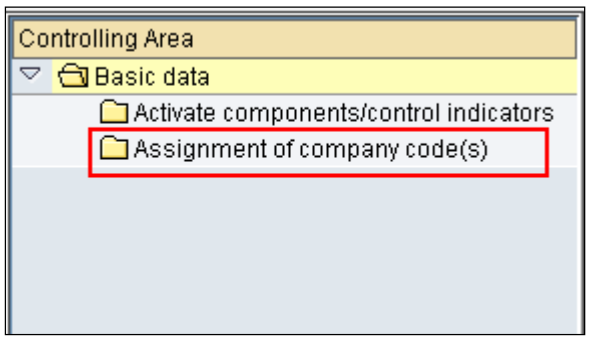
Now pres on save button and pres on save button so it will display following dialogue box:



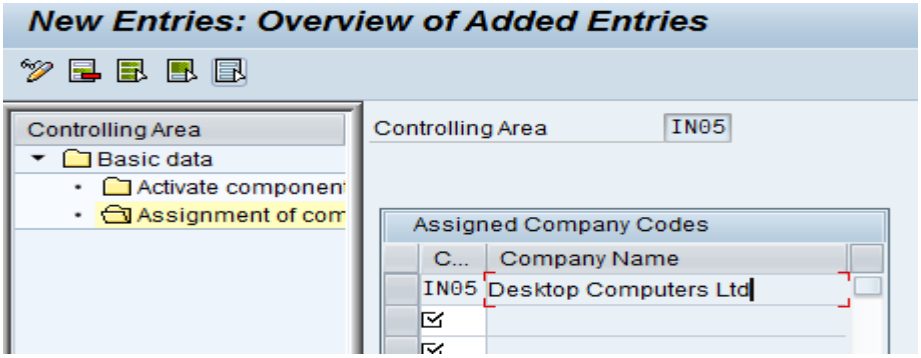
Just pres enter key or pres on yes button it will save automatically.

Standard Hierarchy is a tree structure containing all the cost centers in a controlling area from the Controlling standpoint.

Now double click on "Assignment of company code" at left side as in follow window:

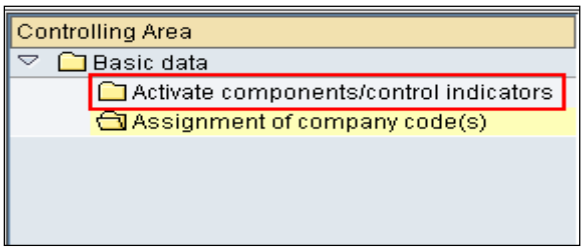


Now click on  button and assign your company code as follow:

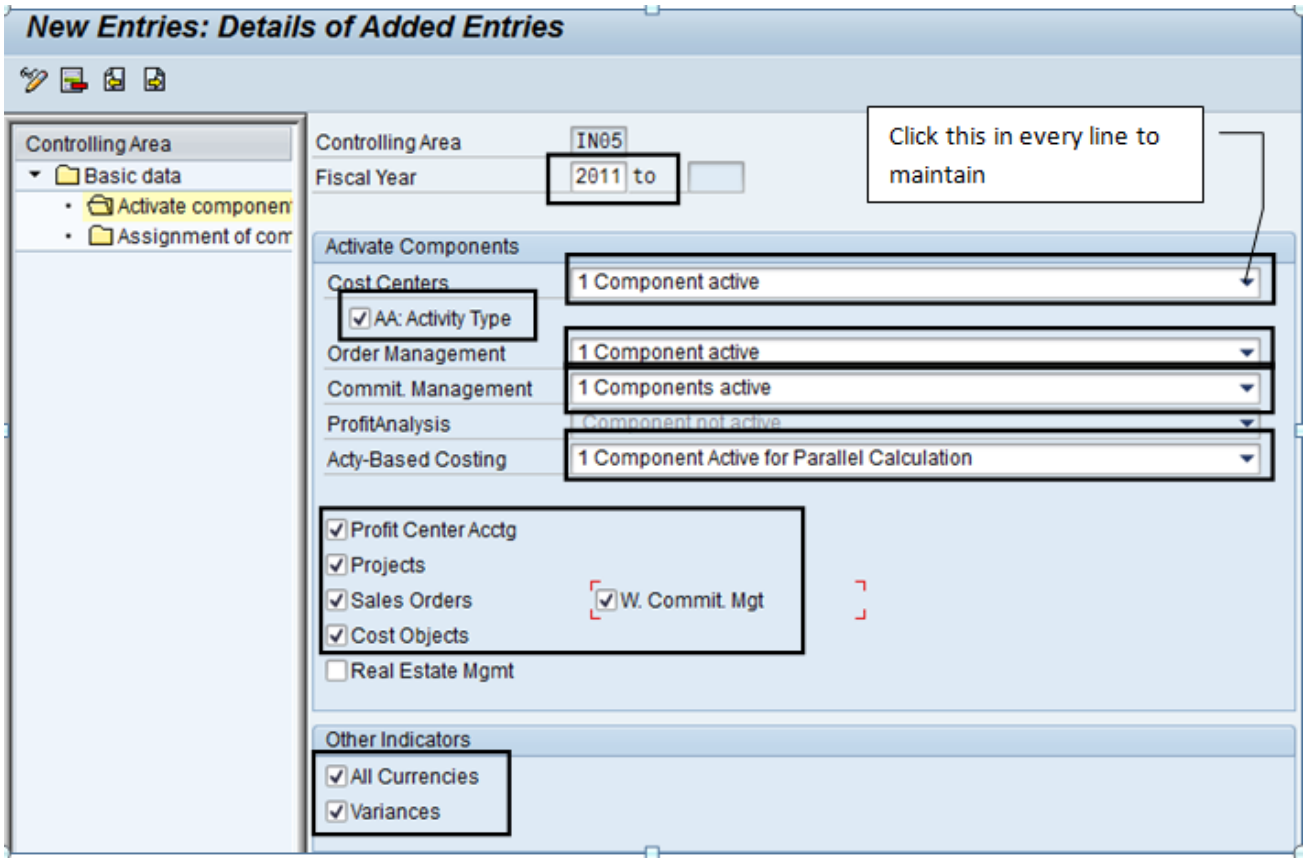


Now pres on save button .

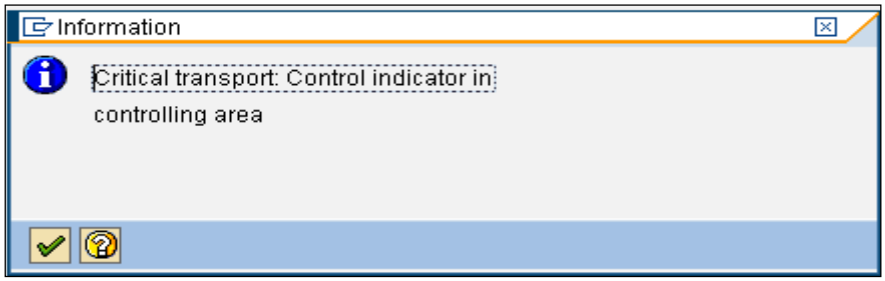
Now double click on "Activate Components/Control Indicators" at left side as I shown in following window:



It will take to another screen here pres on  . In this screen non of the components will be in active. So we have active all of them as follow:



Click on save button  to save the activity, it display the following information window:



And go back  to SPRO screen.

Maintain Number Ranges for Controlling Documents

Areas in which numbers are assigned that refer to business objects of the same type. Examples of objects:

- Business partners
- G/L accounts
- Orders
- Posting documents
- Materials

One or more number range intervals are specified for each number range, as well as the type of number assignment.

There are two types of number assignment:

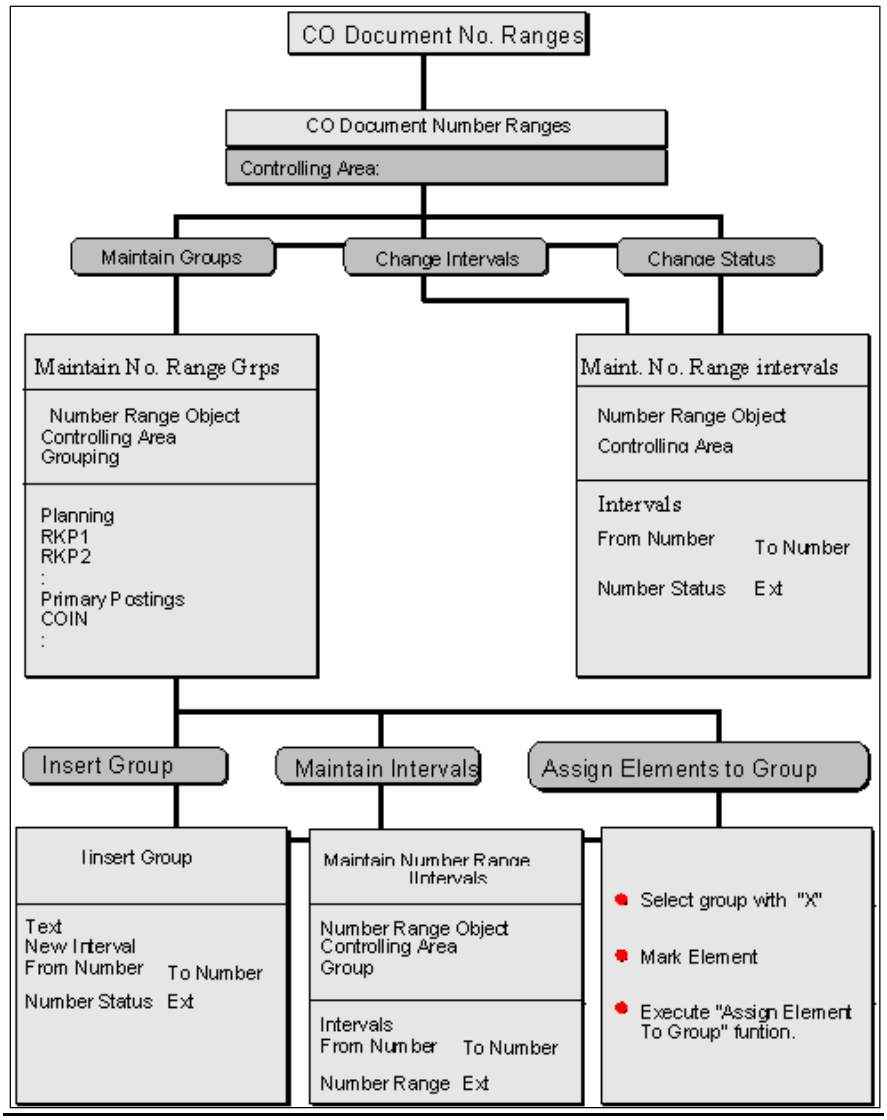
- **Internal:** hen saving a data record, the **SAP system** assigns a sequential number that lies within the corresponding number range interval.
- **External:** When saving a data record, either **the user** or an **external system** assigns a number. The number must lie within the corresponding number range interval.

The system generates a document number for each business transaction. Business transactions are classified according to CO transactions.

The business transaction Direct Internal Activity Allocation belongs to the Controlling transaction Actual Activity Allocation.

This means that you must assign each transaction to a number range interval. It is also possible to define multiple business transactions in one number range interval.

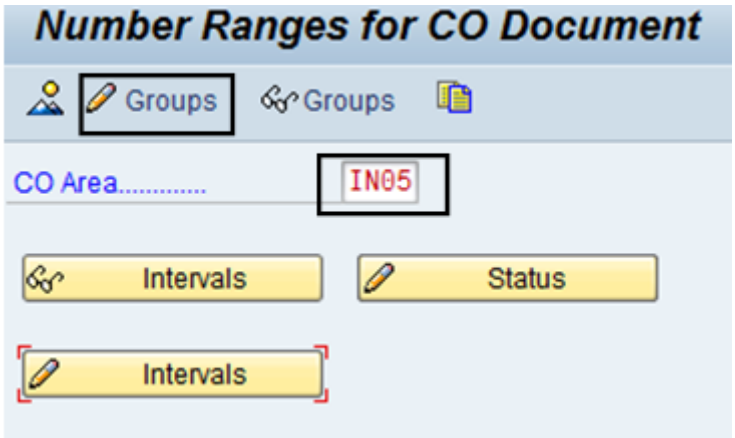
The Controlling component provides a large number of transactions for each controlling area.



Path: SPRO→ Controlling → General Controlling → Organization → Maintain Number Ranges for Controlling Documents.

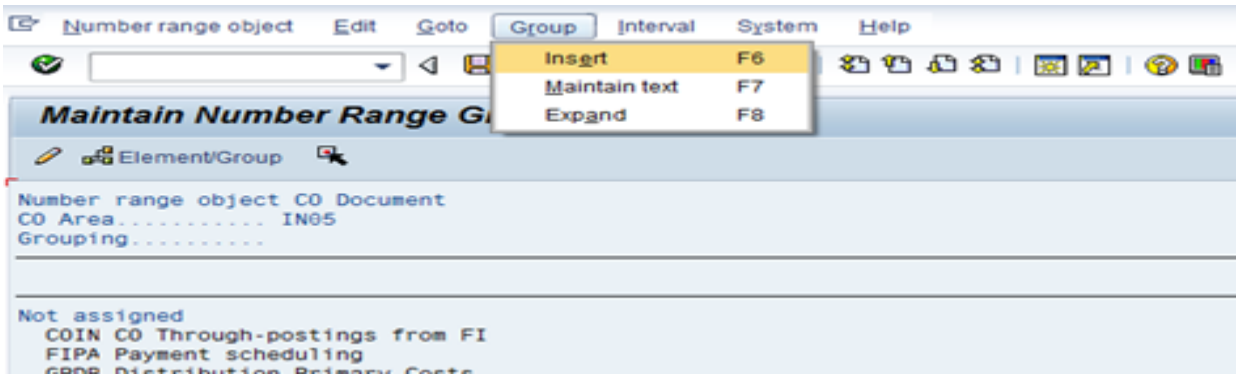
Transaction Code: KANK

Click on  (IM Activity),

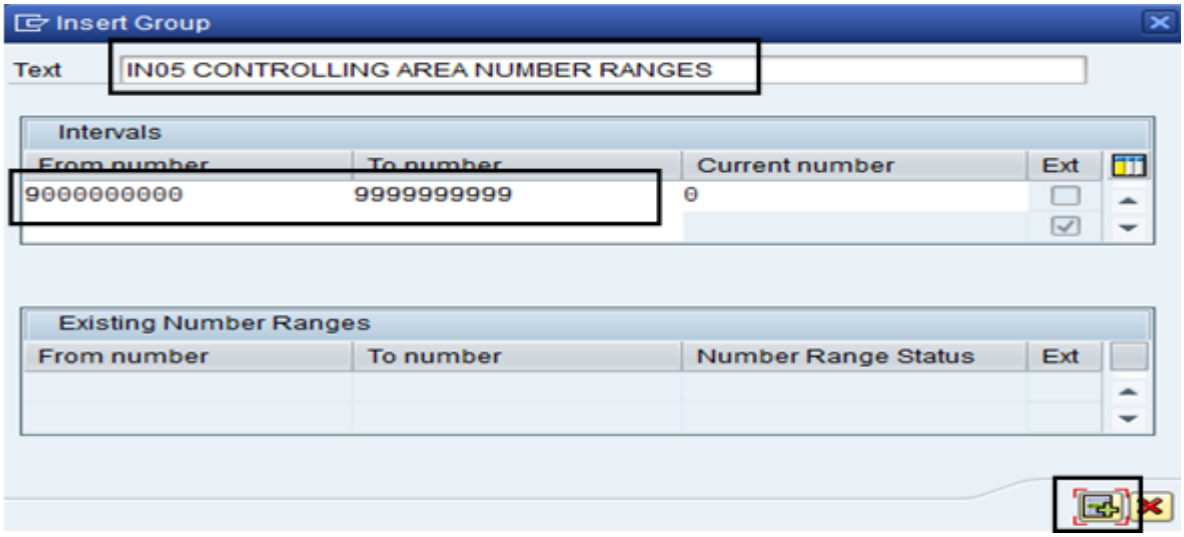


In above window enter your Controlling Area and pres on Maintain Groups button 

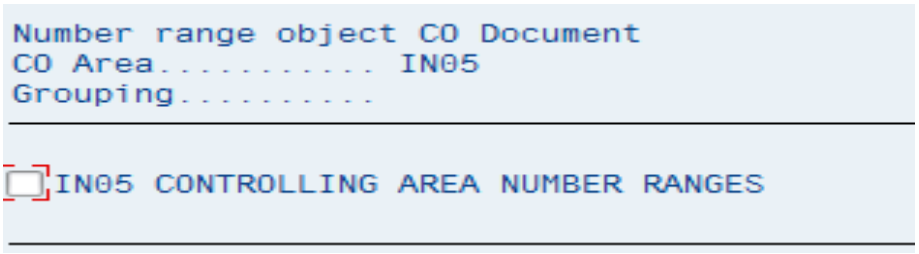
So it will take to following screen:



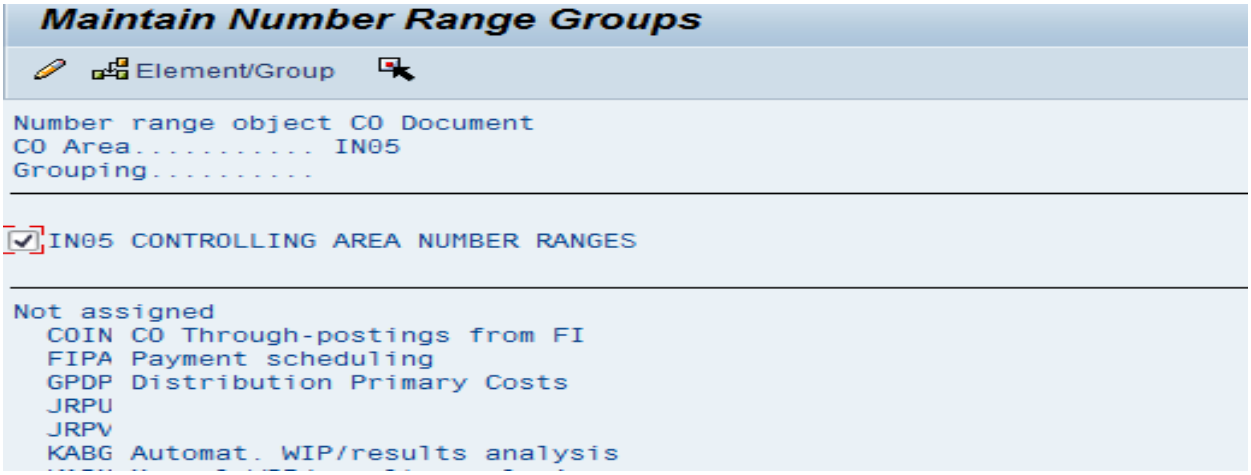
In above window go to mane bar "Group + Insert" it will display following window:



In the above window enter text and number range and pres enter key or click on insert  button so it will appear on the top of main window as follow:



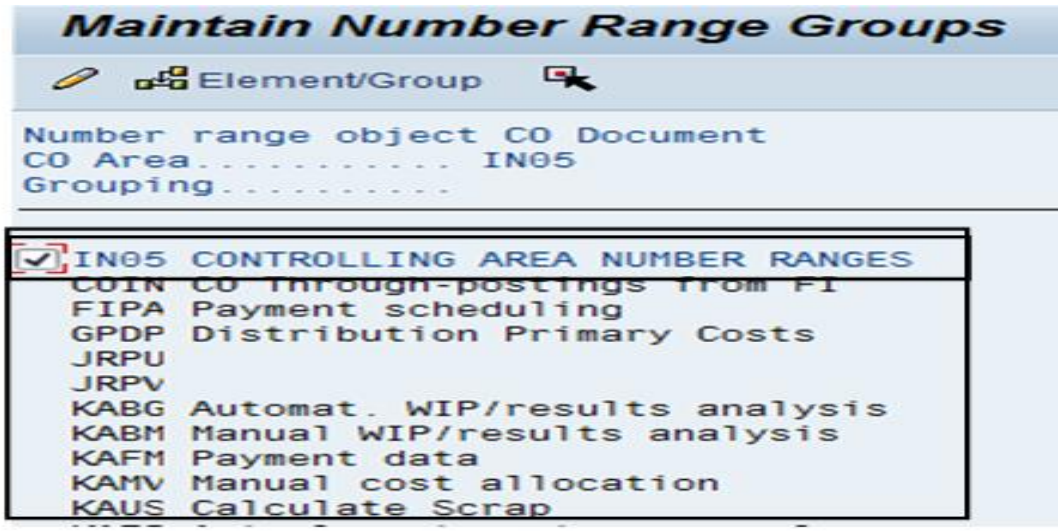
Select the check box and double click number range objects as follow (when you double click on each number range objects the color of each object will change to blue from black)



Like above do for all number objects.

Now pres on  button which appears at top of the screen.

So your all number range objects will assign to your number range as follow:



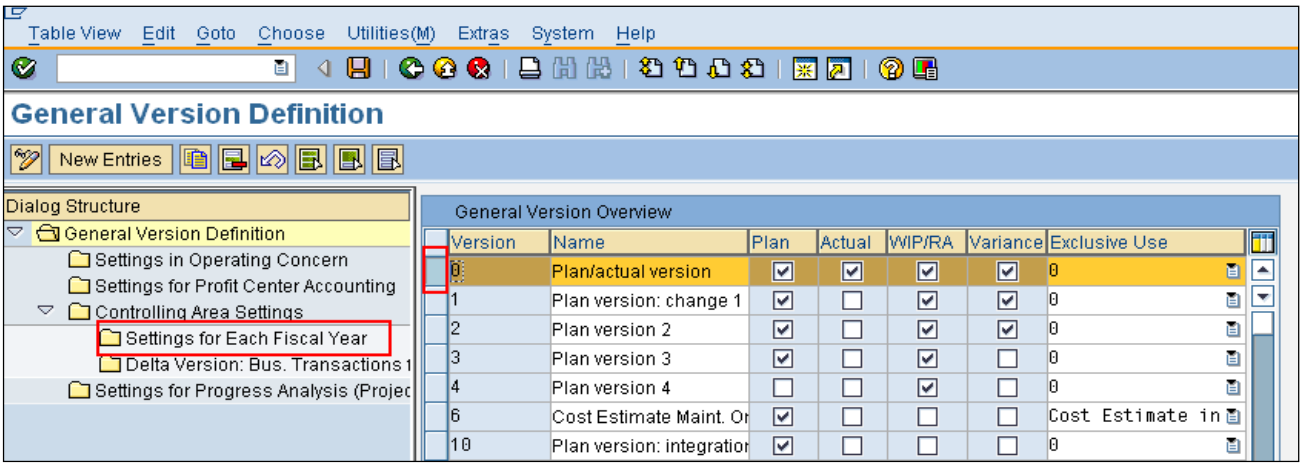
Click on save button  to save the activity and go back  to SPRO screen.

3. Maintain Versions

Path: SPRO→ Controlling → General Controlling → Organization → Maintain Versions.

Transaction Code: OKEQ

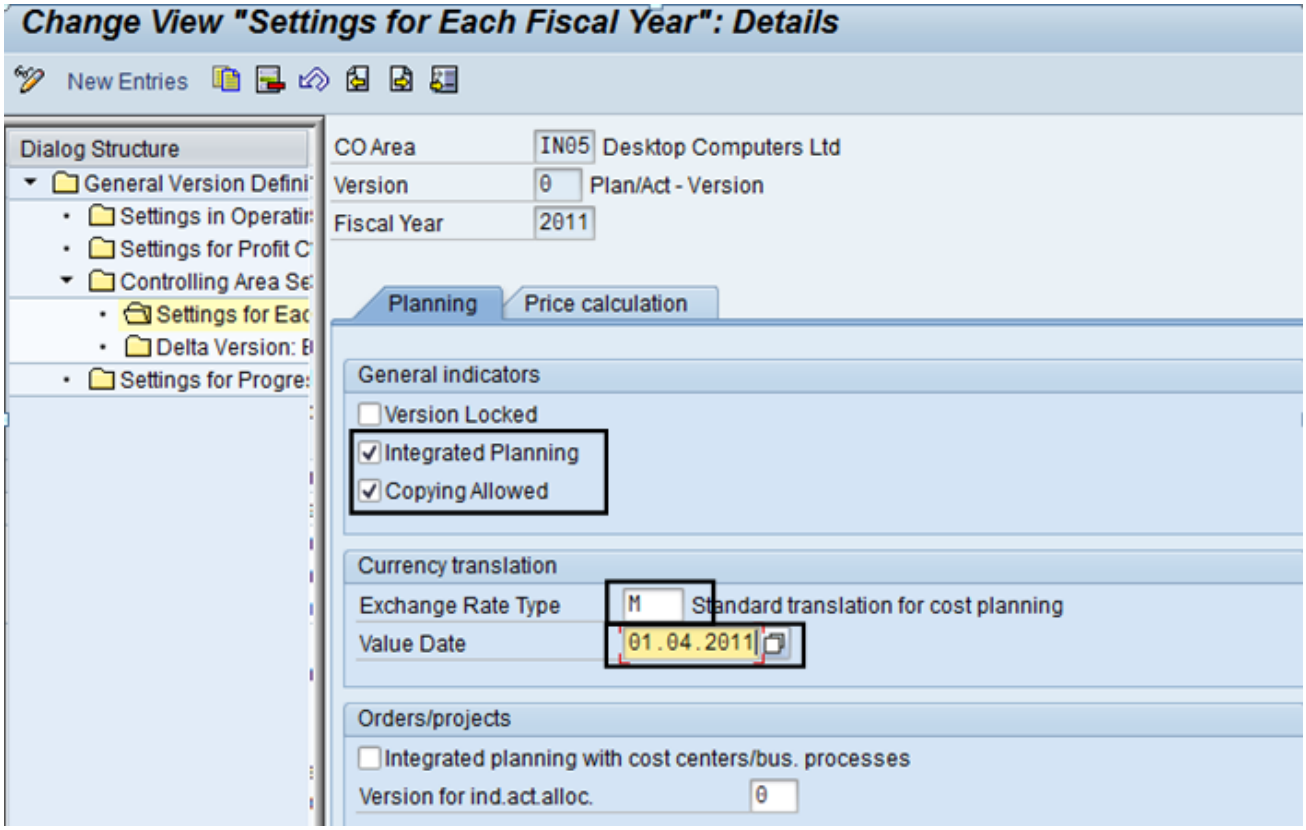
Click on  (IM Activity),



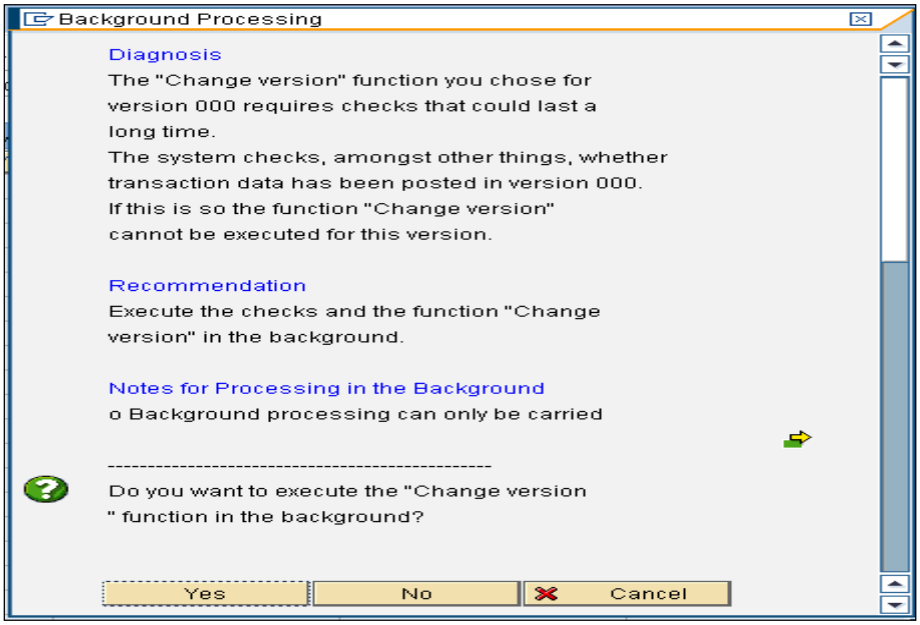
Select Version 0 and double click on "Settings for Each Fiscal Year". It will display following screen:

In this window enter your controlling area and pres enter or click on continue key.

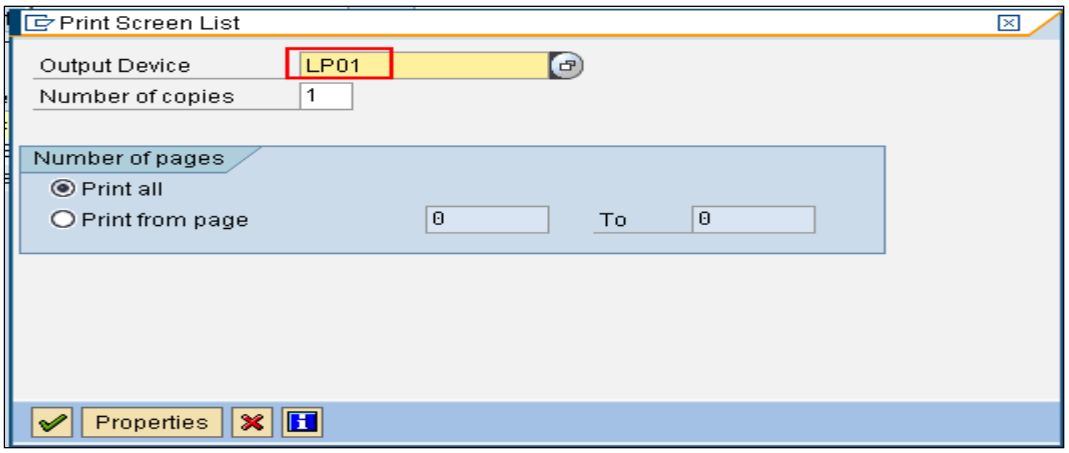
It will display another window click on  .



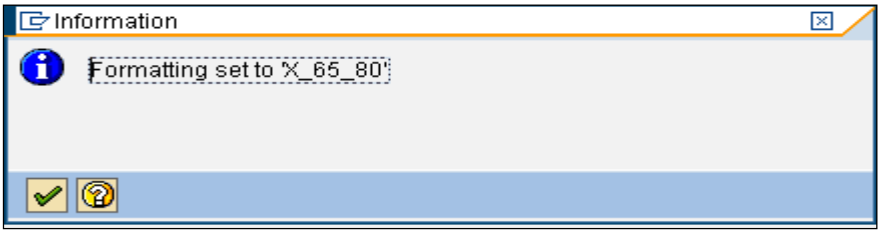
Enter above parameters and Click on save button to save the activity so it will display the following window:



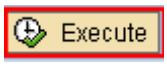
In the above window pres "YES":



In the above window type "LP01" as Output Device and pres enter button or click on continue button:



pres enter button or click on continue button:

Now click on 

button and go back  to SPRO screen.

PROFIT CENTER ACCOUNTING

EC-PCA lets you calculate internal operating results for SBU. A profit center represents an organizational subunit that operates independently on the market and bears responsibility for its own costs and revenues. You organize your organization into profit centers by assigning the master data of each profit-relevant objects (materials, cost centers, orders, projects, sales orders, assets, cost objects, and profitability segments) to a profit center.

All the business transactions in the SAP system which are relevant for costs and profits are updated in the profit centers at the same time they are processed in the original module, and organized according to cost and revenue elements. This transforms all the flows of goods and services within the company into exchanges of goods and services between profit centers. This profit center structure applies for both actual postings and profit center plan data.

A profit center is an organizational unit in accounting that reflects a management-oriented structure of the organization for the purpose of internal control.

You can analyze operating results for profit centers using either the cost-of-sales or the period accounting approach.

By calculating the fixed capital as well, you can use your profit centers as investment centers.

Profit center Accounting at the profit center level is based on costs and revenues. These are assigned statistically by multiple parallel updating to all logistical activities and other allocations of relevance for a profit center.

The exchange of goods and services between profit centers can be valuated using the same valuation approach as in financial accounting or another approach

The master data of a profit center includes the name of the profit center, the controlling area it is assigned to, and the profit center's period of validity, as well as information about the person responsible for the profit center, the profit center's assignment to a node of the standard hierarchy, and data required for communication (address, telephone number and so on).

Every profit center is assigned to the organizational unit controlling area. This assignment is necessary because Profit Center Accounting displays values in G/L accounts.

The system transfers all the data to Profit Center Accounting together with the G/L account to which the data was originally posted. You can only aggregate data of this structure by using the same

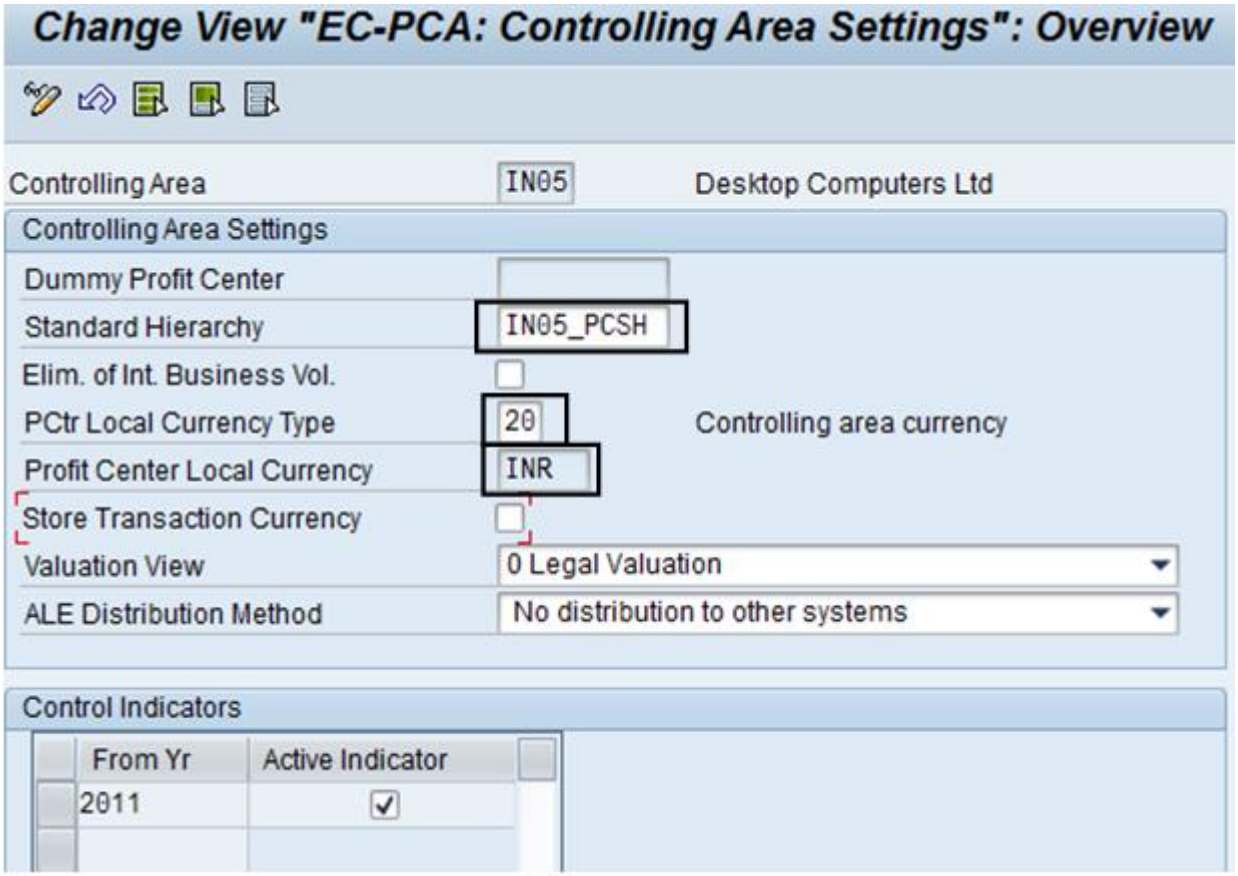
- chart of accounts
- fiscal year variant
- currency

When we are implementing profit center accounting, system activates the Ledger 8A for PCA.

Maintain Controlling Area Settings

Path: SPRO→ Controlling → Profit Center Accounting → Basic Settings→ Controlling Area Settings→ Maintain Controlling Area Settings.

Click on  (IM Activity),



Click on save button to save the activity and go back to SPRO screen.

Create Dummy Profit Center

The dummy profit center is the default profit center to which data is posted when the corresponding object has not been assigned to a profit center.

You can find out which objects are not assigned to profit centers by analyzing the postings assigned to the profit center. You can also assess or distribute data from the dummy profit center to the desired profit centers.

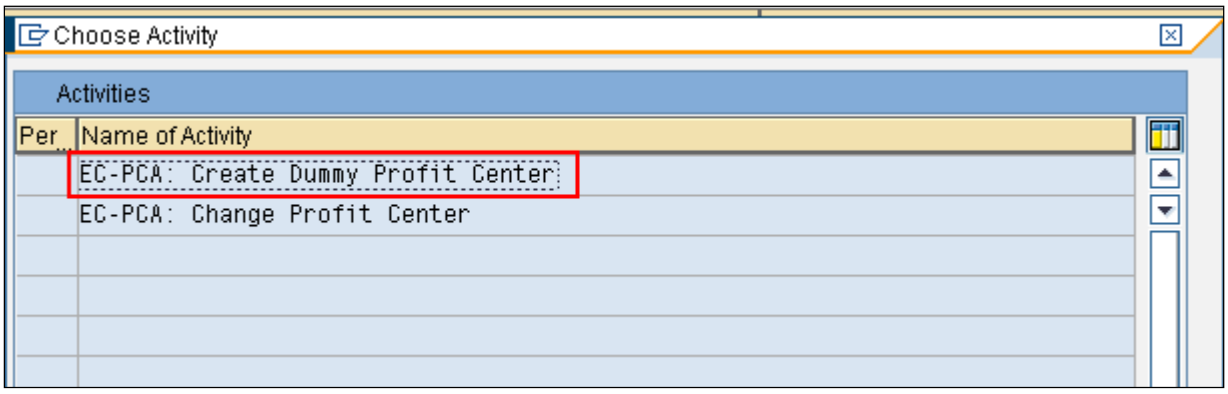
It may happen that some objects in your system are inadvertently left without an assignment to a profit center. In this case, postings to accounts which are defined as revenue or cost elements are assigned to the dummy profit center of the controlling area to which the object posted to belongs. This ensures that your internal and financial accounting data are reconciled.

You should not assign data intentionally to your dummy profit center for the purpose of allocating it later. If desired, define a separate "allocation profit center" for this purpose.

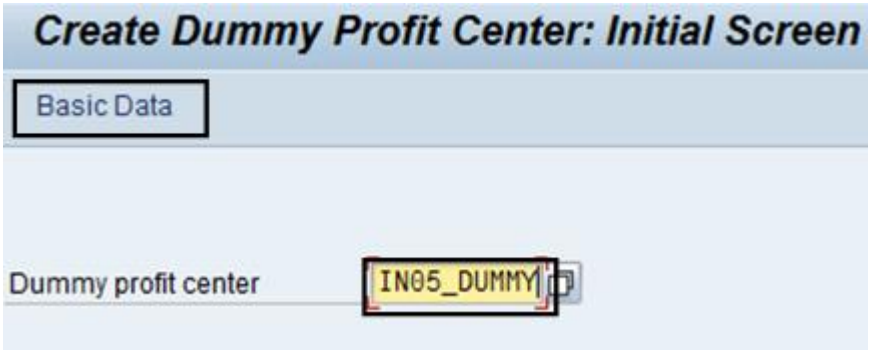
Path: SPRO→ Controlling → Profit Center Accounting → Master Data→ Profit Center→ Create Dummy Profit Center

Transaction Code: KE59

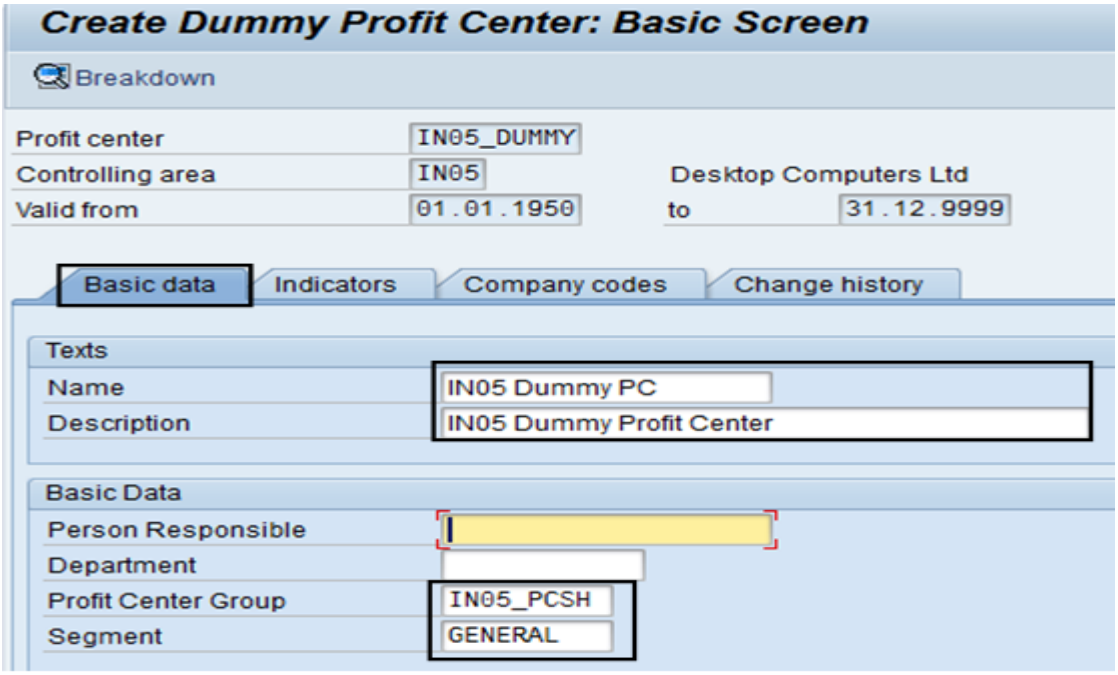
Click on (IM Activity), the following window will display:



Double click on "EC-PCA: Create Dummy Profit Center" or select that and click on Choose button.



Type IN05_DUMMY as Dummy Profit center and click on Basic Data or pres enter key.



Maintain Name, Description, Profit Center Group and Segment.

Click on save button to save the activity, and back to SPRO screen.

Define Profit Center

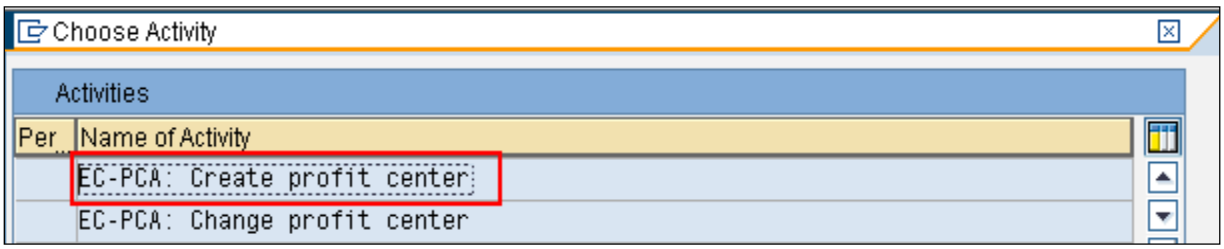
The essential difference between a profit center and a **business area** is that profit centers are used for internal control, while business areas are more geared toward an external viewpoint.

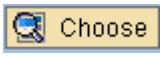
The profit center differs from a **cost center** in that cost centers merely represent the units in which capacity costs arise, whereas the person in charge of the profit center is responsible for its balance of costs and revenues.

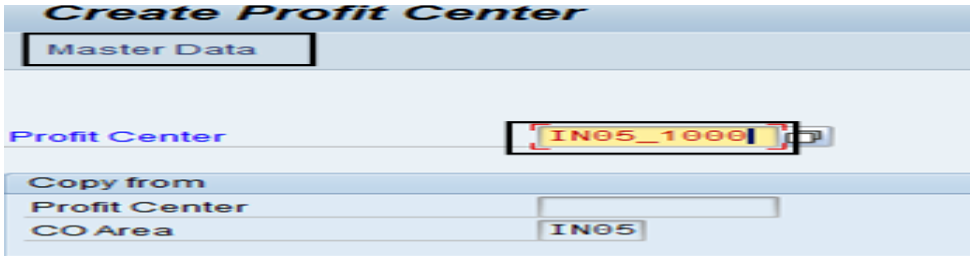
Path: SPRO→ Controlling → Profit Center Accounting → Master Data→ Profit Center→ Define Profit Center

Transaction Code: KE51

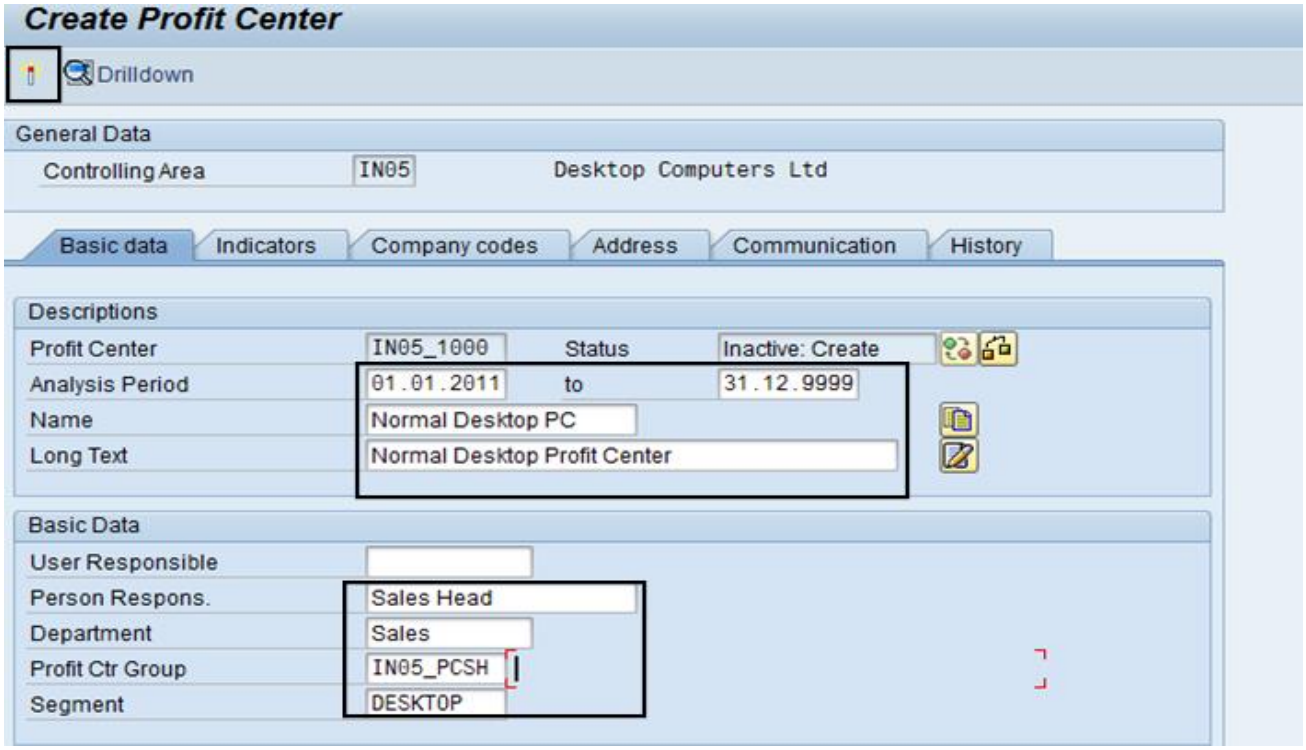
Click on  (IM Activity), the following window will display:



Double click on "EC-PCA: Create Profit Center" or select that and click on  button.



In Profit center field any number and click on Master Data button, it will take to following screen:



Update the Name, Description, Person responsible, Profit center Group and Segment fields.

After maintaining above all parameters click on  Active Button. So it will save automatically.

Note: like above process you can create any number of profit centers as per client or project requirement.

Scenario in General Ledger Accounting

The scenario combines Customizing settings from different business views. In these Customizing settings, you specify which posting data is transferred from different application components in General Ledger accounting, such as cost center update or profit center update.

For each scenario, the system transfers the posting data relevant for General Ledger Accounting from the actual and plan documents.

Overview of the Scenarios Delivered by SAP

Scenario	Fields Filled	Technical Field Name
Cost center update	Cost center Sender cost center	RCNTR SCNTR
Preparation for consolidation	Trading partner Transaction type	RASSC RMVCT
Business area	Business area Trading partner business area	RBUSA SBUSA
Profit center update	Profit center Partner profit center	PPRCTR PRCTR
Segment reporting	Profit center Segment Partner segment	PRCTR PSEGMENT SEGMENT
Cost of sales accounting	Functional area Partner functional area	RFAREA SFAREA

You have to set up cost of sales accounting. The *Functional Area* field is not filled automatically by the assignment of the scenario to your ledger.

COST ELEMENT ACCOUNTING

Creation of primary and secondary cost elements (Automatic Creation)

Cost Element Accounting is the area of cost accounting where you track and structure the costs incurred during a settlement period. It is thus not an accounting system as such, but rather a detailed recording of data that forms the basis for cost accounting.

In an integrated accounting system such as the SAP system, you do not need to enter cost data separately. This is because each business transaction that involves costs updates the CO component with detailed information on the cost element and on the account assignment object itself. Each consumption transaction in Material Management (MM), each billing in Sales and Distribution (SD) (= revenue), and each external transaction for invoice verification flows directly through the G/L Account (= cost element) to the corresponding account assignment object.

Cost elements classify an organization's valuated consumption of production factors within a controlling area. A cost element corresponds to a cost-relevant item in the chart of accounts.

We distinguish between primary cost and revenue elements and secondary cost elements.

Primary Cost/Revenue Elements: A primary cost or revenue element is a cost or revenue-relevant item in the chart of accounts, for which a corresponding general ledger (G/L) account exists in Financial Accounting (FI). You can only create the cost or revenue element if you have first defined it as a G/L account in the chart of accounts and created it as an account in Financial Accounting. The SAP System checks whether a corresponding account exists in Financial Accounting.

Examples of primary cost elements include:

- Material costs
- Personnel costs
- Energy costs
- Salary Costs
- Sales

Secondary Cost Elements: Secondary cost elements can only be created and administrated in cost accounting (CO). They portray internal value flows, such as those found in internal activity allocation, overhead calculations and settlement transactions.

When you create a secondary cost element, the SAP System checks whether a corresponding account already exists in Financial Accounting. If one exists, you can **not** create the secondary cost element in cost accounting.

Examples of secondary cost elements include:

- Assessment cost elements
- Cost elements for Internal Activity Allocation
- Cost elements for Order Settlement
- Cost elements for Overheads

Cost elements in Controlling (CO) are closely related to the general ledger accounts used in Financial Accounting (FI). This is because the SAP System is structured as an Integrated Accounting System:

Cost Element Categories:

The cost element category has a technical control function. It determines whether you can post to a cost element directly or indirectly.

Direct posting means: You post a fixed amount to an account by specifying the account number. You can post directly to all primary cost elements.

Indirect posting means: The system determines the account automatically at the time of posting You can not enter the account number with the posting transaction. You can only post indirectly to secondary cost elements.

The following cost element categories can be used for **primary cost elements**

Primary cost element category	Description
01	**Primary cost element**

03	Accrual cost element / percentage method
04	Accrual cost element / target=actual method
11	**Revenue elements**
12	**Sales deduction**
22	**External settlement**
90	Cost element for balance sheet accounts in Financial Accounting

The following cost element categories can be used for **secondary cost elements**

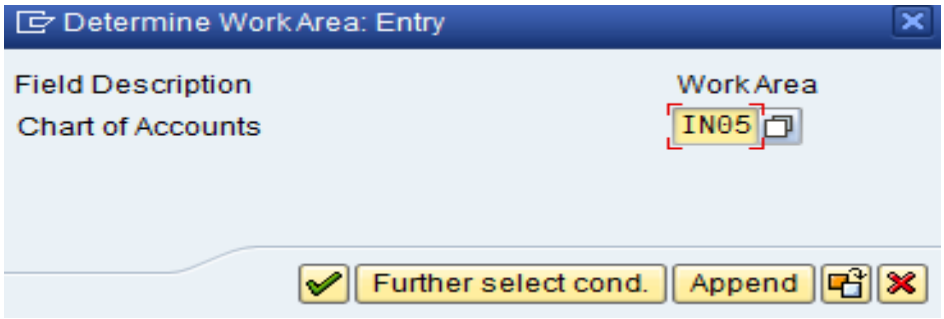
Secondary cost element category	**Description**
21	**Internal settlement**
31	**Order/project results analysis**
41	**Overhead rates**
42	**Assessment**
43	**Allocation of activities/processes**
50	Incoming orders: sales revenues
51	Incoming orders: other revenues
52	Incoming orders: costs
61	Earned values

Step 1: Make Default Setting

Path: SPRO→Controlling→Cost Element Accounting→Master Data→Cost Elements→Automatic Creation of Primary and Secondary Cost Elements→Make Default Settings.

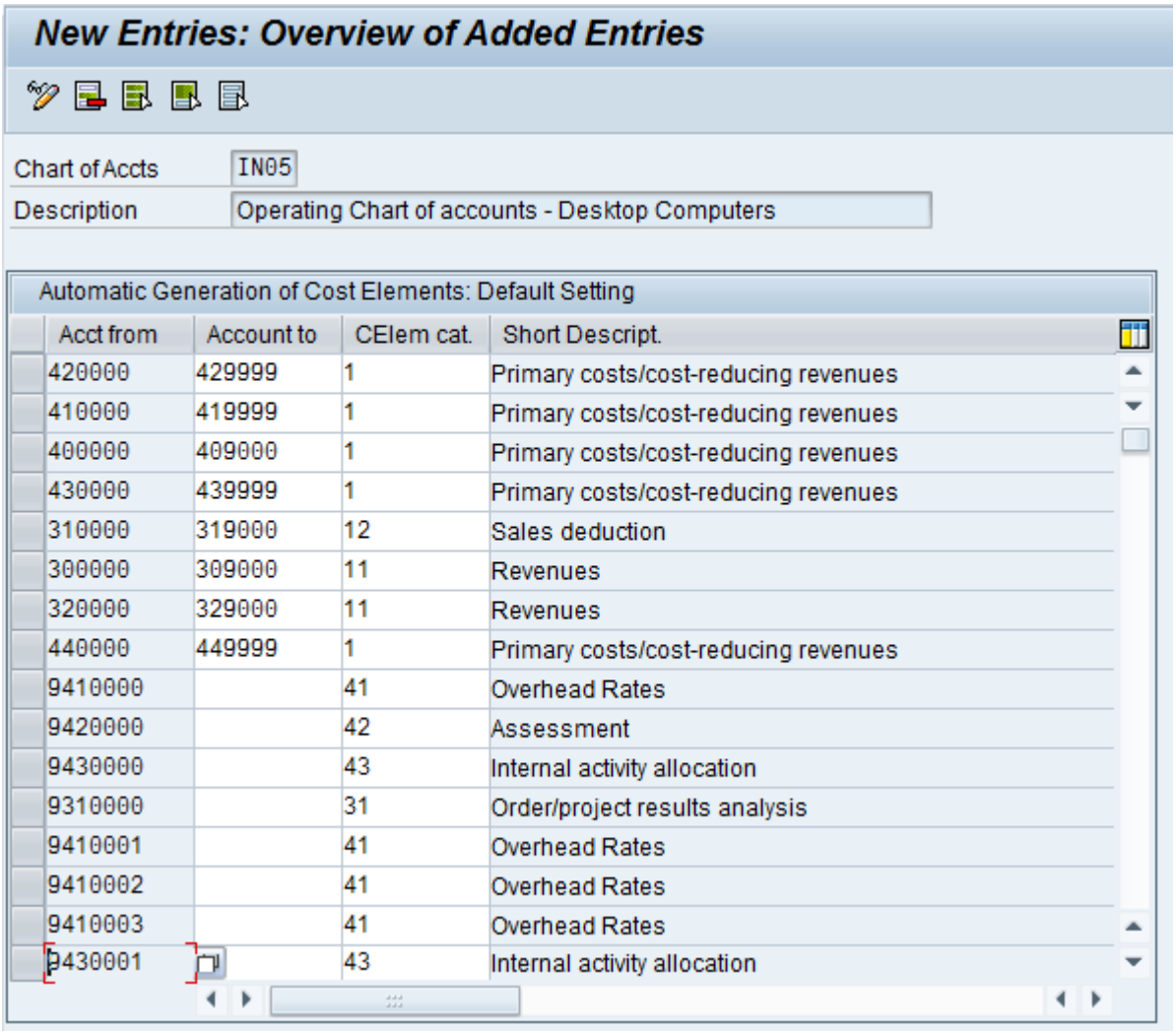
Transaction Code: OKB2
Database Table: TKSKA

Click on IMG activity the following window will display:



Enter your chart of account and press enter key or click on continue button.

In the next screen click on New Entries.



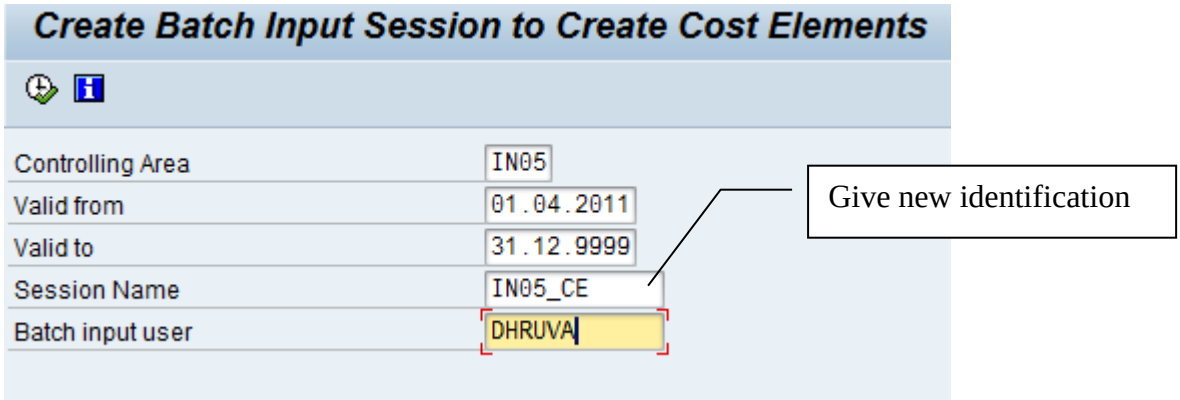
Click on save button and click on back button to go back to SPRO screen.

Step 2: **Create Batch Input Session**

Path: SPRO→Controlling→Cost Element Accounting→Master Data→Cost Elements→Automatic Creation of Primary and Secondary Cost Elements→ Create Batch Input Session .

Transaction Code: OKB3

Click on IMG activity the following window will display:



In above window maintain all parameters and click on execute button.

It will display the above screen now click back button to go back to SPRO screen.

Create Batch Input Session to Create Cost Elements

Create Batch Input Session to Create Cost Elements 1

CElm	Cat.	Description
300000	11	Sales Revenue
310000	12	Sales Discounts
320000	11	Other Income
400000	1	RM CONSUMPATION
400010	1	PACK CONSUMPATION
400100	1	FG CONSUMPATION
400200	1	COGM
400300	1	COGS with CE
410000	1	POWER EXP
410010	1	WATER EXP
410020	1	MAINTANANCE
9310000	31	Order/project results analysis
9310001	31	Order/project results analysis
9310002	31	Order/project results analysis
9310003	31	Order/project results analysis
9410000	41	Overhead Rates
9410001	41	Overhead Rates
9410002	41	Overhead Rates
9410003	41	Overhead Rates
9420000	42	Assessment
9420001	42	Assessment
9430000	43	Internal activity allocation
9430001	43	Internal activity allocation
9430002	43	Internal activity allocation

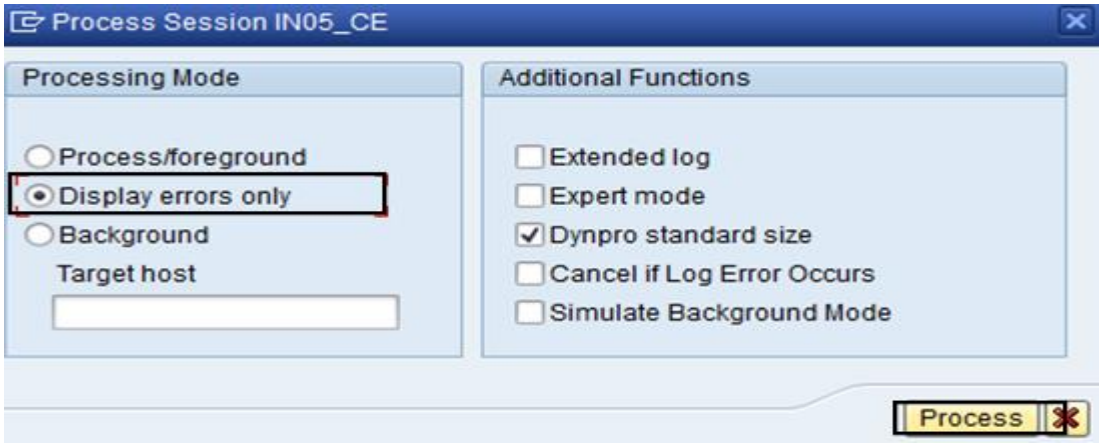
Step 3: Execute Batch Input Session

Path: SPRO→Controlling→Cost Element Accounting→Master Data→Cost Elements→Automatic Creation of Primary and Secondary Cost Elements→ Execute Batch Input Session.

Transaction Code: SM35

Click on IMG activity the following window will display:

Select the session and click on Process button.



In the above window select "Display errors only" radio button and click on Process button.

The session has been executed and above window will display here just click on "Exit Batch Input" button

It will exit the session and take you to normal screen.

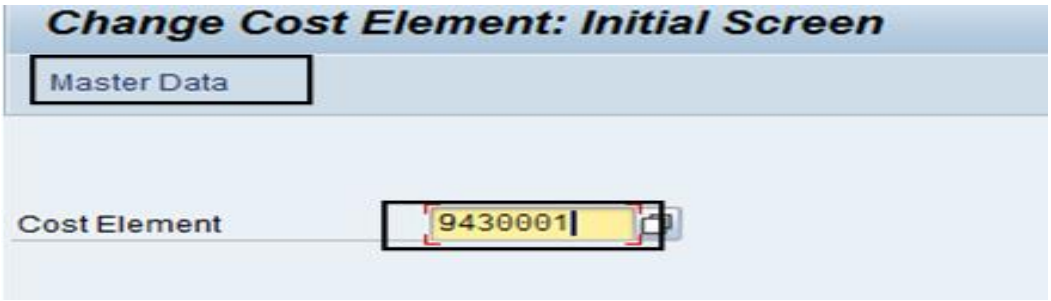
NOTE: TO CREATE INDIVIDUAL PRIMARY COST ELEMENT TRANSACTION CODE IS **KA01**
TO CREATE INDIVIDUAL SECONDARY COST ELEMENT TRANSACTION CODE IS **KA06**

Change the Secondary Cost Element

Path: Accounting→ Controlling→ Cost Element Accounting→ Master Data→ Cost Element→ Individual Processing→ KA02 – Change.

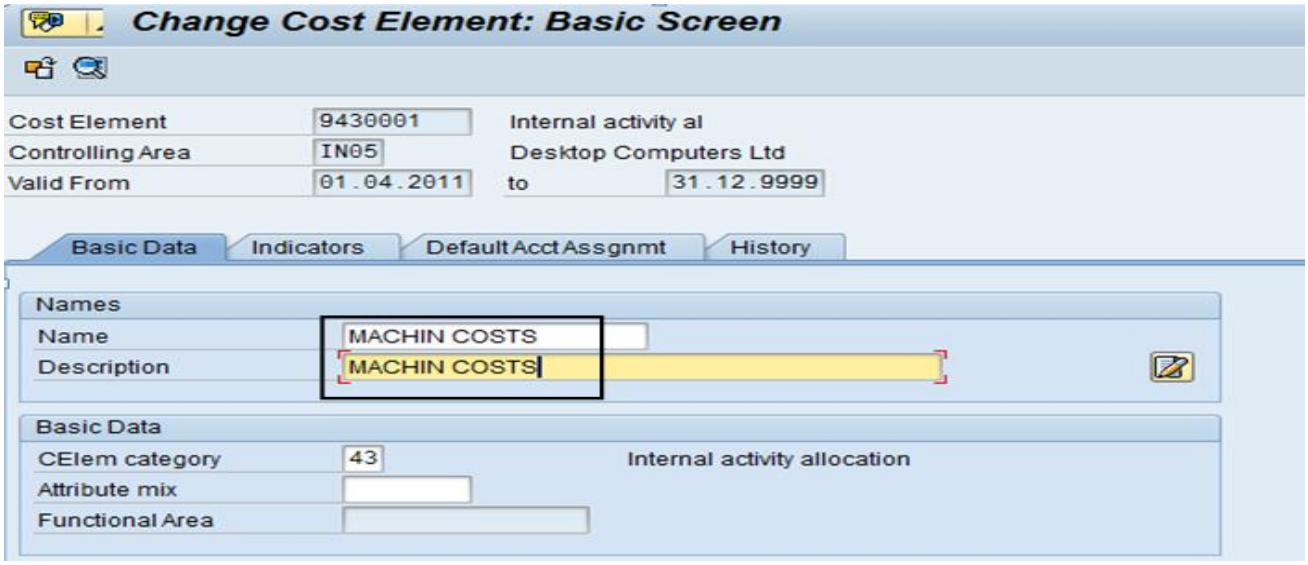
Transaction Code: KA02

1) The following screen will display



Enter the secondary cost element and pres enter button or click on Master Data button:
It will come to following screen;

In this screen the name and description field contain "Internal activity allocation". Change this as follow:



Now click on save button so it save the activity and com back to previous screen.

Like that we can change all secondary cost elements.

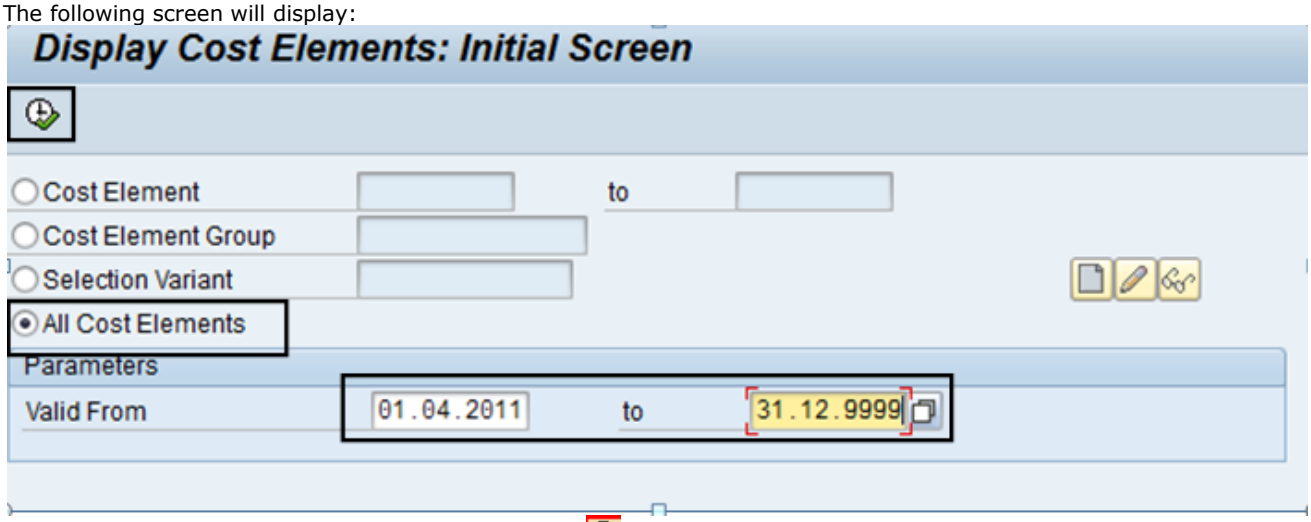
9430000	Setup costs
9430002	Labor Costs
9410000	Mat overheads
9410001	Prod overheads
9410002	Admin overheads
9410003	Sales Overheads
9310000	WIP Settle Costs
9310001	WIP Primary costs
9310002	WIP Secondary costs
9310003	Sales Revenue
9420000	Assessment
9210000	AUC Settlement

Display Cost Element Information

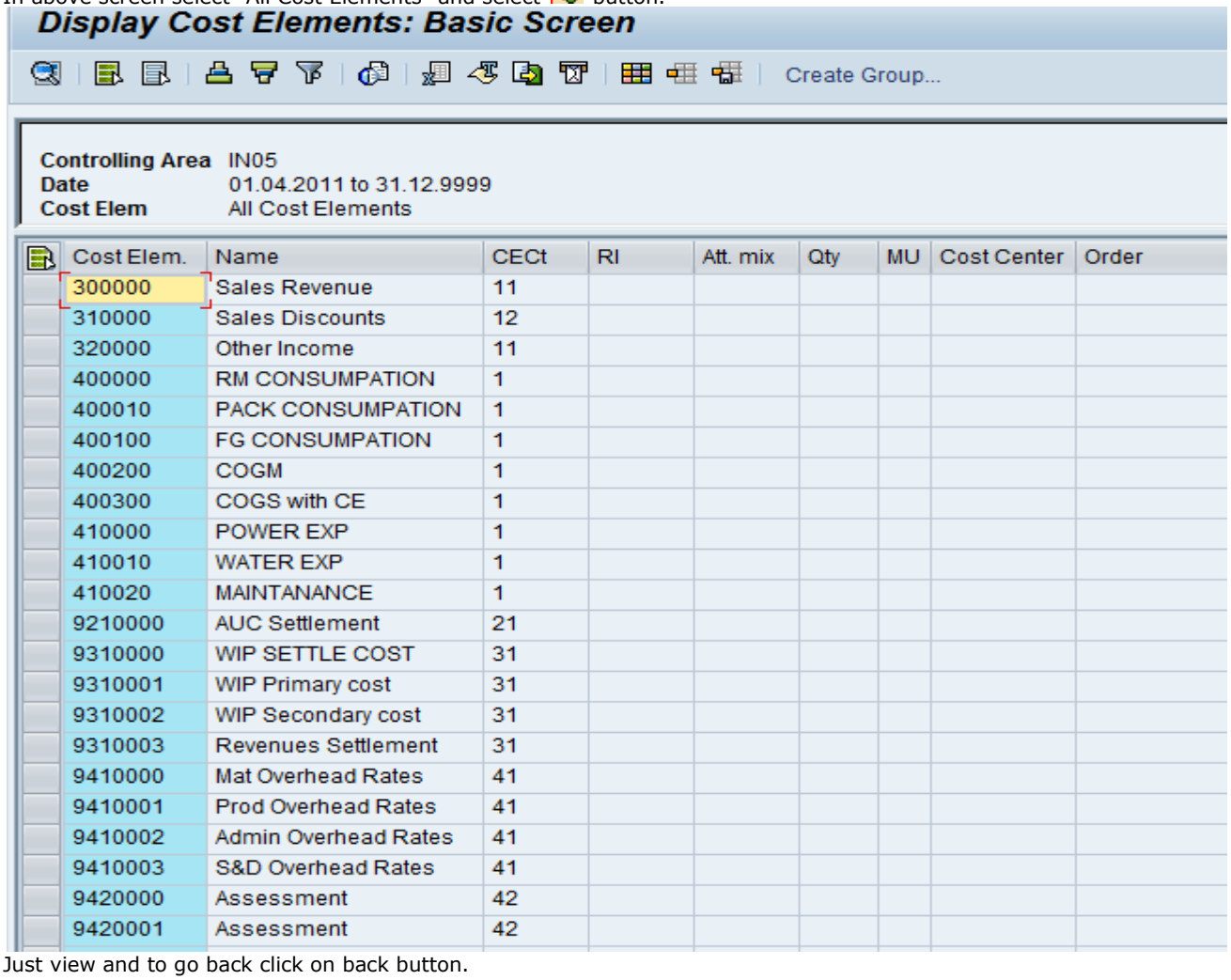
Path: Accounting → Controlling → Cost Element Accounting → Information System → Reports for Cost and Revenue Element Accounting (New) → Master Data Indexes → KA23 - Cost Elements: Master Data Report

Transaction code: KA23

The following screen will display:



In above screen select "All Cost Elements" and select  button.



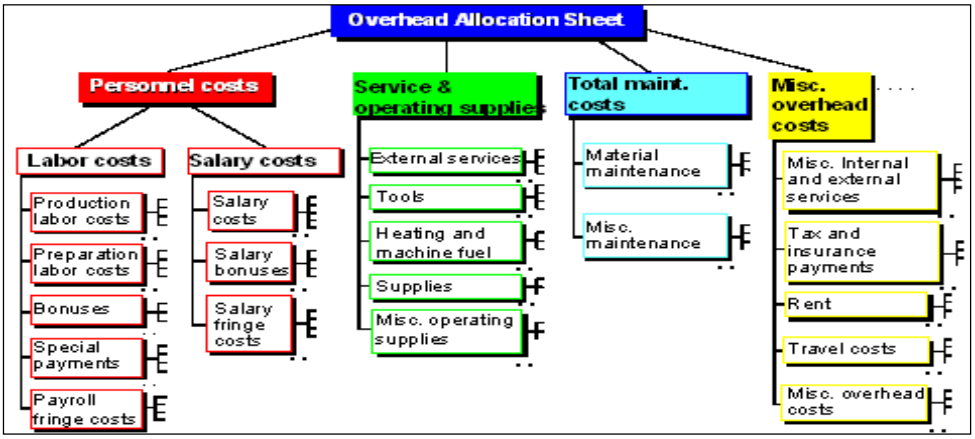
Cost Elem.	Name	CECt	RI	Att. mix	Qty	MU	Cost Center	Order
300000	Sales Revenue	11						
310000	Sales Discounts	12						
320000	Other Income	11						
400000	RM CONSUMPATION	1						
400010	PACK CONSUMPATION	1						
400100	FG CONSUMPATION	1						
400200	COGM	1						
400300	COGS with CE	1						
410000	POWER EXP	1						
410010	WATER EXP	1						
410020	MAINTANANCE	1						
9210000	AUC Settlement	21						
9310000	WIP SETTLE COST	31						
9310001	WIP Primary cost	31						
9310002	WIP Secondary cost	31						
9310003	Revenues Settlement	31						
9410000	Mat Overhead Rates	41						
9410001	Prod Overhead Rates	41						
9410002	Admin Overhead Rates	41						
9410003	S&D Overhead Rates	41						
9420000	Assessment	42						
9420001	Assessment	42						

Just view and to go back click on back button.

Creation of Cost Element Group

You can collect cost elements with similar characteristics in cost element groups.

The following graphic shows an example of a cost element group.

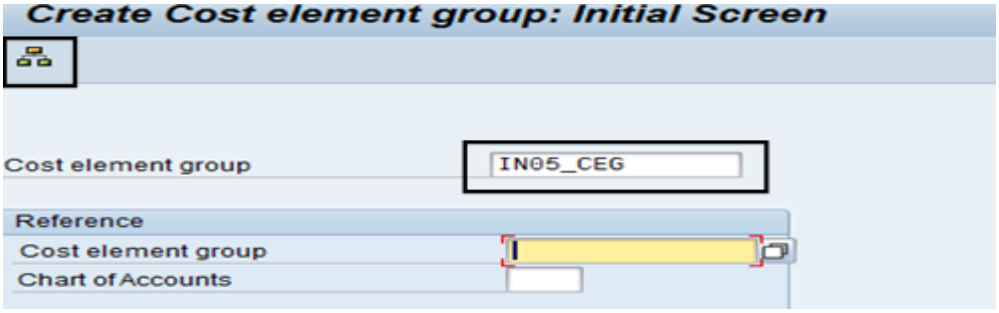


We can use cost element groups in the information system, for example. You can use the cost element group structure to define the row structure of your reports. Totals are calculated in the report for each node.

we can also use cost element groups whenever you want to process several cost elements in one transaction. For example, in cost center planning, distribution or assessment.

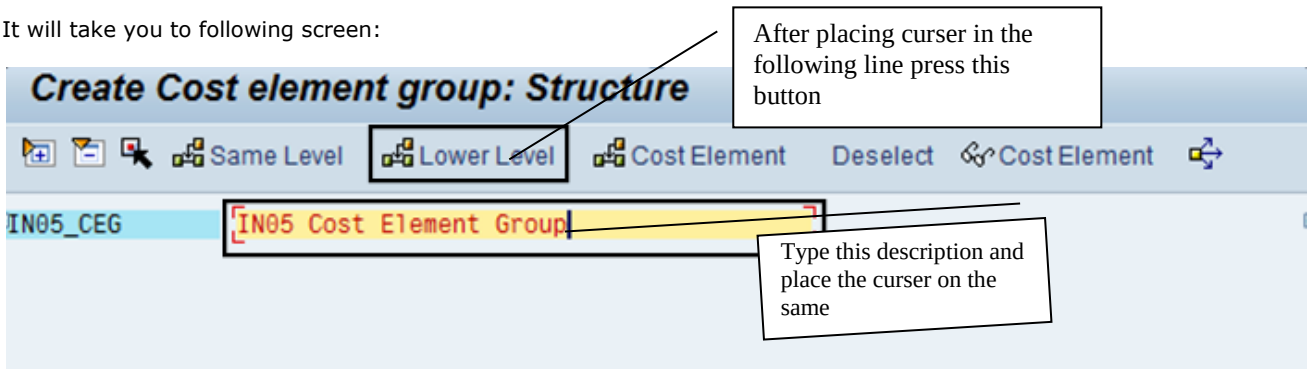
Path: Accounting → Controlling → Cost Element Accounting → Master Data→ Cost Element Group→ KAH1 – Create.

Enter into the screen the following screen will display:

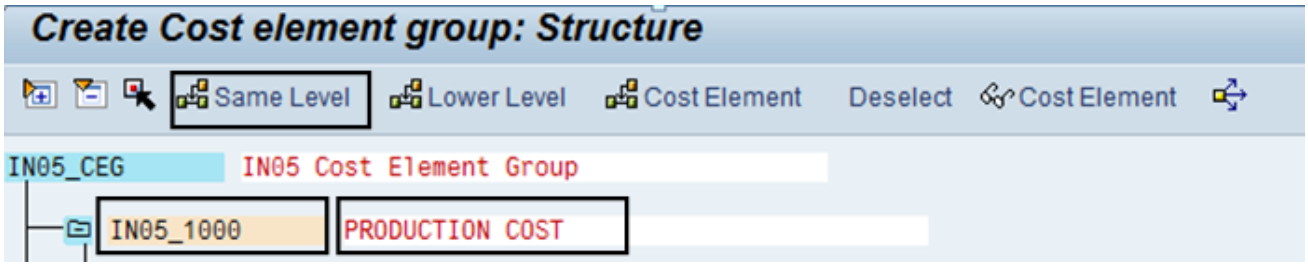


In the above screen enter Cost Element Group and press enter or click on Hierarchy button  ,

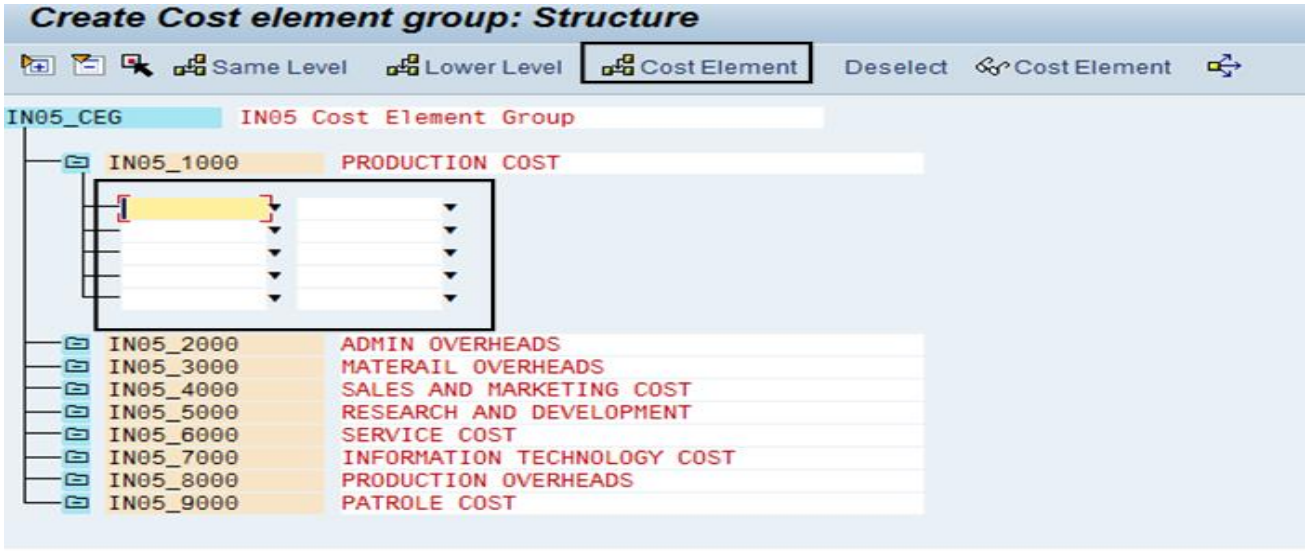
It will take you to following screen:



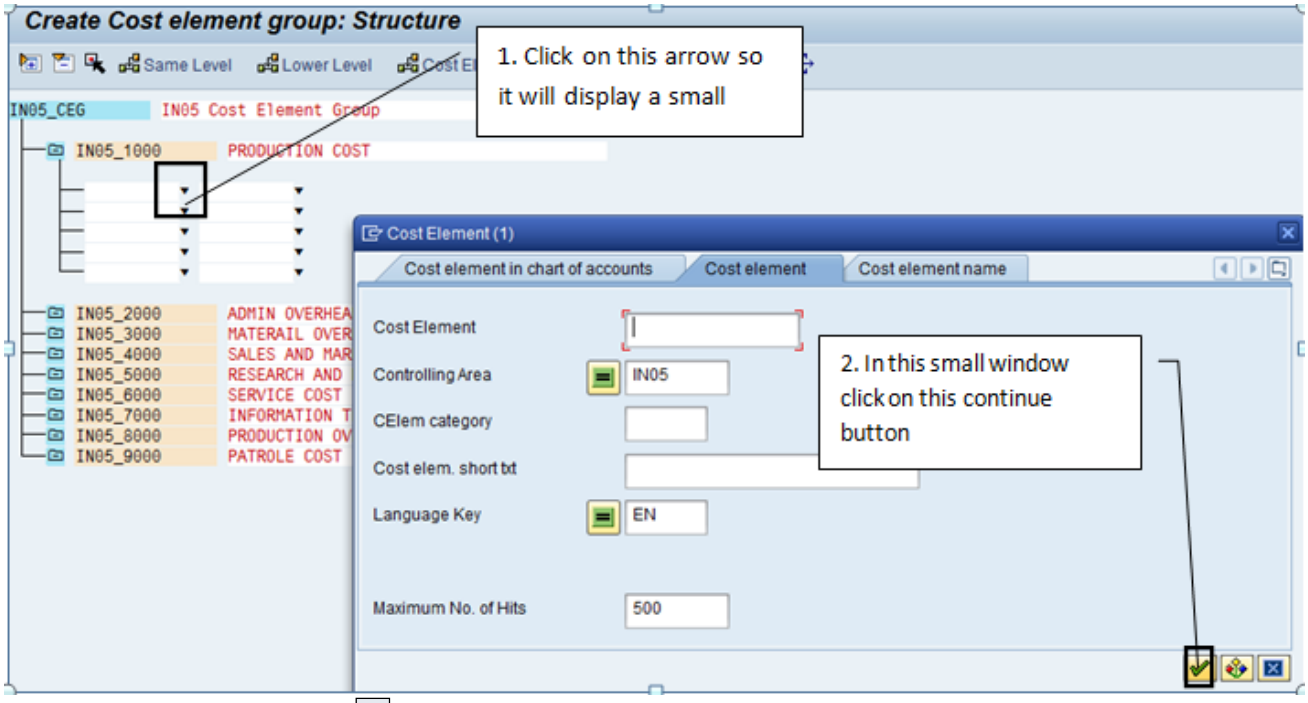
Now place the curser on above yellow line pres "Lower Level" button so it will display another level under this structure as follow:



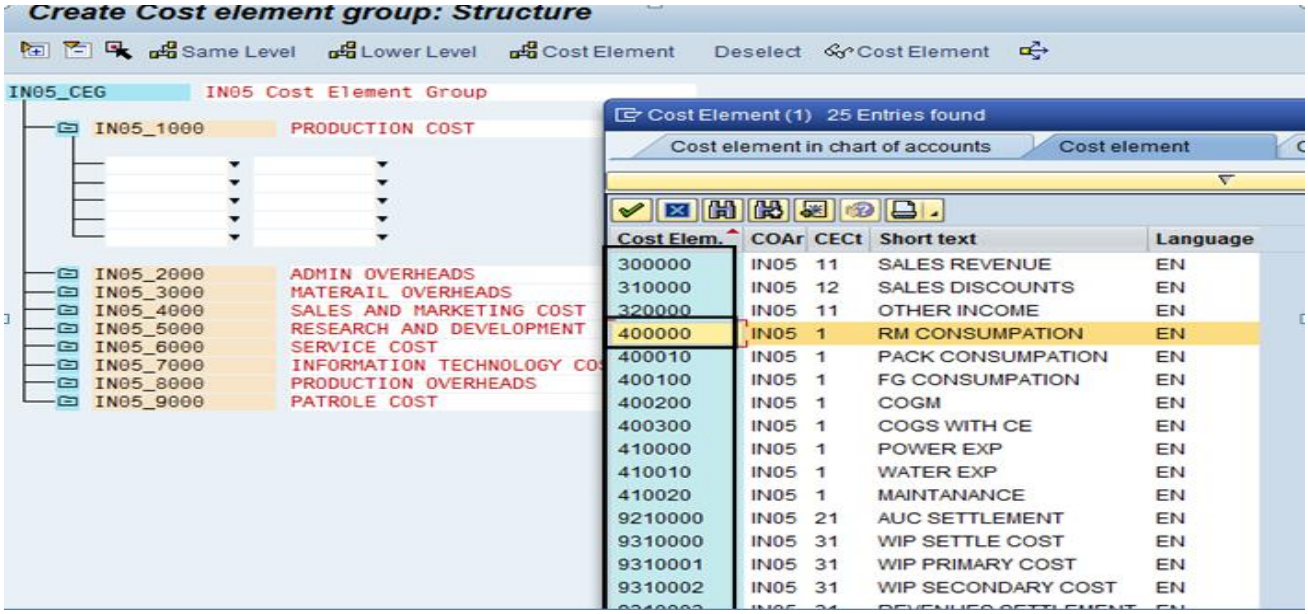
Now in the above lower level enter those parameters and place the curser on the same lower level and pres "Same Level" button 5 times.



Like above screen type Cost Element Group and Description in each line one by one.
To assign Cost Elements to each group place the curser on "IN05_1000" and click on "Cost Element" Button



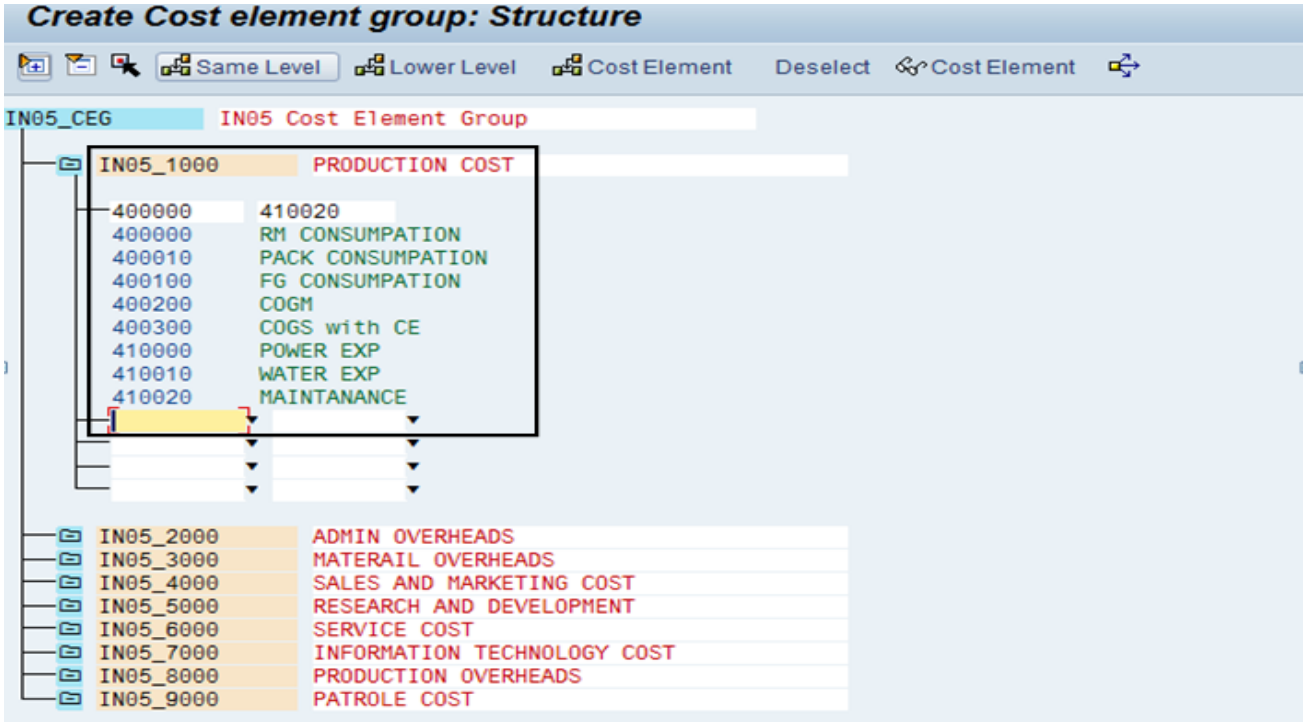
Now click on Down arrow button  so it will display another window.
In that small window click on continue button so it will display another window as follow:



In the above window double click on required and relevant cost element so that it will automatically assign to cost element group.

In above case double click on "400000" Cost element.

Do the same activity for right side box also (Click on down arrow button. It will display elements window) and double click on "410020" cost element and pres enter button so it will assign all cost elements automatically as follow:



Do the same steps for all other cost Elements Groups and assign cost elements and click on save button to save the activity and click on back button to go back.

Cost Center Accounting

You use Cost Center Accounting for controlling purposes within your organization. The costs incurred by your organization should be transparent. This enables you to check the profitability of individual functional areas and provide decision-making data for management. This requires that all costs be assigned according to their source. However, source-related assignment is especially difficult for overhead costs. Cost Center Accounting lets you analyze the overhead costs according to where they were incurred within the organization.

Depending on the level of decision-making powers assigned to the manager of an organizational unit, you can distinguish between various types of responsibility areas within an organization:

Cost center	Recording costs with reference to plan values
Profit centers	Calculating operating results
Investment centers	Calculating *Return On Investment* In the SAP system you can create an investment center in the Profit Center Accounting component (EC-PCA). You do this by assigning balance sheet items to a profit center.

Dividing an organization into cost centers allows you to follow several goals, depending on the cost accounting method.

- Assigning costs to cost centers lets you determine where costs are incurred within the organization.
- If you plan costs at cost center level, you can check cost efficiency at the point where costs are incurred.
- If you want to assign overhead costs accurately to individual products, services, or market segments, you need to further allocate the costs to those cost centers directly involved in the creation of the products or services. From these cost centers you can then use different methods to assign the activities and costs to the relevant products, services, and market segments.

This enables you to valuate semi-finished and finished products in Product Cost Controlling (CO-PC), and to calculate contribution margins in Profitability Analysis (CO-PA).

The "activities" of cost centers represent "internal resources" for business processes in Activity-Based Costing.

Cost Center Accounting (CO-OM-CCA) is often used in the first phase of implementation, together with the main areas of Financial Accounting (General Ledger (FI-GL), Assets Payable (FI-AP), Assets Receivable (FI-AR)) and Overhead Orders (CO-OM-OPA).

You can also implement Cost Center Accounting without Financial Accounting. Some settings, however, such as chart of accounts, company code, must be made in Financial Accounting.

The costs of each cost-accounting-relevant business transaction portrayed in the system through can be assigned through Cost and Revenue Element Accounting (CO-OM-CEL) to an account assignment object in the Controlling component (CO). For overhead costs this can be cost centers, internal orders, business processes, or overhead projects.

Recording and assigning overhead costs allows you to control costs and prepare information for the subsequent areas of Cost Accounting.

You can use the methods of activity allocation, assessment or distribution to further allocate costs, for example, to internal orders (CO-OM-OPA), projects (PS), cost objects (CO-PC) or market segments (CO-PA).

Features:

Entering actual costs: Primary costs can be transferred to Cost Accounting from other components, for example, Materials Management (MM), Asset Accounting (AA), Payroll Accounting (PY).Additional costs and outlay costs are recorded using the accrual method.

Allocating actual costs: You can use various methods to further allocate the actual costs you have recorded, according to their source. The system distinguishes between transaction-based allocations, which occur within one period, and period-based allocations, which occur at period end.

Planning activities and costs: You can use planning to define organizational targets and carry out regular cost-effectiveness checks. Variances can be calculated by comparing the actual costs and activities with the plan values. These variances serve as a control signal, which helps you to correct business processes, when required.You can plan costs and activities to determine allocation (activity) prices.

Allocating plan costs: All actual allocations that occur for cost centers can also be planned (for example, distribution, assessment, indirect activity allocation).

Entering plan and actual statistical key figures: Statistical key figures are used as the basis for the indirect allocation methods, as well as for evaluations in the information system (for example, employees, telephones).

Activity Accounting: Activity Accounting uses the activity produced by a cost center as the tracing factor for the costs. You can use activities to measure the operating rate or the rate of capacity utilization for a cost center. The target costs of the cost center refer to the activity output.

Depending on the source of the costs, the activities of a cost center are divided into various activity types (for example, for the Work center cost center: Repair hours or Assembly hours.

Information system: The information system provides tools with which you can analyze the cost flows that have occurred in your organization. You can carry out standard recurring evaluations; and create special reports for unique tasks or situations.

Define Cost Center Categories

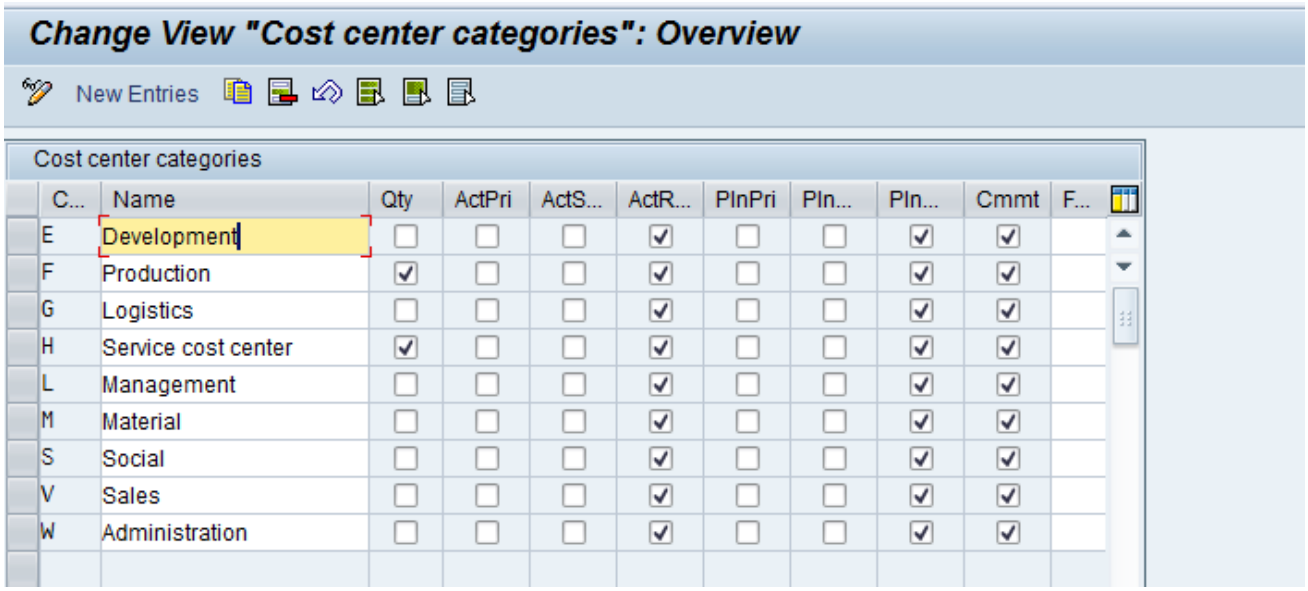
To classify and specify the types of cost center and to control the data flow to the cost centers by cost center category you can maintain the following types of data to cost centers:

1. Planed Primary cost
2. Planed Secondary Cost
3. Planed Revenues
4. Actual Primary Cost
5. Actual Secondary Cost
6. Actual revenue
7. Commitment Items
8. Functional Area in Formation
9. Quantitative Information

Path: SPRO→ Controlling→ Cost Center Accounting→ Master Data→ Cost Centers→ Define Cost Center Categories

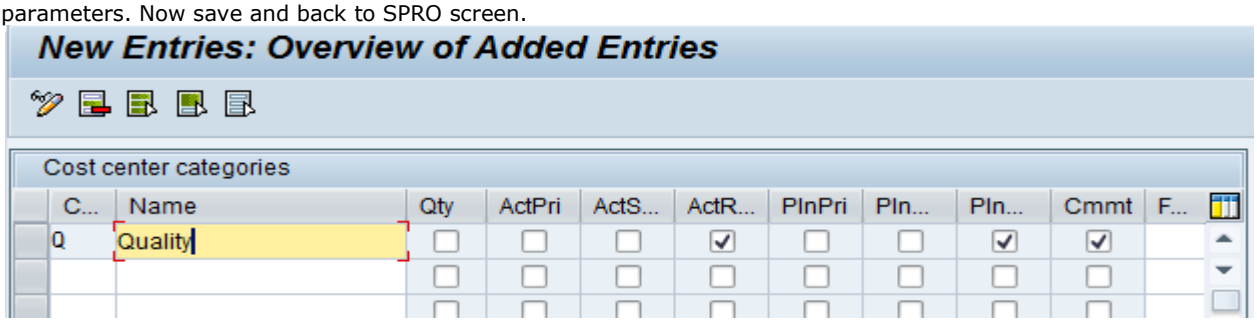
Transaction code: OKA2

Click on IMG activity, so it will take you to following window:



SAP provided all types of Cost Centers Categories as we shown above.

If you want to create any new click on New Entries and specify Cost Center Category (CCTC), name and all other parameters. Now save and back to SPRO screen.



Creation of Cost Center Group

You can collect cost centers according to various criteria into groups. This enables you to use cost centers to depict the structure of the organization in the SAP System.

You can use the groups to build cost center hierarchies, which summarize the decision-making, responsibility, and control areas according to the particular requirements of the organization. The individual cost centers form the lowest hierarchical level.

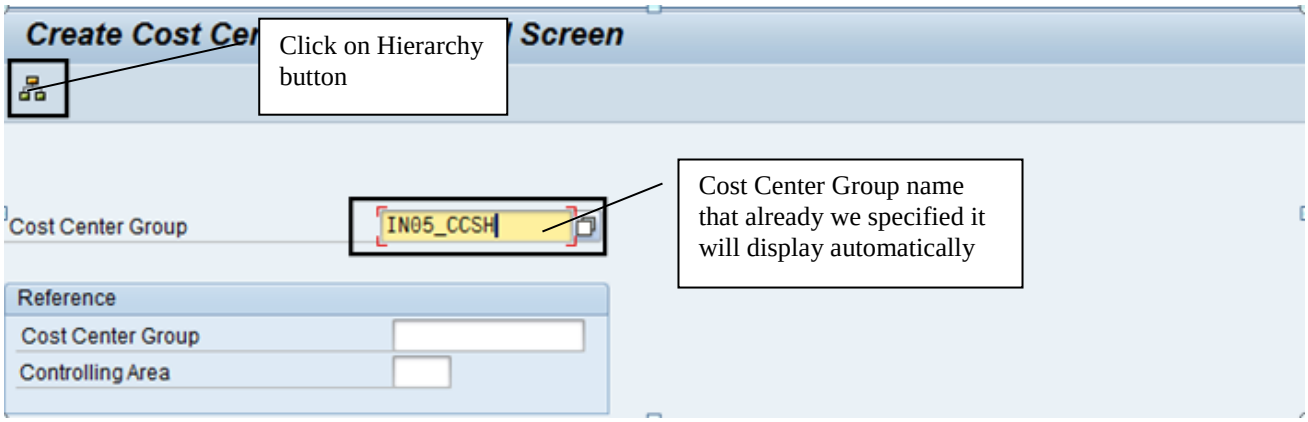
There must be at least one group that contains all cost centers and represents the entire business organization. This cost center group is described as the standard hierarchy. You can assign more cost center groups to the standard hierarchy.

You can also create any number of alternative groups. You can structure these, for example, according to organizational and/or functional viewpoints. Cost center groups enable you to perform evaluations for each decision-making, responsibility, or control area. They also support the processes during planning and internal allocations.

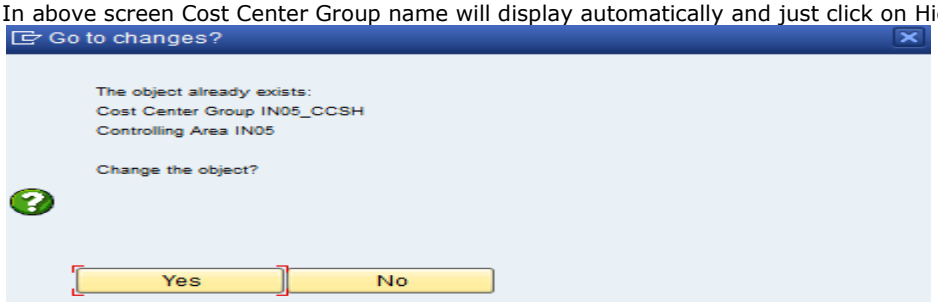
You can assign each cost center to only **one** group in the standard hierarchy, but to **as many** alternative groups as you require.

Path: Accounting→ Controlling→ Cost Center Accounting→ Master Data→ Cost Center Group→ KSH1 – Create

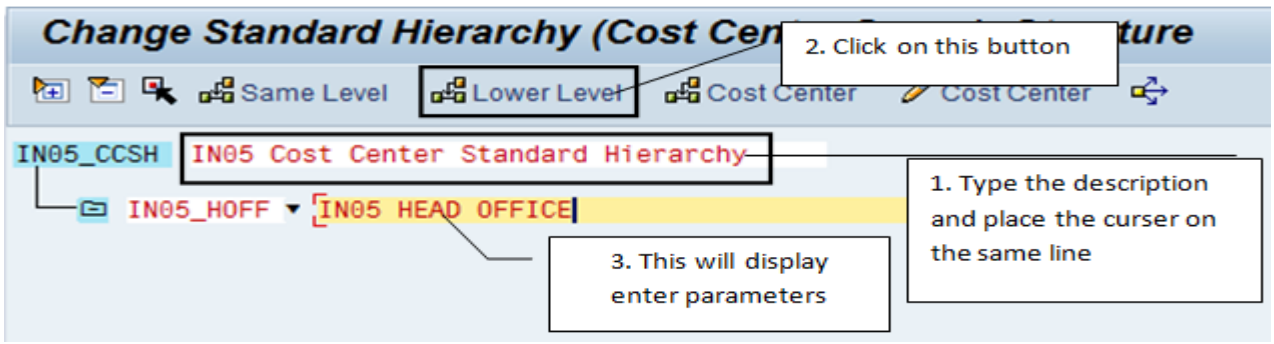
Transaction Code: KSH1

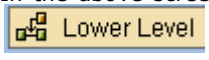


In above screen Cost Center Group name will display automatically and just click on Hierarchy button  ,

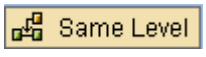


The above small window will display just click on YES button.

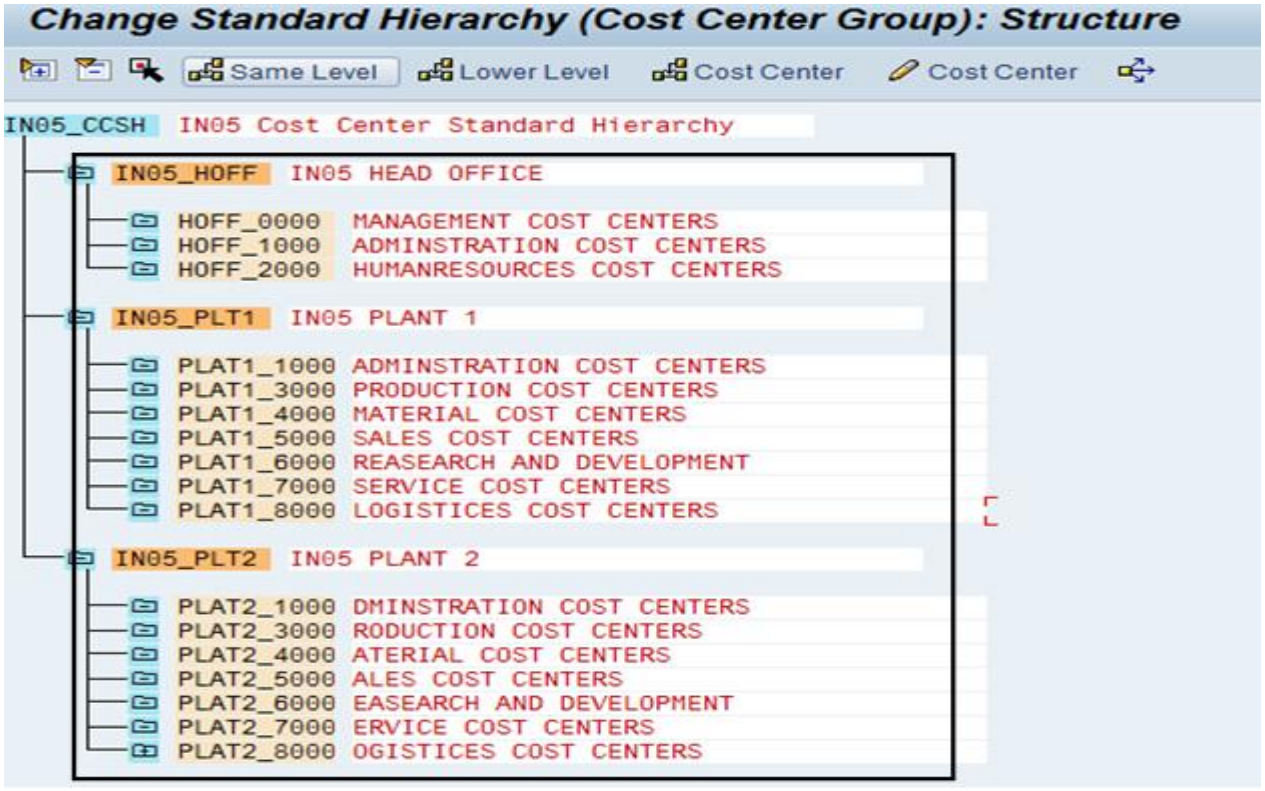


In the above screen type the description and place the curser on the same window and click on Lower Level button 

so it will display Lower Level Group, in that enter the parameters.

Now keep the curser on the same Lower level Group and pres the Button Same Level 

to add hierarchy.



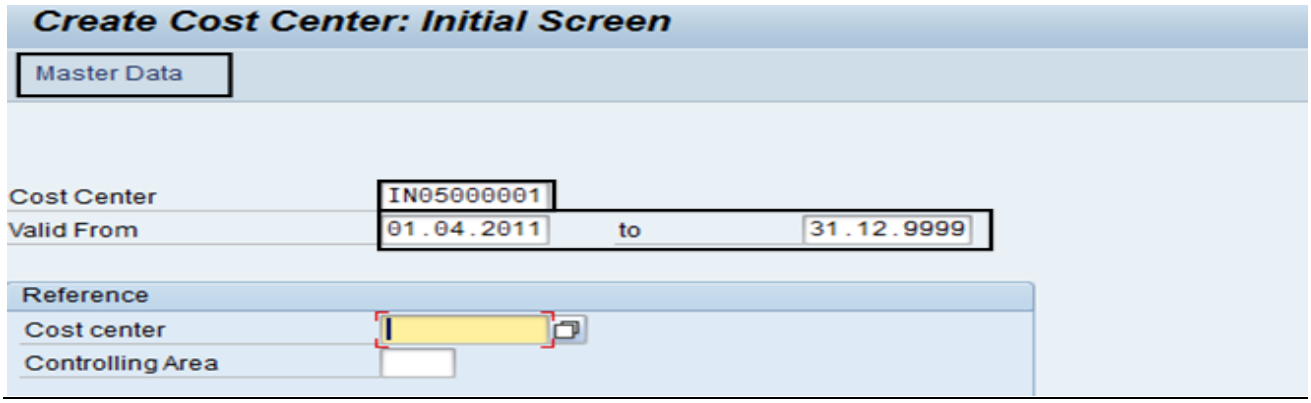
In the above screen enter other Cost Center Groups and pres save button to save the activity and click on back button to go back to access screen.

Creation of Cost Centers

Path: Accounting→ Controlling→ Cost Center Accounting→ Master Data→ Cost Center→ Individual Processing → KS01 – Create

Transaction Code: KS01

Click on the transition it will display the following screen:

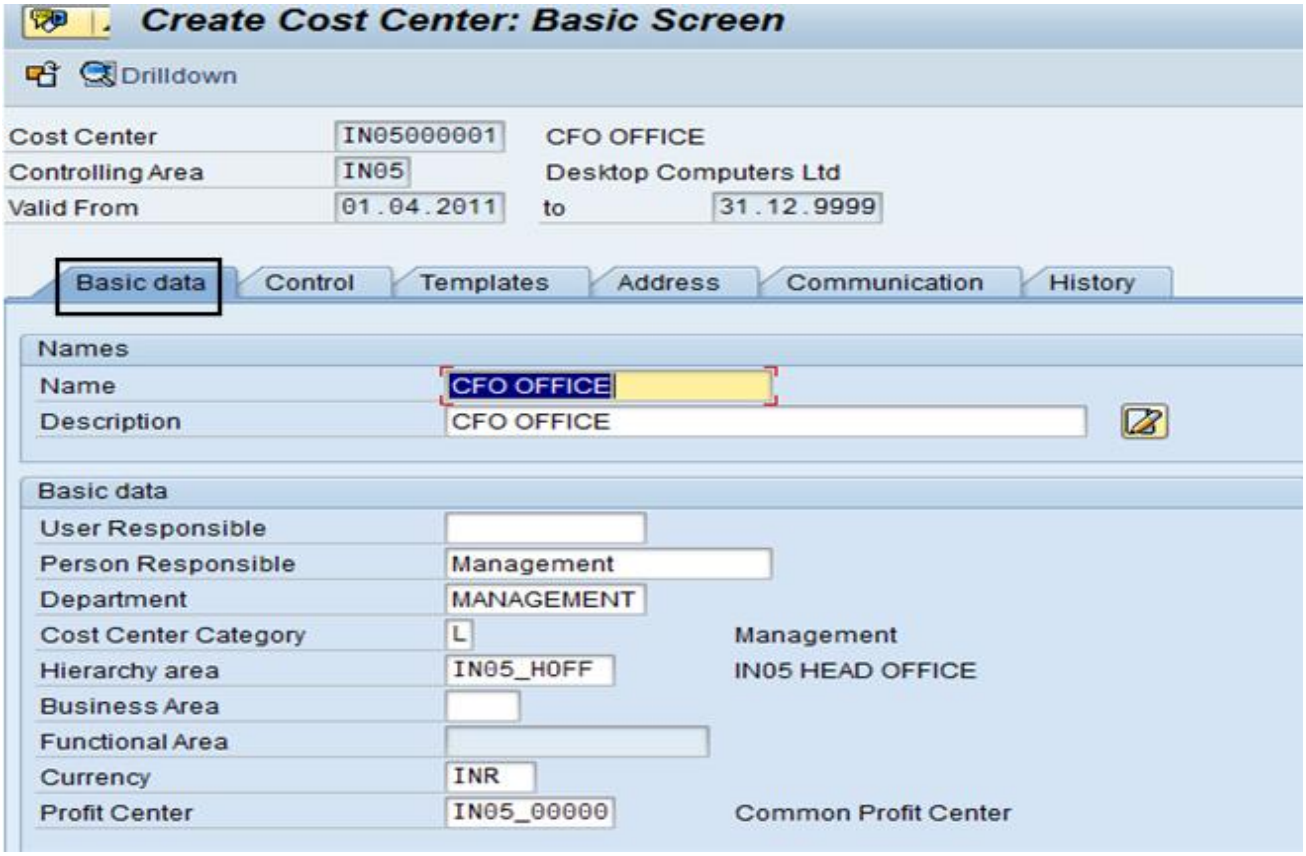


In the above window enter values to:

1) Cost Center number
2) Valid From
3) To

And pres enter key or click on 

. So it will take you to following screen



Enter above parameters and click on save button to save the activity.
Immediately after you click on save button it will save and take you to previous screen. So you can change the Cost Center number and create another one.

Following is the table of cost centers to be created:

Cost Center	Valid From	To	Name / Description	Department	Cost Center Category	Hierarchy Area	Currency	Profit Center
IN05000002	01.04.2011	31.12.9999	CEO OFFICE	MANGEMENT	L	HOFF_0000	INR	IN05_00000
IN05100001	01.04.2011	31.12.9999	ADMIN OFFICE	ADMIN	W	HOFF_1000	INR	IN05_00000
IN05100002	01.04.2011	31.12.9999	LEGAL	ADMIN	W	HOFF_1000	INR	IN05_00000
IN05200001	01.04.2011	31.12.9999	PAYROLL	HR	W	HOFF_2000	INR	IN05_00000
IN05200002	01.04.2011	31.12.9999	TRAINING	HR	W	HOFF_2000	INR	IN05_00000
PT1100001	01.04.2011	31.12.9999	ADMIN OFFICE	ADMIN	W	PLAT1_1000	INR	IN05_PLAT1
PT1300001	01.04.2011	31.12.9999	NORMAL DESKTOP	PRODUCTION	F	PLAT1_3000	INR	IN05_PLAT1
PT1300002	01.04.2011	31.12.9999	HYBRID DESKTOP	PRODUCTION	F	PLAT1_3000	INR	IN05_PLAT1
PT1300003	01.04.2011	31.12.9999	DEGITAL DESKTOP	PRODUCTION	F	PLAT1_3000	INR	IN05_PLAT1
PT1400001	01.04.2011	31.12.9999	STORES	MATERIAL	M	PLAT1_4000	INR	IN05_PLAT1
PT1500001	01.04.2011	31.12.9999	SALES	SALES	V	PLAT1_5000	INR	IN05_PLAT1
PT1600001	01.04.2011	31.12.9999	R&D	R&D	E	PLAT1_6000	INR	IN05_PLAT1
PT1700001	01.04.2011	31.12.9999	CANTEEN	WELFARE	H	PLAT1_7000	INR	IN05_PLAT1
PT1700002	01.04.2011	31.12.9999	REPAIRS	SERVICE	H	PLAT1_7000	INR	IN05_PLAT1
PT1800001	01.04.2011	31.12.9999	TRANSPORT	LOGISSTICS	H	PLAT1_8000	INR	IN05_PLAT1
PT2100001	01.04.2011	31.12.9999	ADMIN OFFICE	ADMIN	W	PLAT2_1000	INR	IN05_PLAT2
PT2300001	01.04.2011	31.12.9999	NORMAL DESKTOP	PRODUCTION	F	PLAT2_3000	INR	IN05_PLAT2
PT2300002	01.04.2011	31.12.9999	HYBRID DESKTOP	PRODUCTION	F	PLAT2_3000	INR	IN05_PLAT2
PT2300003	01.04.2011	31.12.9999	DEGITAL DESKTOP	PRODUCTION	F	PLAT2_3000	INR	IN05_PLAT2
PT2400001	01.04.2011	31.12.9999	STORES	MATERIAL	M	PLAT2_4000	INR	IN05_PLAT2
PT2500001	01.04.2011	31.12.9999	SALES	SALES	V	PLAT2_5000	INR	IN05_PLAT2
PT2600001	01.04.2011	31.12.9999	R&D	R&D	E	PLAT2_6000	INR	IN05_PLAT2
PT2700001	01.04.2011	31.12.9999	CANTEEN	WELFARE	H	PLAT2_7000	INR	IN05_PLAT2

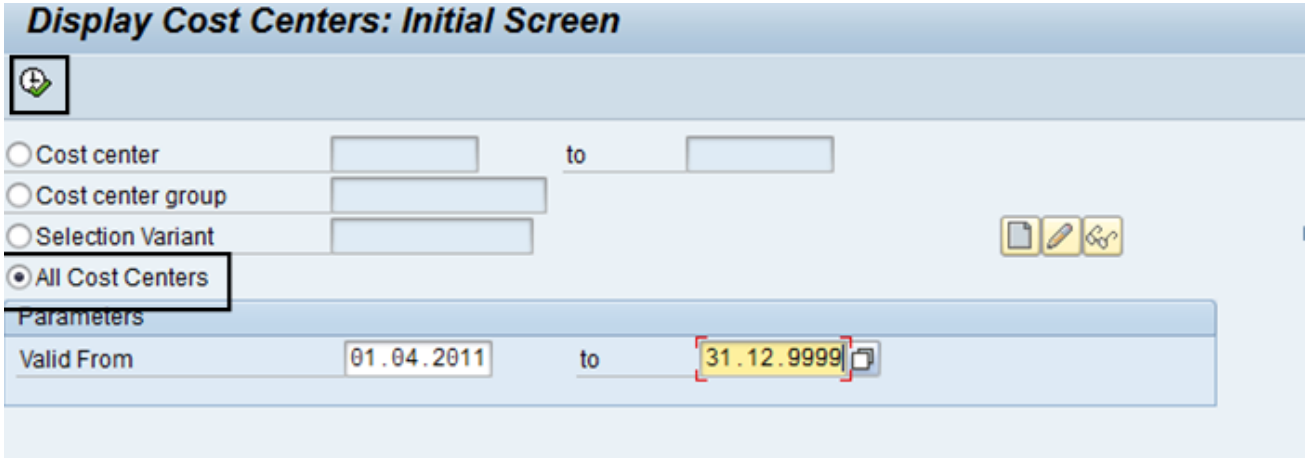
P	T2700002	01.04.2011	31.12.9999	REPAIRS	SERVICE	H	PLAT2_7000	INR	IN05_PLAT2
P	T2800001	01.04.2011	31.12.9999	TRANSPORT	LOGISSTICS	H	PLAT2_8000	INR	IN05_PLAT2

As per the above table create all cost enters.

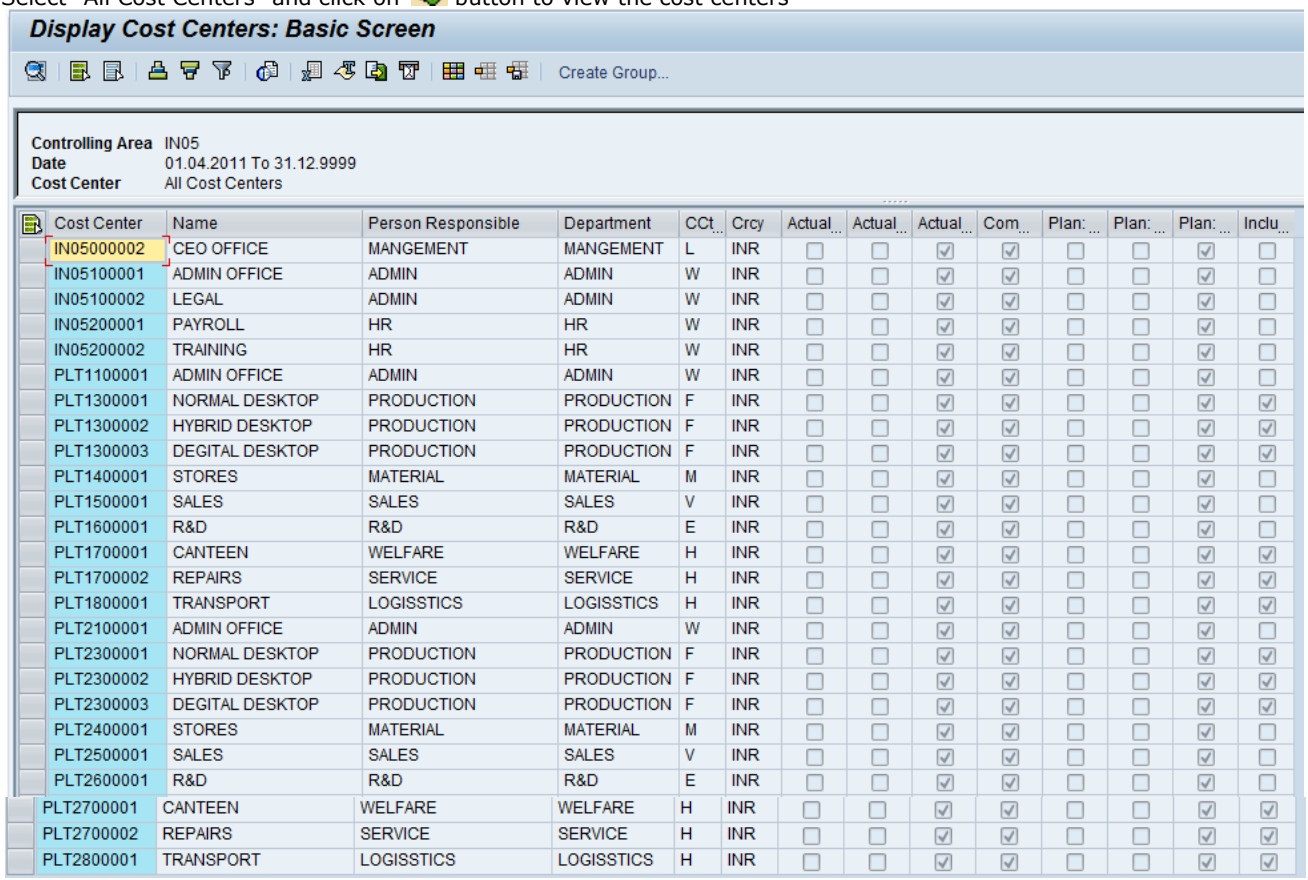
To print Cost Center Information

Path: Accounting→ Controlling→ Cost Center Accounting→ Information System → Reports for Cost Center Accounting → Master Data Indexes→ KS13 - Cost Centers: Master Data Report

Transaction Code: KS13



Select "All Cost Centers" and click on button to view the cost centers



Cost Center	Name	Person Responsible	Department	CCt...	Crcy	Actual...	Actual...	Actual...	Com...	Plan:...	Plan:...	Plan:...	Inclu...
IN05000002	CEO OFFICE	MANGEMENT	MANGEMENT	L	INR	☐	☐	☑	☑	☐	☐	☑	☐
IN05100001	ADMIN OFFICE	ADMIN	ADMIN	W	INR	☐	☐	☑	☑	☐	☐	☑	☐
IN05100002	LEGAL	ADMIN	ADMIN	W	INR	☐	☐	☑	☑	☐	☐	☑	☐
IN05200001	PAYROLL	HR	HR	W	INR	☐	☐	☑	☑	☐	☐	☑	☐
IN05200002	TRAINING	HR	HR	W	INR	☐	☐	☑	☑	☐	☐	☑	☐
PLT1100001	ADMIN OFFICE	ADMIN	ADMIN	W	INR	☐	☐	☑	☑	☐	☐	☑	☐
PLT1300001	NORMAL DESKTOP	PRODUCTION	PRODUCTION	F	INR	☐	☐	☑	☑	☐	☐	☑	☑
PLT1300002	HYBRID DESKTOP	PRODUCTION	PRODUCTION	F	INR	☐	☐	☑	☑	☐	☐	☑	☑
PLT1300003	DEGITAL DESKTOP	PRODUCTION	PRODUCTION	F	INR	☐	☐	☑	☑	☐	☐	☑	☑
PLT1400001	STORES	MATERIAL	MATERIAL	M	INR	☐	☐	☑	☑	☐	☐	☑	☐
PLT1500001	SALES	SALES	SALES	V	INR	☐	☐	☑	☑	☐	☐	☑	☐
PLT1600001	R&D	R&D	R&D	E	INR	☐	☐	☑	☑	☐	☐	☑	☐
PLT1700001	CANTEEN	WELFARE	WELFARE	H	INR	☐	☐	☑	☑	☐	☐	☑	☑
PLT1700002	REPAIRS	SERVICE	SERVICE	H	INR	☐	☐	☑	☑	☐	☐	☑	☑
PLT1800001	TRANSPORT	LOGISSTICS	LOGISSTICS	H	INR	☐	☐	☑	☑	☐	☐	☑	☑
PLT2100001	ADMIN OFFICE	ADMIN	ADMIN	W	INR	☐	☐	☑	☑	☐	☐	☑	☐
PLT2300001	NORMAL DESKTOP	PRODUCTION	PRODUCTION	F	INR	☐	☐	☑	☑	☐	☐	☑	☑
PLT2300002	HYBRID DESKTOP	PRODUCTION	PRODUCTION	F	INR	☐	☐	☑	☑	☐	☐	☑	☑
PLT2300003	DEGITAL DESKTOP	PRODUCTION	PRODUCTION	F	INR	☐	☐	☑	☑	☐	☐	☑	☑
PLT2400001	STORES	MATERIAL	MATERIAL	M	INR	☐	☐	☑	☑	☐	☐	☑	☐
PLT2500001	SALES	SALES	SALES	V	INR	☐	☐	☑	☑	☐	☐	☑	☐
PLT2600001	R&D	R&D	R&D	E	INR	☐	☐	☑	☑	☐	☐	☑	☐
PLT2700001	CANTEEN	WELFARE	WELFARE	H	INR	☐	☐	☑	☑	☐	☐	☑	☑
PLT2700002	REPAIRS	SERVICE	SERVICE	H	INR	☐	☐	☑	☑	☐	☐	☑	☑
PLT2800001	TRANSPORT	LOGISSTICS	LOGISSTICS	H	INR	☐	☐	☑	☑	☐	☐	☑	☑

STATISTICAL KEY FIGURES

Create Statistical Key Figures

These figures representing a cost center are business produce orders and profit centers, statistical key figures are used as an allocation base and to used as an allocation base and to determine the operation rate of a cost center.

Figure representing

- Cost Centers
- Activity Types
- Orders
- Business Processes
- Profit Centers
- Real Estate Objects

You can use them as the basis for internal allocations, such as Distribution and Assessment.

You assess the costs for the cafeteria to the individual cost centers, based on the number of employees in each cost center. To do this, you need to enter the number of employees in each cost center as a statistical key figure.

Structure

You can define statistical key figures as either:

- Fixed values
- Totals values

Key figures defined as fixed values are valid as of the posting period, and in all subsequent posting periods of the fiscal year.

Example: The statistical key figure *Employees* is defined as a fixed value. In period 1 of the fiscal year, you post 10 *Employees* on cost center 4100. The system then automatically posts 10 employees in periods 2 through 12.

In period 6, the number of employees is increased to 15. This means that in period 6, you post 15 *Employees* on the cost center. The system automatically posts 15 employees in periods 6 through 12.

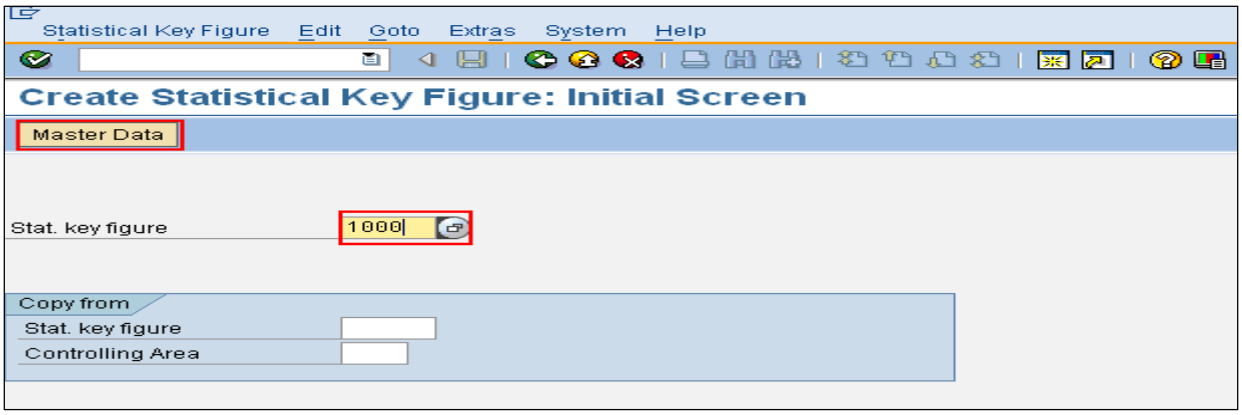
Key figures defined as Totals values are valid only in the posting period in which they are entered.

Example: You define the statistical key figure *Telephone units* as a totals value. In period 1 of the fiscal year, you post 1000 Telephone units on cost center 4100. The system posts 1000 telephone units in period 01 only.

Path: Accounting→Controlling→Cost Center Accounting→Master Data→Statistical Key Figures→Individual Processing→KK01 – Create

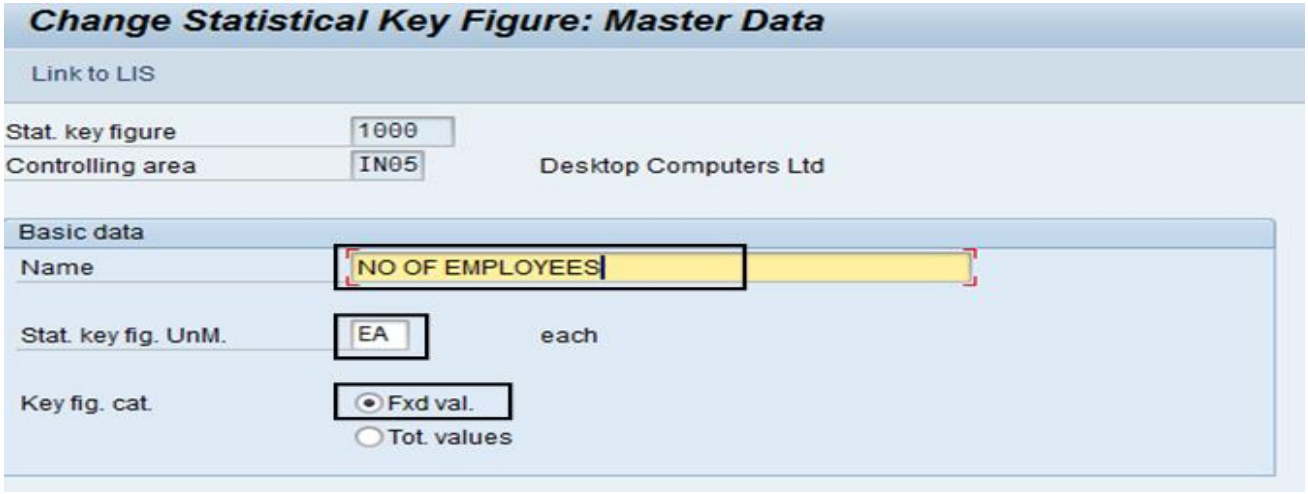
Transaction Code: KK01

Double click on the Transaction Code so it will display the following screen:



In the above screen enter the Stat. Key Figure number and pres enter or click on  Button.

It will take you to following screen:



Enter the above parameters and Save the screen.

In the same way create moor Statistical key Figure as follow:

Stat. Key Figure	Name	Stat.Key.Fig. UnM.	**Key fig. cat:** Fxd Val	**Key fig. cat:** Tot. Value
1000	No. Of employees	EA	X	
2000	Telephone Calls	EA		X
3000	Area Occupied	FT2	X	
4000	No. Of Kilometers	KM		X
5000	Repairing Hours	H		X
6000	Power Units	KWH		X
7000	No of Tests	EA		X
8000	Purchase orders	EA		X
9000	Production Units	EA		X

After creating all above Statistical key Figure save the screen and back to mane.

ACTIVITY TYPE

Creation Activity Type

Activity type describes and classifies the activities performed or produced by cost center. These activities are recorded in the form of activity, quantity, which is measured in activity units.

Activity types classify the activities produced in the cost centers within a controlling area.

To plan and allocate the activities, the system records quantities that are measured in activity units. Activity quantities are valuated using a price (allocation price).

In Overhead Cost Controlling, costs based on the activity quantity of an activity type are posted separately in fixed and variable portions. When you divide the activities of a cost center into activity types, you should consider whether the costs can be allocated effectively to the activity types.

The prices of the activity types of a cost center can be either entered manually, or calculated by the system based on the costs allocated to the activities. Prices can be calculated either using plan costs or actual costs.

You can plan, allocate, and control costs either at the activity type level of a cost center, or at the cost center level. You can enter actual costs at the cost center level. Costs entered at the cost center level are assigned using splitting.

You can also assign the activity type of a cost center directly. This use was designed for certain application areas (such as personnel costs and depreciation postings).

When the activities produced by a cost center are used by other cost centers, orders, processes, and so on, this means that the resources of the sending cost center are being used by the other objects.

You can assign one activity type, multiple activity types, or no activity types to a cost center.

Examples: Activity types for cost centers are machine hours, Labour hours, Maintanance hours or units produced.

These activity types are categorized based on the information availability for the purpose of allocation.

1. Manual Entry / Manual allocation
2. Indirect Determination, Indirect Allocation
3. Manual Entry / Indirect allocation
4. Manual Entry, No Allocation

Price Indicators:

1. 001: Plan Price Indicator
2. 002: Plan Price Determined Automatically based on plan activity.
3. 003: Plan Price Determine Automatically
4. 004: Determine Manually

Actual Price indicator:

1. 005: Actual Price Determined Basing on Activity
2. 006: Determine Manually

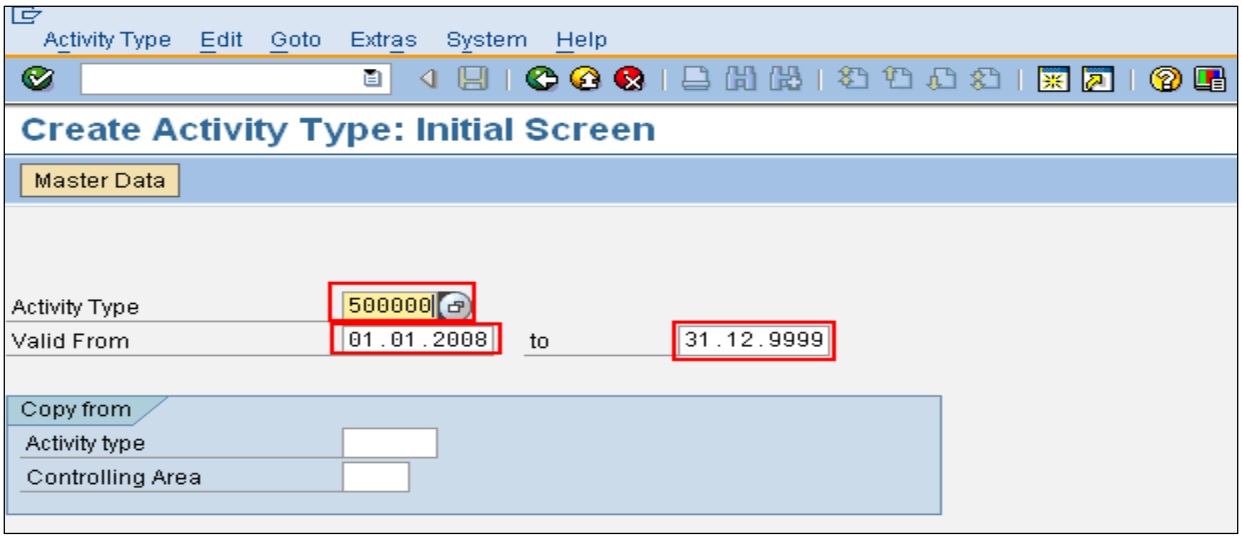
The default price indicator considered by the system in plan price 001,
To calculate actual price you need to specify the actual price indicator 005 and for actual price indicator 006,

For every activity type we need to specify an allocated cost element to store the valuated internal activity quantities.

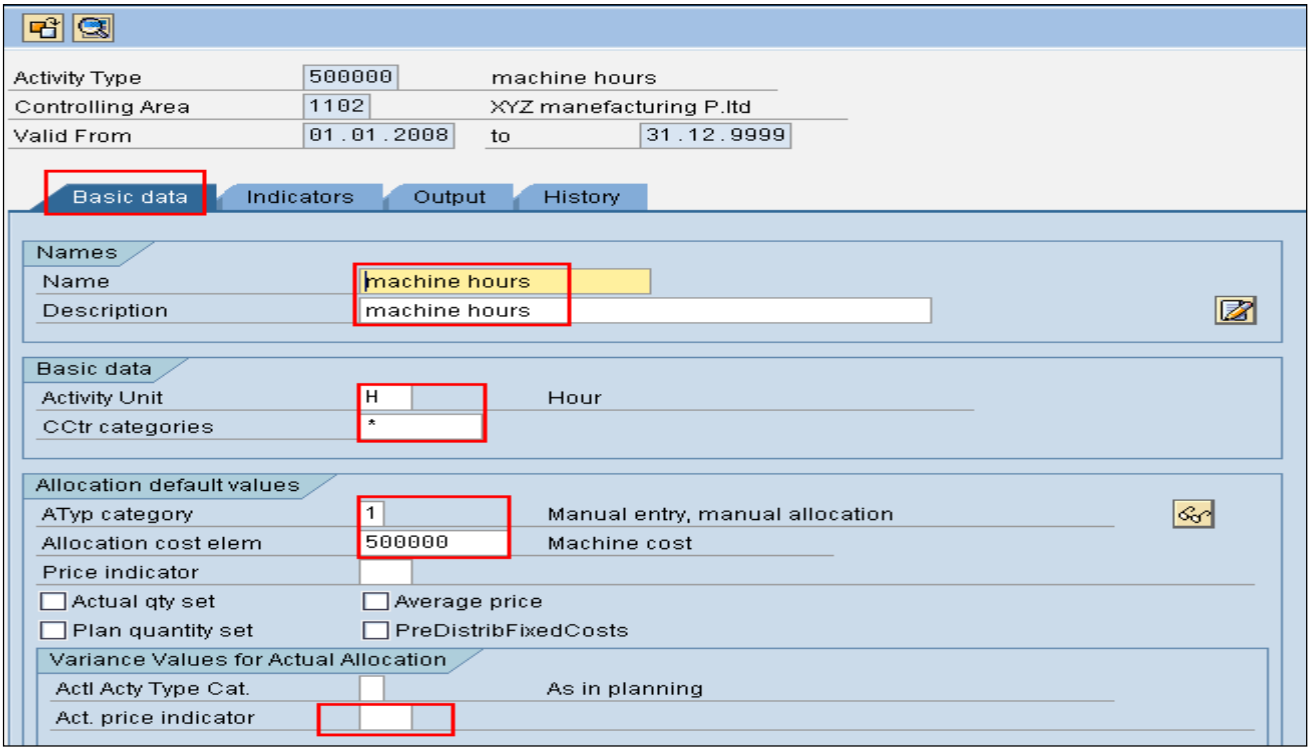
Path: Accounting→Controlling→Cost Center Accounting→Master Data→ Activity Type→Individual Processing→ KL01 - Create

Transaction Code: KL01

Double click on the Transaction Code so it will display the following screen:



In the above screen enter Activity Type number and pres enter or  button.
So it will take to next screen as follow:



Enter the required parameters and save it.

Like above activity type do the following also:

Activity Type	Valid from	Name / Description	Activity Unit	CCtr Categories	ATyp Category	Allocation Cost elem	Act. Price indicator
500000	01.01.2008	Machine Hour	H	*	1	500000	----------
501000	01.01.2008	Labour Hour	H	*	1	501000	----------
502000	01.01.2008	Set up Hour	H	*	1	502000	----------
503000	01.01.2008	Assembling Hour	H	*	1	503000	----------
504000	01.01.2008	Repairing	H	*	3	504000	5

		Hour					
505000	01.01.2008	Testing Hour	H	*	3	505000	5
506000	01.01.2008	Production Units	UN	*	3	506000	5
507000	01.01.2008	Power in Kilowatts energy	KW	*	1	507000	----------

After you create all above Activity Types save the screen and back to easy access.

Activity Category

Activity type category 1: (Manual entry, manual allocation) you plan activity quantities manually for activity types in this category. You enter actual activity quantities in internal activity allocation, based on business transactions. Plan activities are allocated using activity input planning on the receivers. It may be necessary to reconcile the plan sender quantities and the plan scheduled activities.

Activity type category 2: (Indirect calculation, indirect allocation) For activity types of this category, you plan activity types on the sender cost center. You can calculate the plan and actual activity quantities for activity types of this category as follows:

- Automatically, using receiver tracing factors, which you can value with weighting factors and are defined for each sender, or
- Using a fixed quantity, which you define in the segment definition of the indirect activity allocation
- The system automatically reconciles the plan and scheduled activity quantities.

Activity type category 3: (Manual entry, indirect allocation) you plan activity quantities manually for activity types in this category. To enter the actual activity quantities by business transaction, access the Cost Center Accounting menu, and choose Actual postings ☐ Sender activities. You cannot enter receiver objects here.

Plan and actual activity quantities are allocated automatically using defined sender/receiver relationships. The system calculates the activity quantity to be allocated to each receiver, based on the relationship of the tracing factors to all receivers. Manually planned or posted activity quantities are further allocated in full to the receivers. This means that the activity types in the plan are always reconciled following the activity allocation.

Activity type category 4: (Manual entry, no allocation) you plan activity quantities manually for activity types in this category. To enter the actual activity quantities by business transaction, access the Cost Center Accounting menu, and choose *Actual postings* ☐ Sender activities. You cannot enter receiver objects here.

You cannot allocate to other objects.

Activity type category 5: (Calculation and allocation through target=actual activity allocation)

You require activities of this activity type category when you carry out target=actual activity allocation. Target=actual activity allocation is a special from of indirect activity allocation, where the planned input of an activity is transferred as an actual value, in accordance with the operating rate Target=actual activity allocation is used only to allocate actual values. Therefore, activities participating in target=actual allocation must be assigned different activity type categories for planning and actual allocation.

Actual allocation requires activity type category 5. Planning requires activity type categories 1, 2, or 3. Category 1 is most commonly used.

In activity type maintenance, you have the option of entering separate plan and actual activity type categories. An actual activity type category is required only if actual allocation varies from plan allocation. Otherwise, the SAP System automatically adopts the plan activity type category in the actual.

Price Indicators

The Price indicator determines how the price of a business process or an activity type is calculated for a cost center.

There are two fields: The Price indicator determines the way the system calculates prices for actual values. For actual allocations, you can enter a price indicator different from that in the plan.

You can enter the following values for the (plan) price indicator:

· **001:** The system calculates the price of the activity type automatically, based on the plan activity and the plan costs required by the cost center.

Fixed price: Fixed plan costs ¸ plan activity

Variable price: Variable plan costs ¸ plan activity
Total price: Fixed price + variable price

- **002:** The system calculates the variable portion of the price, based on the plan activity. The fixed portion, however, is based on capacity. This method usually results in an under absorption for the cost center. This is because the cost center is not credited in full for the costs of providing the capacity.

Fixed price: Fixed plan costs ¸ capacity
Variable price: Variable plan costs ¸ plan activity
Total price: Fixed price + variable price

If you have set values 001 or 002, the system calculates new prices when you execute Plan Price Calculation.

- **003:** You set the price of the activity type manually.

- **004:** Activation from version maintenance

You cannot enter price indicator 004 (the plan price of the activity is calculated purely iteratively). If you activate Purely iterative p*rice* in the version, the SAP System calculates a purely iterative price, in addition to the price resulting from planning.

You can enter the following values for the (actual) price indicator:

- **005:** The SAP System calculates the actual price based on the actual activity if you execute Actual Price Calculation.

(Actual Price Calculation: The method used to calculate the prices of planned activities iteratively for combinations of cost center and activity type or for business processes, taking all activities performed for other cost centers or business processes into account. This can be done for both planned and actual data.)

- **006:** The system calculates the variable portion of the price, based on actual activity.
  The fixed portion, however, is based on the capacity.

If you have set values 005 or 006, the system calculates new prices when you execute actual price calculation. Recalculation of actual activity at actual prices can only be executed if you have selected recalculation during version maintenance.

- **007:** Manual actual price: You set the price of the activity type or business process manually. Using this price indicator, you can set a price manually that is independent of and varies from the plan.

- **008:** Actual price, activation from version maintenance: The system calculates the actual price of the activity type or business process iteratively only. If you activate the indicator *Iter.*, the system calculates a purely iterative price in addition to the price resulting from planning.

  You cannot enter price indicator 008 (the actual price is calculated purely iteratively). If you activate *purely iterative price* in the version, the SAP System calculates a purely iterative price, in addition to the price resulting from planning.

COST CENTER PLANNING

Cost center planning involves entering plan figures for costs, activities, prices or statistical key figures for a particular cost center and a particular planning period. You can then determine the variances from these figures when you come to compare these plan values with the costs actually incurred. These variances serve as a signal to make the necessary changes to your business processes.

Cost center planning forms part of the overall business planning process, and is a prerequisite for standard costing. The main characteristic of standard costing is that values and quantities are planned for specified timeframes, independently of the actual values from previous periods.

You can take plan costs and plan activity quantities to determine the (activity) prices. These prices can be used to valuate internal activities during the ongoing period, that is, before the actual costs are known.

Cost center planning has the following objectives:

- **To plan the structure** of the organization's future operations for a clearly defined time period.

  You should define performance targets and target achievement grades. You must consider the internal and external (market) factors affecting your organization.

- **To control business methods** within the current settlement period.

  This ensures that you keep as closely as possible to the plan. Iterative planning lets you adapt the target performance to reflect any changes in the organizational environment.

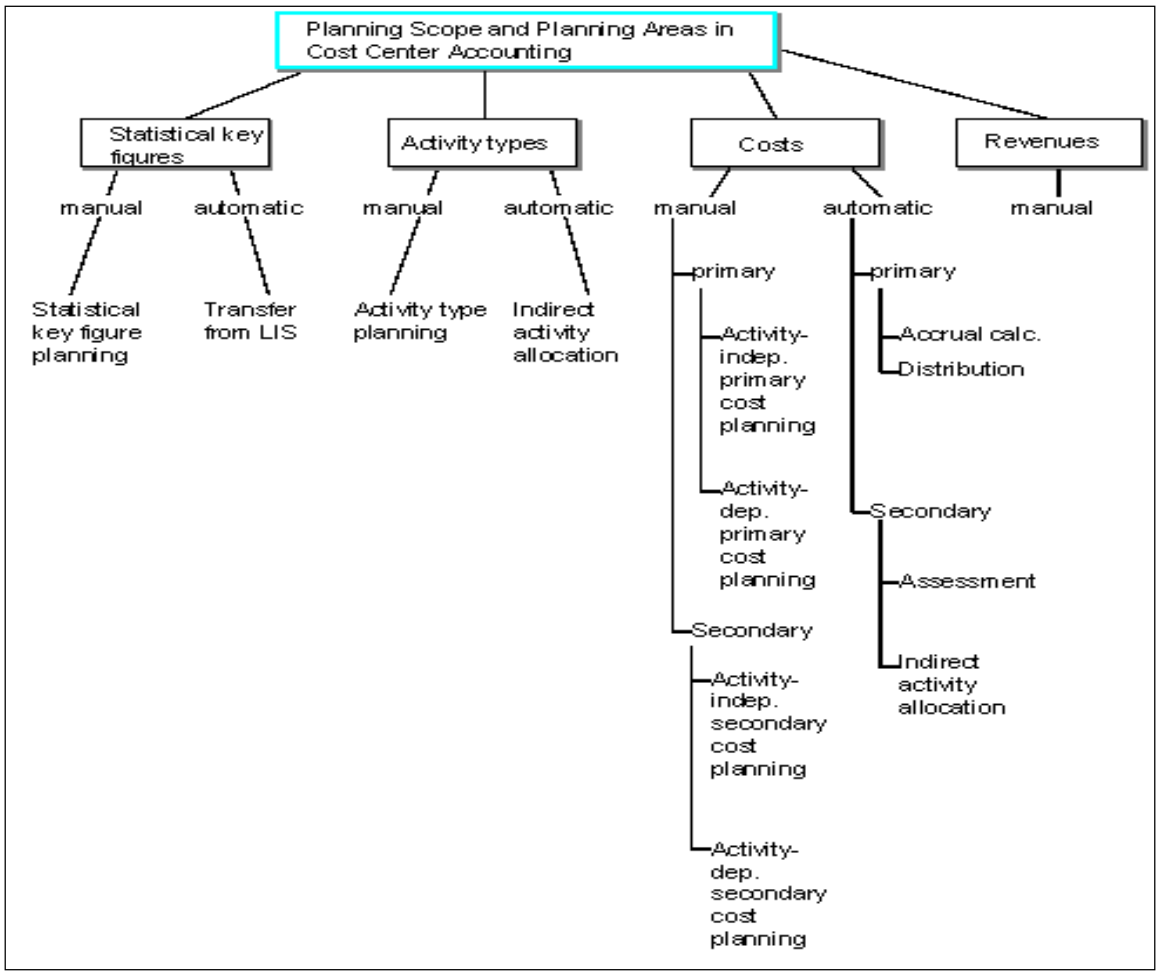
- **To monitor efficiency** after completion of the settlement period using plan/actual or target/actual comparisons.
- To provide a basis for the **valuation of organizational activities,** independent of random fluctuations.

Cost Center Planning Scope

Cost center planning is divided into the following planning areas:

- Cost elements/activity input
  - Primary costs
  - Secondary costs
  - Revenues
- Activity type planning/price planning
- Statistical key figure planning

The following graphic provides an overview of the different planning areas:



Statistical key figures can be planned for different purposes, for example, as a basis for distribution, assessment, or creating key figures in the information system. You can plan statistical key figures on cost centers or on the activity types of the cost centers. In addition to manually planning statistical figures you can also transfer statistical key figures from the Logistics Information System (LIS) For more information.

In activity type planning, you plan the activity produced by a cost center. This represents the quantity-based output of a cost center. During planning you can manually set the price with which the SAP system valuates the activity during allocations. You can choose to retain this price or have the system overwrite it during plan price calculation. You can also plan the capacity required for providing the activity type.

The input side of the cost center is affected when the primary and secondary cost values are planned. The primary and secondary plan costs refer to the costs incurred in producing the plan output on the cost center.

Value-based cost planning can be executed manually or automatically. For the automatic planning of primary costs you can use plan distribution

For automatic planning of secondary costs, you can use assessment. The SAP system determines the planning values on the basis of user-defined rules. For planning purposes, you can transfer primary costs to cost center planning from Human Resources and Asset Accounting

The quantity-based planning of secondary costs is based on the consumption of activity, which the SAP system valuates using the corresponding activity type price. The planning of secondary costs by quantity (that is, activity input planning) can be done manually or automatically using indirect activity allocation The SAP system determines the activity quantities according to the receiver tracing factors.

Activity input enables extra planning detail: You can plan primary and secondary costs both independently and dependently of activity.

For manual cost planning the SAP system provides a variety of special planner profiles for the various planning areas. These profiles are tailored to specific planning projects and contain suitable planning layouts (input screens for planning).

In one planner profile you can collect planning layouts grouped according to various criteria.

Planner profile SAP101 contains a planning layout that can be used both for activity-independent and activity-dependent primary cost planning.

Periodic Formulas in Cost Center Planning

In cost center planning, various data cells are linked together using periodic formulas, such as:

Fixed costs + variable costs = overall costs.

are linked together. In the SAP system, the variables of these formulas correspond to the key figures (or attributes) to be planned, or to the key figure values determined by the system. If you enter one or more key figure values, the system uses heuristic rules to determine which values are to be calculated. If you manually enter all of the values linked by a periodic formula, the system overwrites one of the manually entered values according to a priority list.

The periodic formulas are not calculated among the cumulated values of the overview screen, but always by period.

The system applies the periodic formulas in the following ways:

Individually

Building on one another

Enter the values in the object currency for the key figures *Variable costs* and Fixed costs in the activity-dependent primary cost planning. The system calculates the value for the overall costs according to the formula:

Fixed costs + variable costs = overall costs.

Independently of the structure of the planning layout, the costs from the example mentioned above are also translated through further process steps into the controlling area currency and the transaction currency.

Features

Here is a selection of the periodic formulas offered by the system for the planning of CO objects:

	Fixed + variable	= Overall	(only activity-dependent)
1.	Fixed	= Overall	(activity-independent in Cost Center Accounting)
	Costs	= price/price unit * plan activity quantity	
	Fixed costs/variable costs	= Fixed consumption/variable consumption Currency translations	
2.	Fixed controlling area currency	<->	Fixed object currency
3.	Variable controlling area currency	<->	Variable object currency
4.	Fixed controlling area currency	<->	Fixed transaction currency
5.	Variable controlling area currency	<->	Variable transaction currency
6.	Fixed controlling area currency	<->	Fixed user-definable currency
7.	Variable controlling area currency	<->	Variable user-definable currency
8.	Overall controlling area currency	<->	Overall user-definable currency

Depending on the values you entered during planning, the system calculates the missing values by solving the formulas according to the given variables.

Fixed + Variable = Overall (Primary Costs and Quantities)

This formula is valid for cost element planning and price planning. During the calculations, the system keeps to the following priorities:

1. Fixed + variable = overall

If you have entered a fixed value, as well as a variable and overall value, the system overwrites your overall value.

You plan the following primary costs:

Fixed $20

Variable	$40
Overall	$80

The system calculates an overall value of $60 and overwrites the value of $80 in line with the first priority.

2. Overall - variable = fixed

3. Overall - fixed = variable

Fixed Costs = Overall Costs/ Fixed Quantities = Overall Quantities

(Activity-Independent in Cost Center Accounting)

The system uses this formula if you are not planning any activity-dependent costs. If only overall costs exist, the system updates this value as fixed costs.

Overall costs = overall price/price unit * overall quantity

Variable costs = variable price/price unit * variable quantity

The system uses this formula when you plan activity-dependent secondary costs. If you have entered manual prices in activity type planning, or have carried out price calculation, the system uses these values in the activity input planning for valuation of the plan consumption

If you have not planned any prices, you cannot carry out a valuation during secondary planning. Only after price calculation or manual price planning does the system execute a recalculation of the received activity quantities using the prices.

If the following values in the activity type planning:

Activity quantity of the fixed activity type *Drills*.100 hrs

Activity quantity of the variable activity type *Drills*. 200 hrs

Fixed price $10/hr

Variable price: $20/hr

Price unit 1, that is, the price is valid for 1 hour of activity type *Drills*.

From this, the system calculates the following costs for the receiver of the activity.

Overall plan costs	=	Overall price*Total quantity
	=	(Fixed price + variable price) *(Fixed qty + Variable qty)
	=	(101 + 20/1) * (100 + 200)
	=	$9000

Plan variable costs	=	Variable price: * Variable qty
	=	20/1 * 200
	=	$4000

Fixed plan costs	=	Overall plan costs– Plan variable costs
	=	$9000 – $4000
	=	$5000

Fixed Costs/Variable Costs = Fixed Consumption/Variable Consumption

The system uses this formula when you manually plan primary costs. If you have manually planned all four values, and the system determines a breach of this formula due to your entry values, it overwrites the entry value according to the following priorities:

1. Fixed consumption = fixed costs * variable consumption/variable costs

From your entry values, the system first determines the fixed consumption and then overwrites the manually entered value.

2. Variable consumption = variable costs * fixed consumption/fixed costs

You plan the following:
Primary cost planning:
Fixed costs $2000
Variable costs: $3000

Activity type planning:
Fixed quantity: 100 hrs
Variable qty: 300 hrs

The system carries out the following calculations:

$2000 / $3000 = 100 hrs / 300 hrs

As you have planned all the values manually and the relationships in the formula are not identical, the system overwrites the *Fixed consumption* value with

Fixed consumption = $2000 * 300 hrs / $3000 = 200 hrs

With the value 200 hrs for the fixed consumption, the formula is once again correct.

Currency Translations

During manual planning, the system executes any necessary currency translations if these have been activated in the controlling area. Generally, the system carries out manual planning in the controlling area currency. Additionally, however, you can also use plan values in transaction, object or a freely-definable currency. To do this, you need to add another column to the corresponding planning layout for each additional leading amount in a different currency. The following translations are possible:

Controlling area currency to transaction currency

Controlling area currency to object currency

Controlling area currency to user-definable currency

Transaction currency to controlling area currency

Object currency to controlling area currency

User-definable currency to controlling area currency

Planning Areas in SAP:

1. Activity Type Planning
2. Activity Price Planning
3. Cost element Planning
    A. Primary Cost Planning
    B. Secondary Cost Planning
    C. Revenue Cost Planning
4. Statistical key Figures Planning

Planning in SAP ma be:
1. Manual Planning (Allocation Process)
2. Automatic Planning (Apportionment process)

Planning Value to the Statistical Key Figures

Statistical key figures can be used:

- To determine business key figures on cost centers
  Costs per employee
- As a receiver base (key) for assessments and distributions

You assess the cafeteria costs to individual cost centers within your organization, according to the number of employees.

The telephone costs are distributed to the individual cost centers according to the number of telephones in each cost center.

In this case, you plan the number of employees and the number of telephones on each cost center as a statistical key figures and enter them as actual values.

There are two different types of statistical key figures.

- Fixed values
- Total values

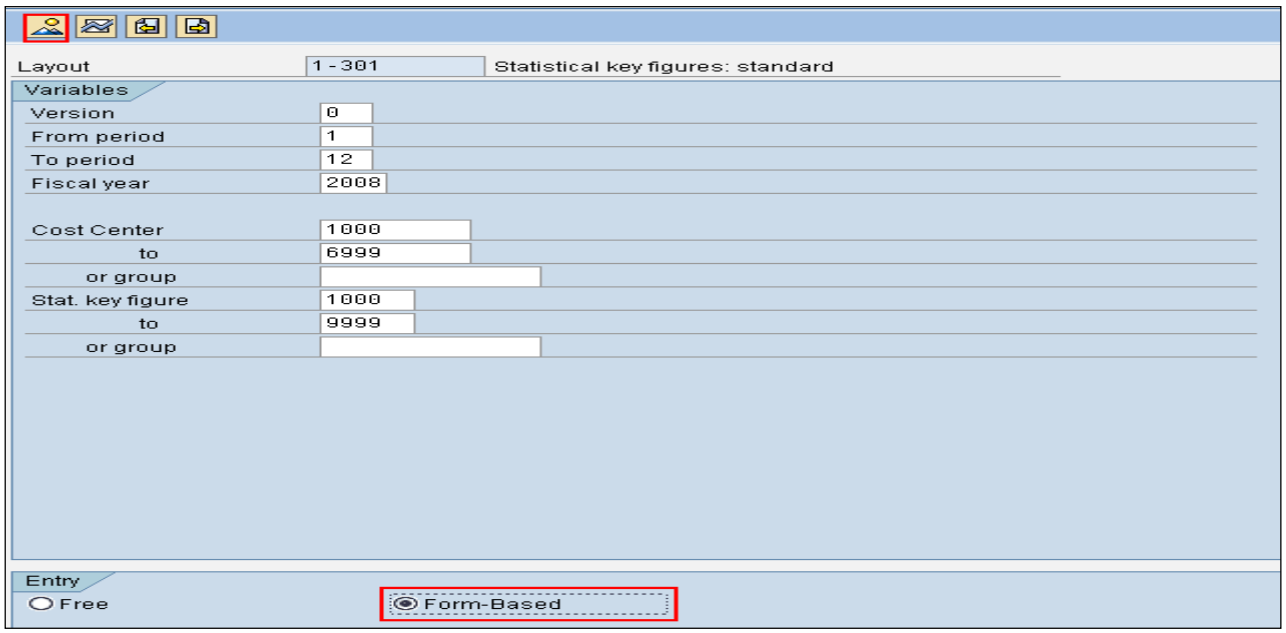
In the overview screens for the planning of statistical key figures, the system displays the average values (not totals) for statistical key figures of category Fixed values.

You can plan statistical key figures as activity-independent or activity-dependent. Use planning layout 1 - 301 for activity-independent planning, and planning layout 1 - 302 for activity-dependent planning

Path: Accounting→Controlling→Cost Center Accounting→Planning→ Statistical Key Figures→ KP46 – Change

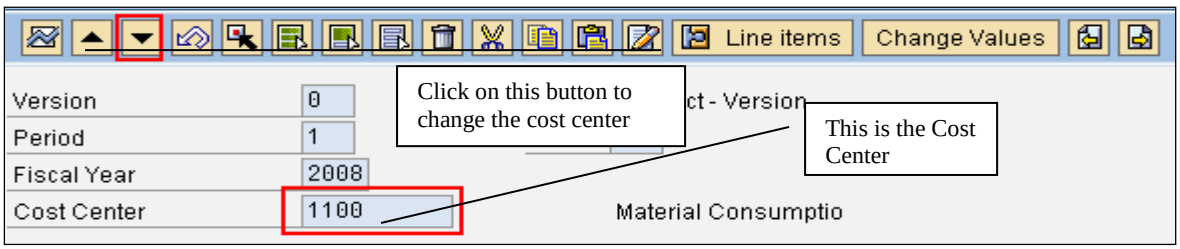
Transaction Code: KP46

Double click on the Transaction Code so it will display the following screen:

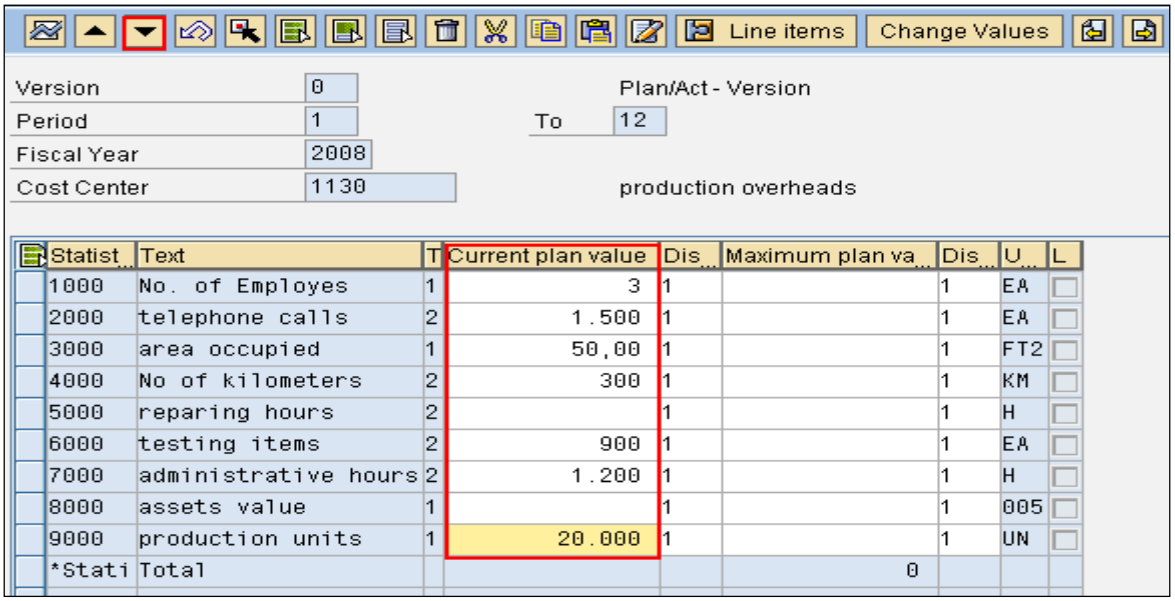


Enter the above parameters and select "Overview Screen" button.

It will display the following Screen:

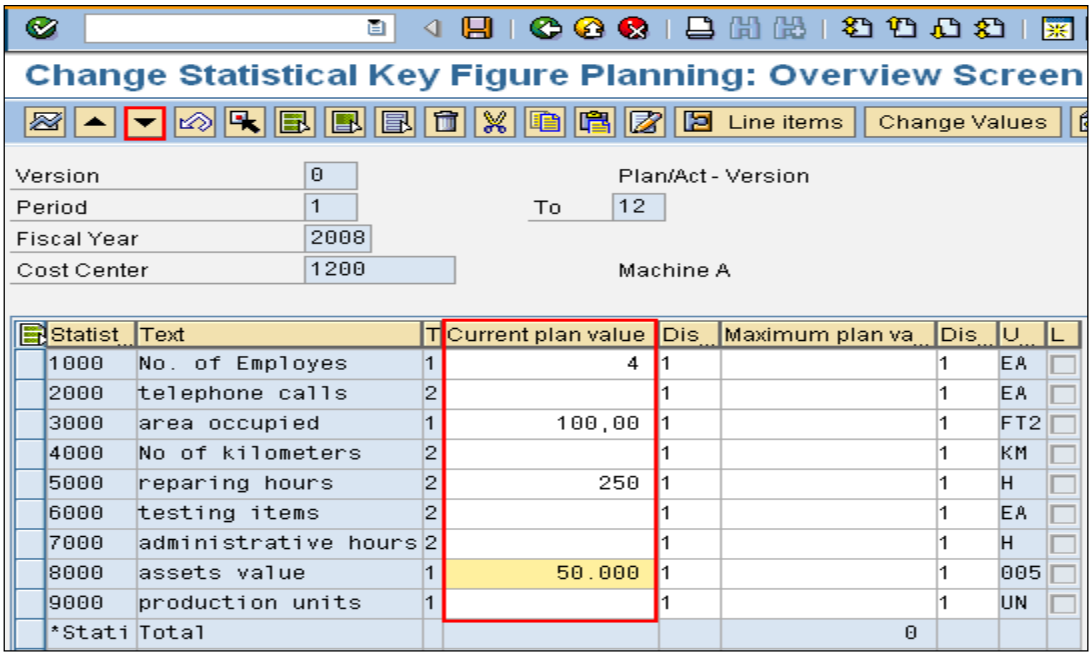


Now click on "Next Combination" button to go to next Cost Center with Combination of Statistical Key Figures till you reach the Cost Center "1130 – Production overheads" as follow:



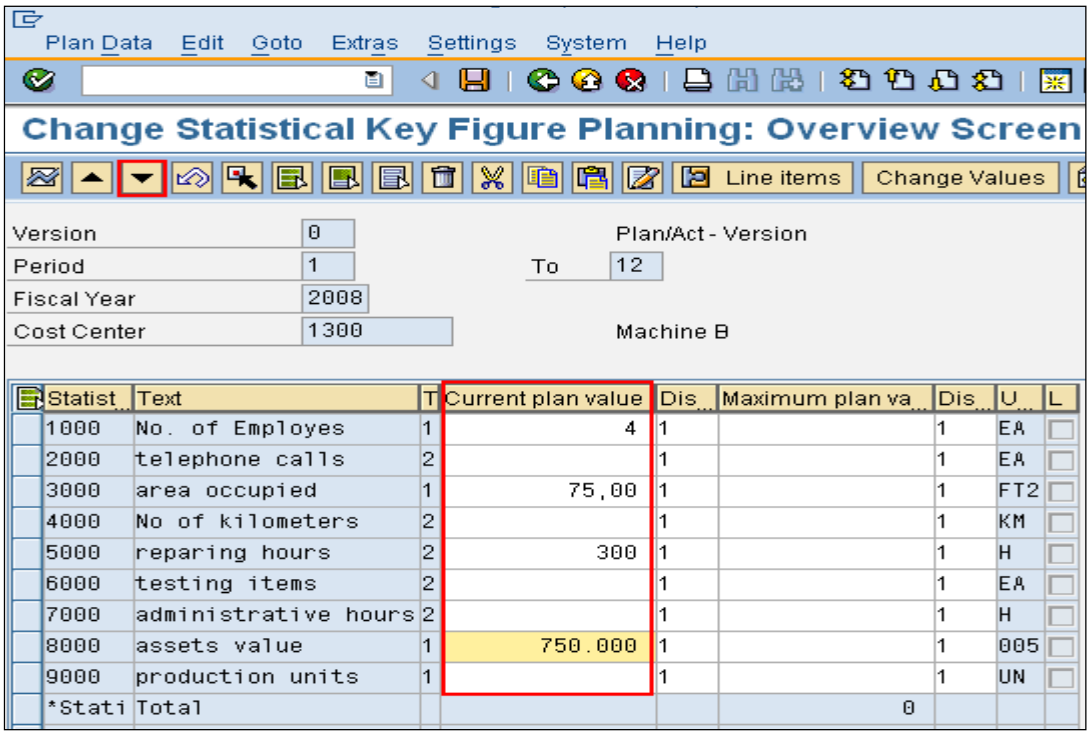
Statist	Text	T	Current plan value	Dis	Maximum plan va	Dis	U	L
1000	No. of Employes	1	3	1		1	EA	
2000	telephone calls	2	1.500	1		1	EA	
3000	area occupied	1	50,00	1		1	FT2	
4000	No of kilometers	2	300	1		1	KM	
5000	reparing hours	2		1		1	H	
6000	testing items	2	900	1		1	EA	
7000	administrative hours	2	1.200	1		1	H	
8000	assets value	1		1		1	005	
9000	production units	1	20.000	1		1	UN	
*Stati	Total				0			

Enter the above values and click on next combination  for the Cost Center "1200 – Machine A"
It will display as follow:

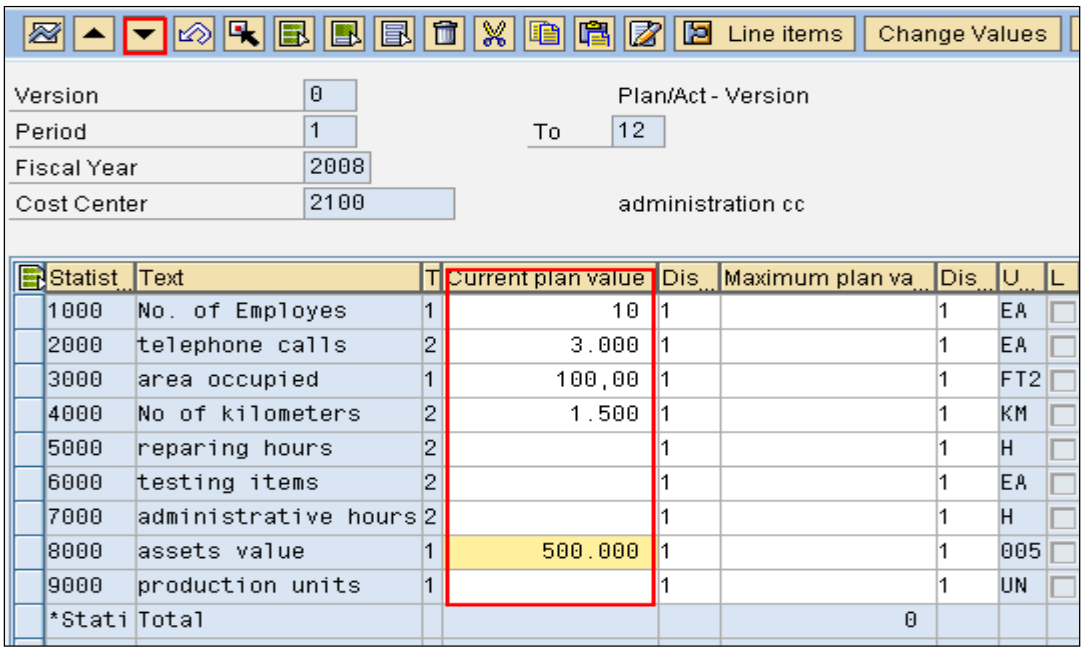


Statist	Text	T	Current plan value	Dis	Maximum plan va	Dis	U	L
1000	No. of Employes	1	4	1		1	EA	
2000	telephone calls	2		1		1	EA	
3000	area occupied	1	100,00	1		1	FT2	
4000	No of kilometers	2		1		1	KM	
5000	reparing hours	2	250	1		1	H	
6000	testing items	2		1		1	EA	
7000	administrative hours	2		1		1	H	
8000	assets value	1	50.000	1		1	005	
9000	production units	1		1		1	UN	
*Stati	Total				0			

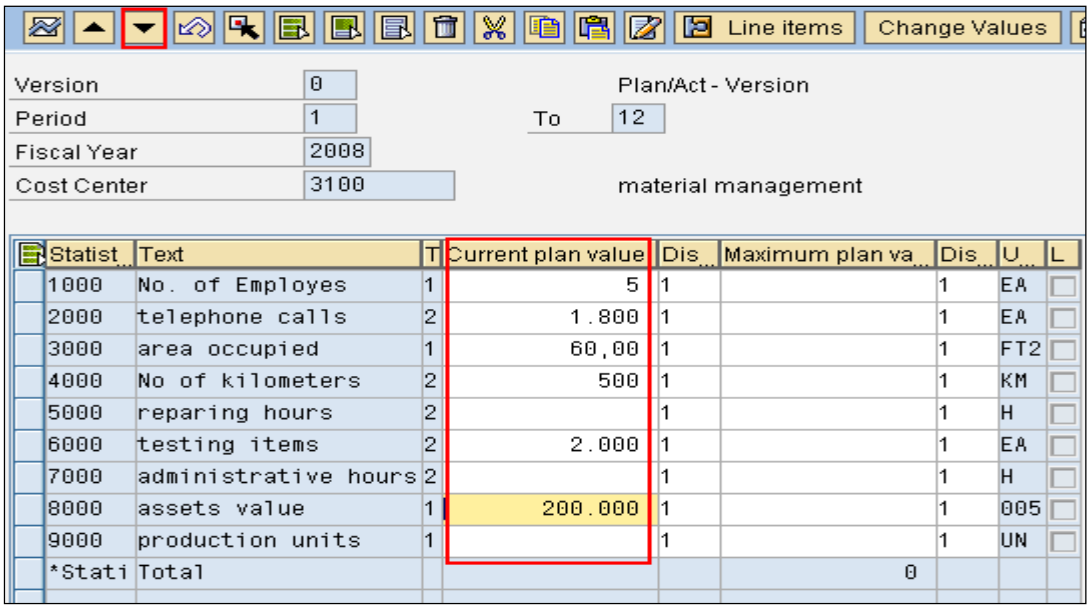
Enter the above values and click on next combination  for the Cost Center "1300 – Machine B"
It will display as follow:



Enter the above values and click on next combination  for the Cost Center "2100 – Administration Cost Center"
It will display as follow:

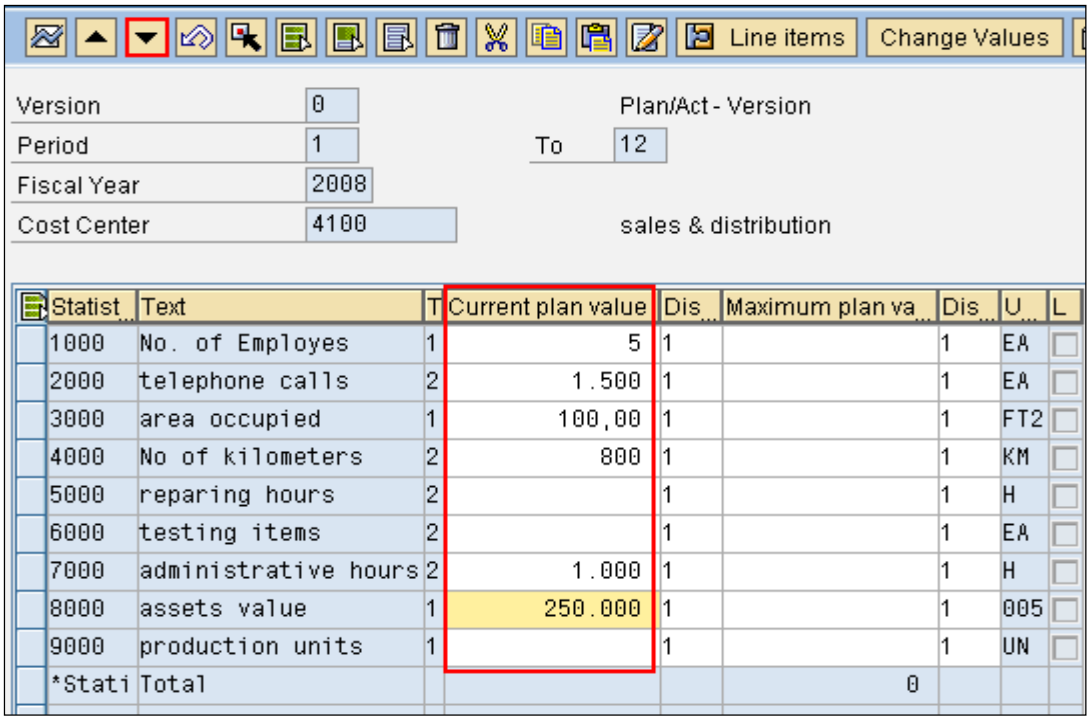


Enter the above values and click on next combination  for the Cost Center "3100 – Material Management Cost Center"
It will display as follow:



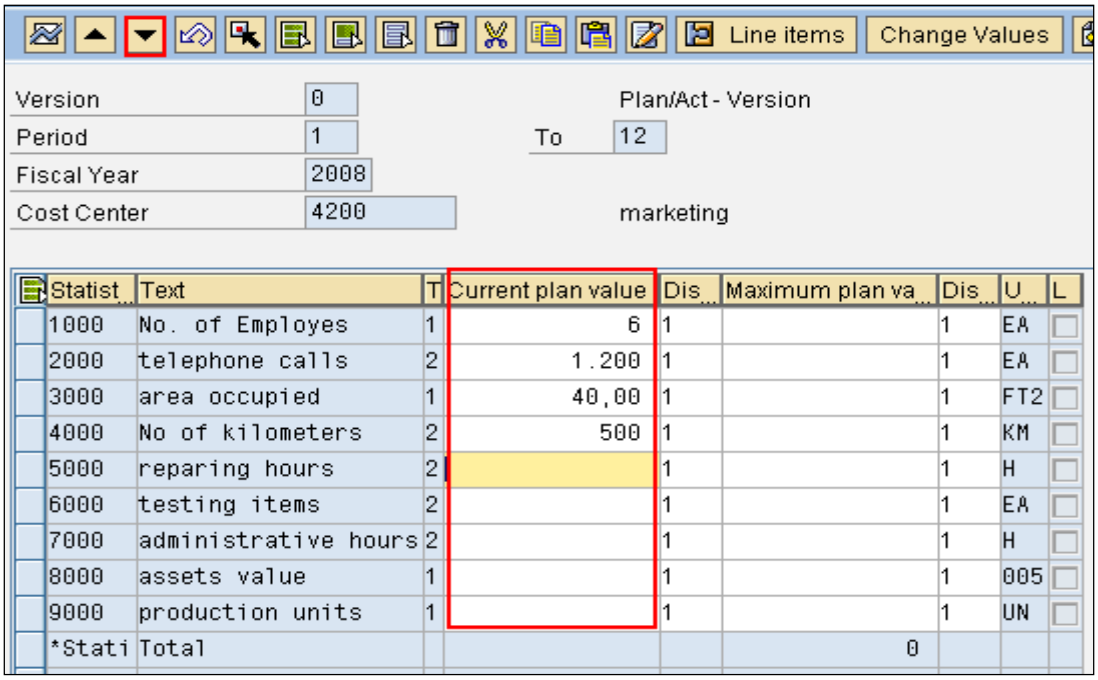
Statist	Text	T	Current plan value	Dis	Maximum plan va	Dis	U	L
1000	No. of Employes	1	5	1		1	EA	
2000	telephone calls	2	1.800	1		1	EA	
3000	area occupied	1	60,00	1		1	FT2	
4000	No of kilometers	2	500	1		1	KM	
5000	reparing hours	2		1		1	H	
6000	testing items	2	2.000	1		1	EA	
7000	administrative hours	2		1		1	H	
8000	assets value	1	200.000	1		1	005	
9000	production units	1		1		1	UN	
*Stati	Total				0			

Enter the above values and click on next combination  for the Cost Center "4100 – Sales & Distribution Cost Center"
It will display as follow:

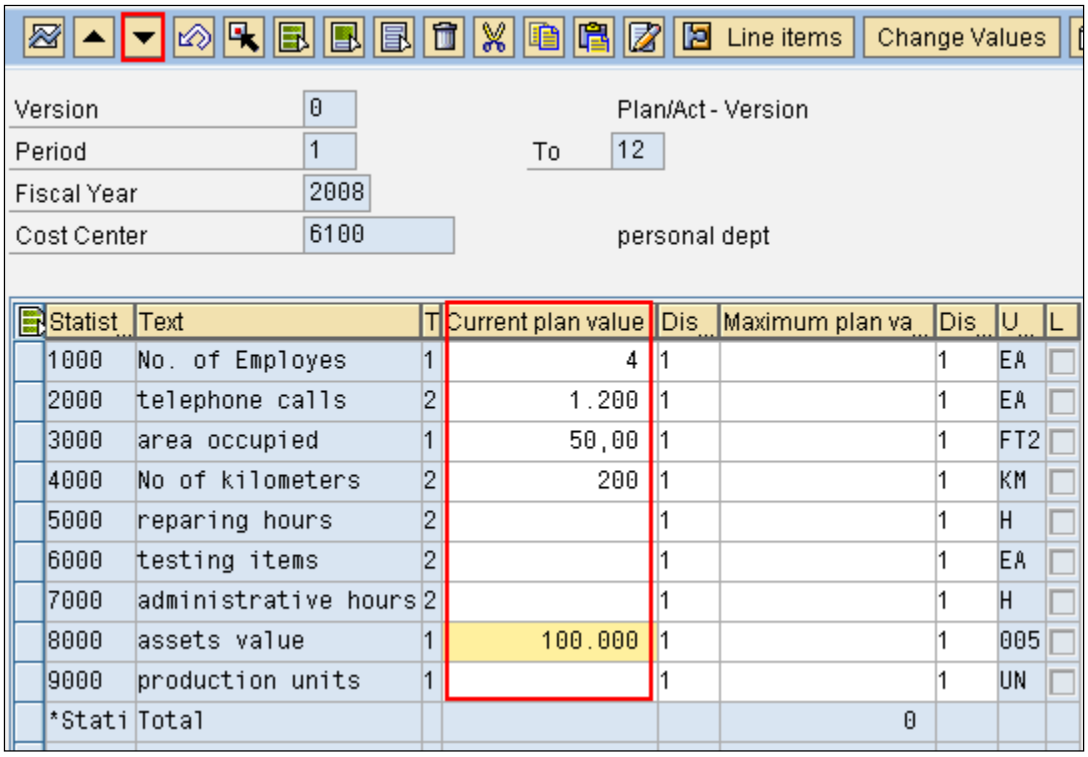


Statist	Text	T	Current plan value	Dis	Maximum plan va	Dis	U	L
1000	No. of Employes	1	5	1		1	EA	
2000	telephone calls	2	1.500	1		1	EA	
3000	area occupied	1	100,00	1		1	FT2	
4000	No of kilometers	2	800	1		1	KM	
5000	reparing hours	2		1		1	H	
6000	testing items	2		1		1	EA	
7000	administrative hours	2	1.000	1		1	H	
8000	assets value	1	250.000	1		1	005	
9000	production units	1		1		1	UN	
*Stati	Total				0			

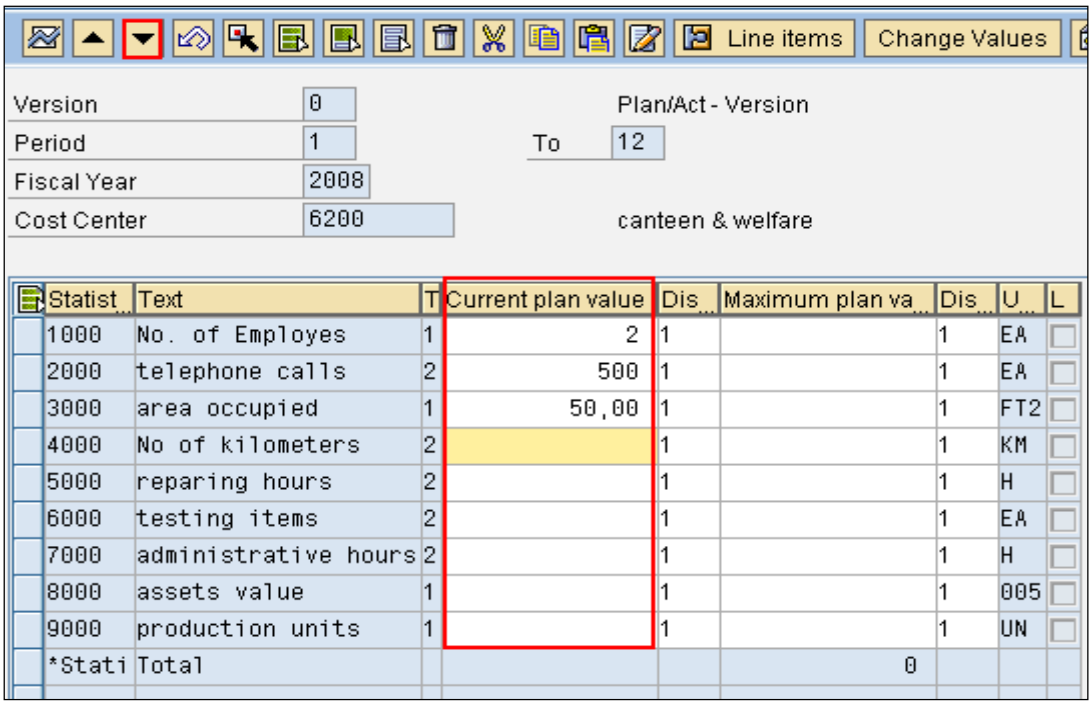
Enter the above values and click on next combination  for the Cost Center "4200 – Marketing Cost Center"
It will display as follow:



Enter the above values and click on next combination  for the Cost Center "6100 – Personal Department Cost Center"
It will display as follow:

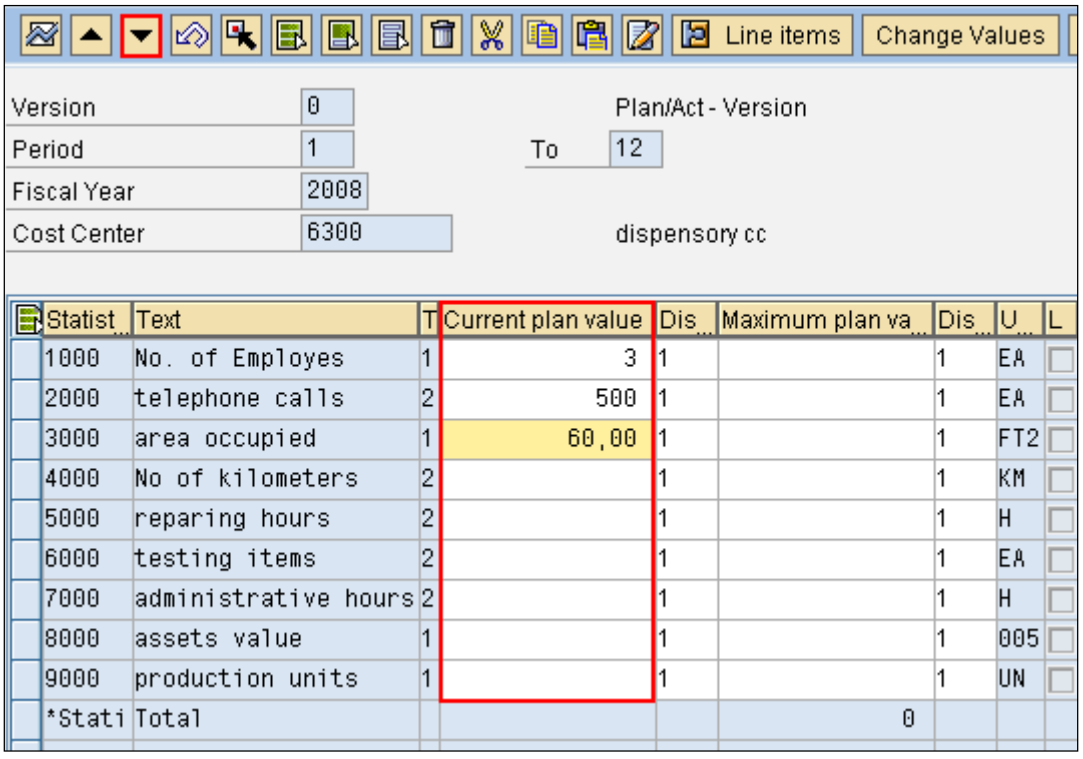


Enter the above values and click on next combination  for the Cost Center "6200 – Canteen & Welfare Cost Center"
It will display as follow:



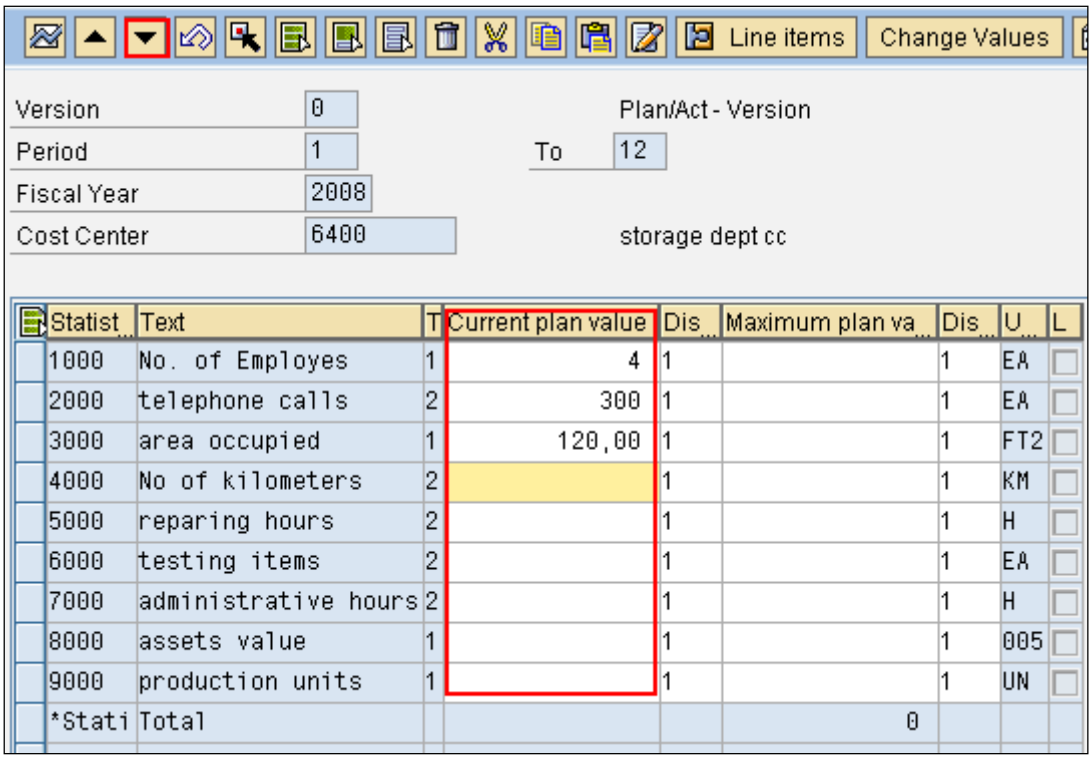
Statist	Text	T	Current plan value	Dis	Maximum plan va	Dis	U	L
1000	No. of Employes	1	2	1		1	EA	
2000	telephone calls	2	500	1		1	EA	
3000	area occupied	1	50,00	1		1	FT2	
4000	No of kilometers	2		1		1	KM	
5000	reparing hours	2		1		1	H	
6000	testing items	2		1		1	EA	
7000	administrative hours	2		1		1	H	
8000	assets value	1		1		1	005	
9000	production units	1		1		1	UN	
*Stati	Total				0			

Enter the above values and click on next combination  for the Cost Center "6300 – dispensary Cost Center"
It will display as follow:

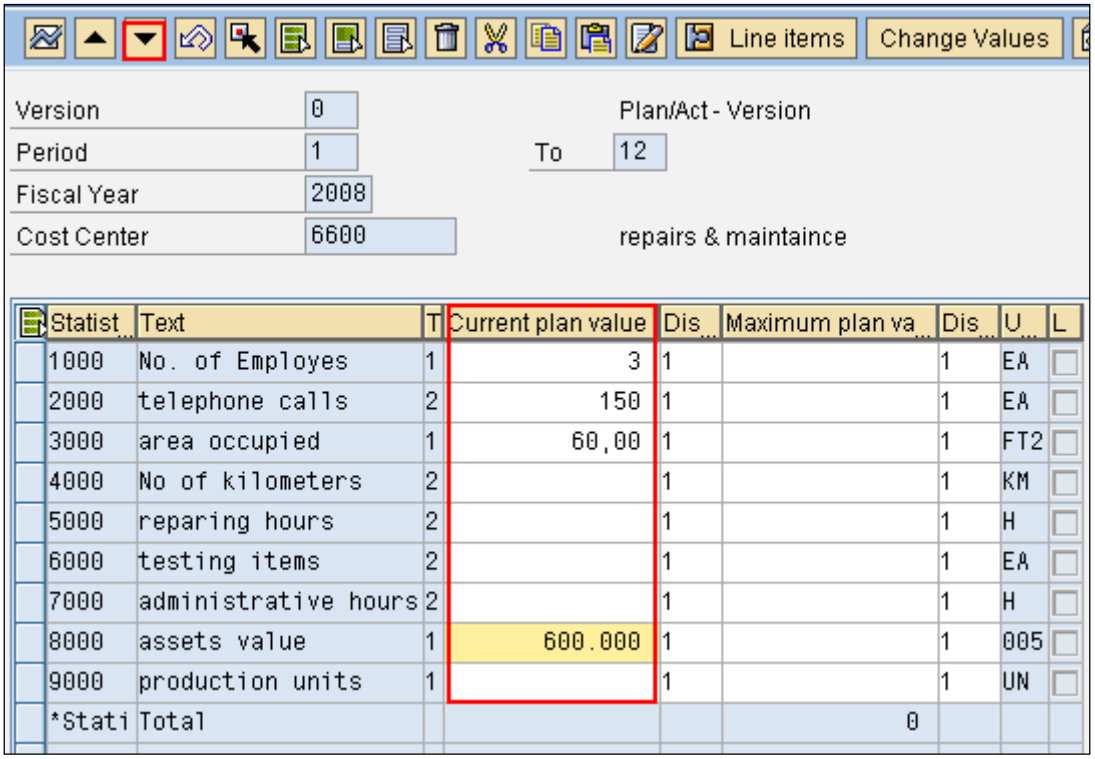


Statist	Text	T	Current plan value	Dis	Maximum plan va	Dis	U	L
1000	No. of Employes	1	3	1		1	EA	
2000	telephone calls	2	500	1		1	EA	
3000	area occupied	1	60,00	1		1	FT2	
4000	No of kilometers	2		1		1	KM	
5000	reparing hours	2		1		1	H	
6000	testing items	2		1		1	EA	
7000	administrative hours	2		1		1	H	
8000	assets value	1		1		1	005	
9000	production units	1		1		1	UN	
*Stati	Total				0			

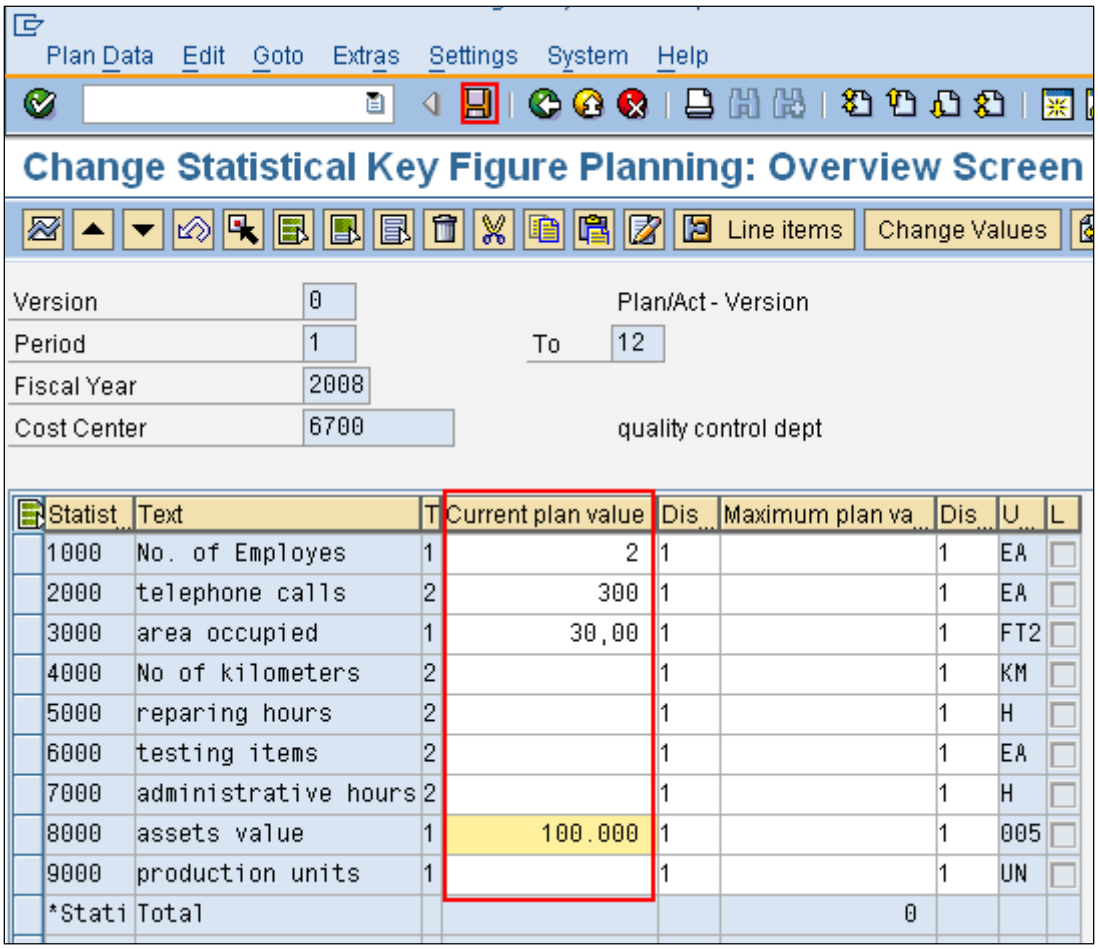
Enter the above values and click on next combination  for the Cost Center "6400 – Stores Department Cost Center"
It will display as follow:



Enter the above values and click on next combination  for the Cost Center "6600 – Repairs & Maintaince Cost Center"
It will display as follow:



Enter the above values and click on next combination  for the Cost Center "6700 – Quality Control Cost Center"
It will display as follow:

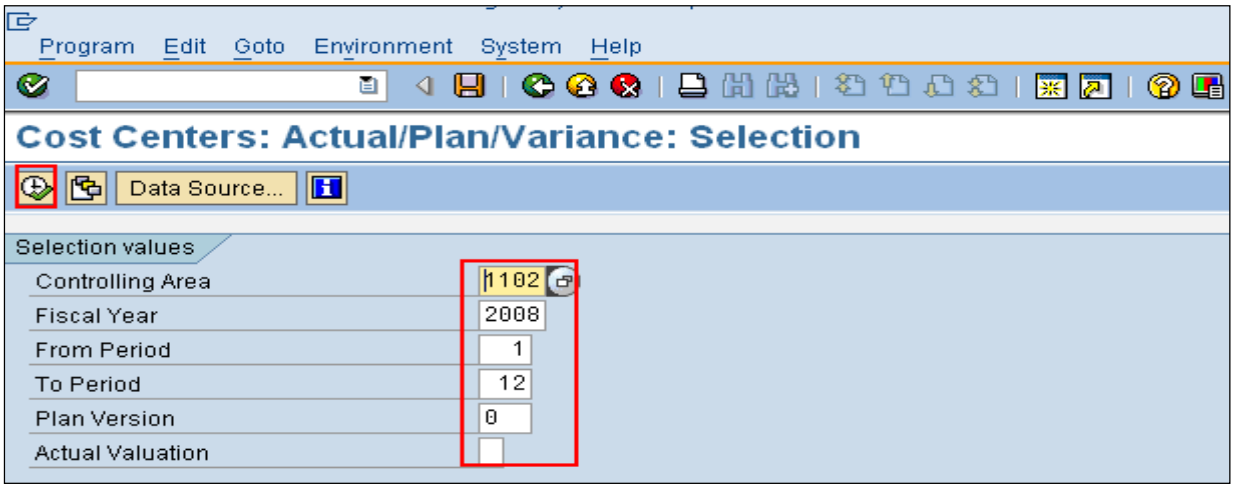


Enter the above values and click on Save Button so your planning activity will save and back to Manu screen.

REPORT ON COST CENTER

Path: Accounting→ Controlling→ Cost Center Accounting→ Information System→ Reports for Cost Center Accounting→ Plan/Actual Comparisons→ S_ALR_87013611 - Cost Centers: Actual/Plan/Variance

It will display the following screen:



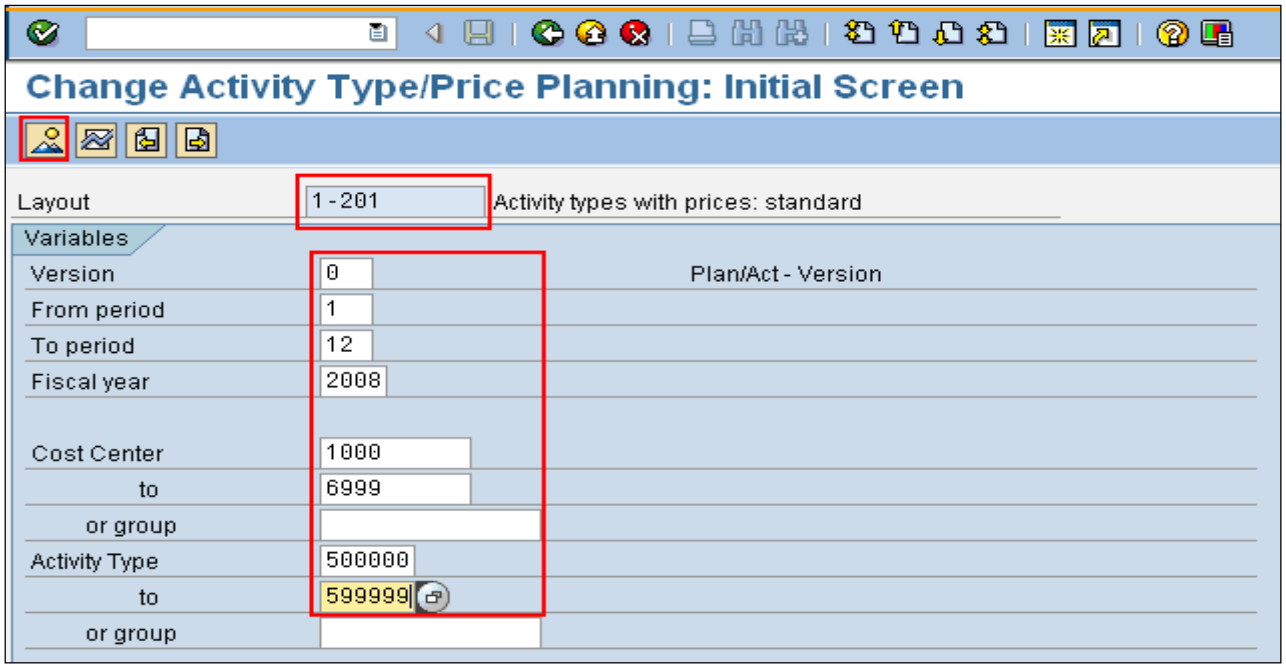
Enter the above parameters and click on  button.

ACTIVITY OUTPUT OR PRICES PLANNING

Path: Accounting→Controlling→Cost Center Accounting→Planning→ Activity Output/Prices → KP26 - Change

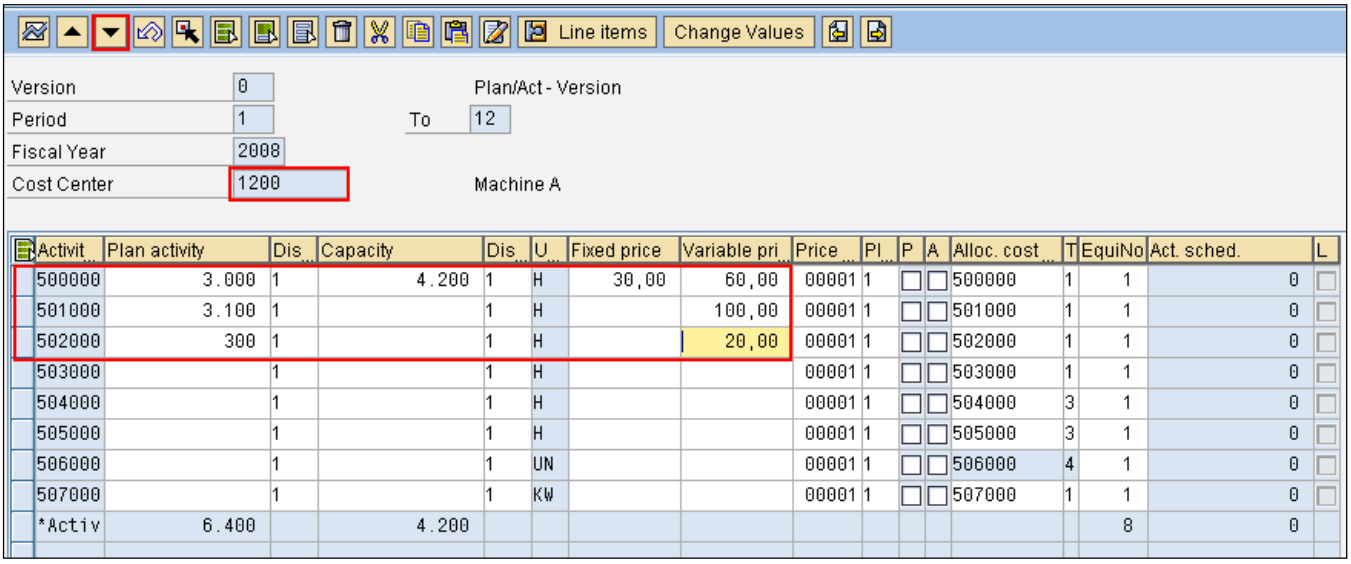
Transaction Code: KP26

Double click on the Transaction Code so it will display the following screen:



In the above screen maintain above parameters and click on "Overview Screen" button.

It will display the following screen:

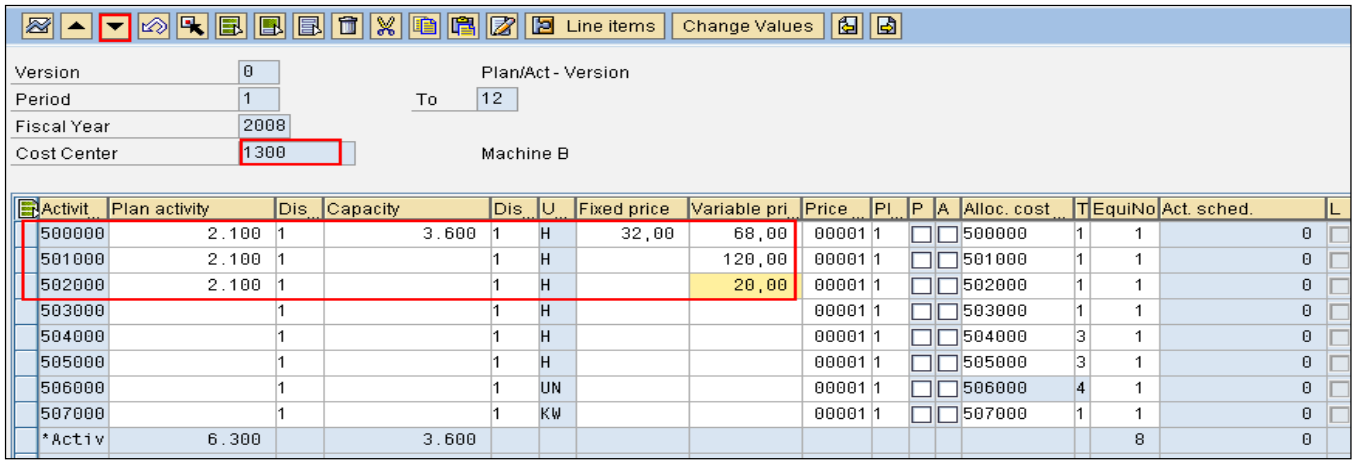


Activit	Plan activity	Dis	Capacity	Dis	U	Fixed price	Variable pri	Price	Pl	P	A	Alloc. cost	T	EquiNo	Act. sched.	L
500000	3.000	1	4.200	1	H	30,00	60,00	00001	1			500000	1	1	0	
501000	3.100	1		1	H		100,00	00001	1			501000	1	1	0	
502000	300	1		1	H		20,00	00001	1			502000	1	1	0	
503000		1		1	H			00001	1			503000	1	1	0	
504000		1		1	H			00001	1			504000	3	1	0	
505000		1		1	H			00001	1			505000	3	1	0	
506000		1		1	UN			00001	1			506000	4	1	0	
507000		1		1	KW			00001	1			507000	1	1	0	
*Activ	6.400		4.200											8	0	

In the above screen first click on "Next combination" Button till it comes to "1200 – Machine A Cost Center".

In this screen maintain above parameters.

Click on "Next combination" Button till u comes to "1300 – Machine B Cost Center".
It will display the following screen:

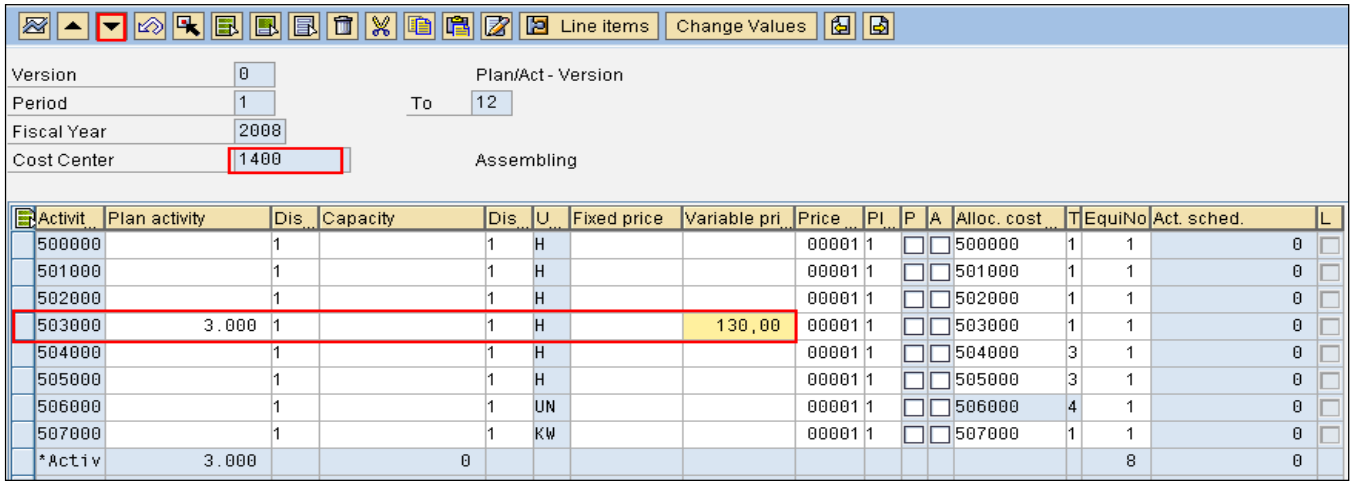


Line items | Change Values

Version 0 Plan/Act - Version
Period 1 To 12
Fiscal Year 2008
Cost Center 1300 Machine B

Activit	Plan activity	Dis	Capacity	Dis	U	Fixed price	Variable pri	Price	Pl	P	A	Alloc. cost	T	EquiNo	Act. sched.	L
500000	2.100	1	3.600	1	H	32,00	68,00	00001	1			500000	1	1	0	
501000	2.100	1		1	H		120,00	00001	1			501000	1	1	0	
502000	2.100	1		1	H		20,00	00001	1			502000	1	1	0	
503000		1		1	H			00001	1			503000	1	1	0	
504000		1		1	H			00001	1			504000	3	1	0	
505000		1		1	H			00001	1			505000	3	1	0	
506000		1		1	UN			00001	1			506000	4	1	0	
507000		1		1	KW			00001	1			507000	1	1	0	
*Activ	6.300		3.600											8	0	

Click on "Next combination" Button till u comes to "1400 – Assembling Cost Center".
It will display the following screen:

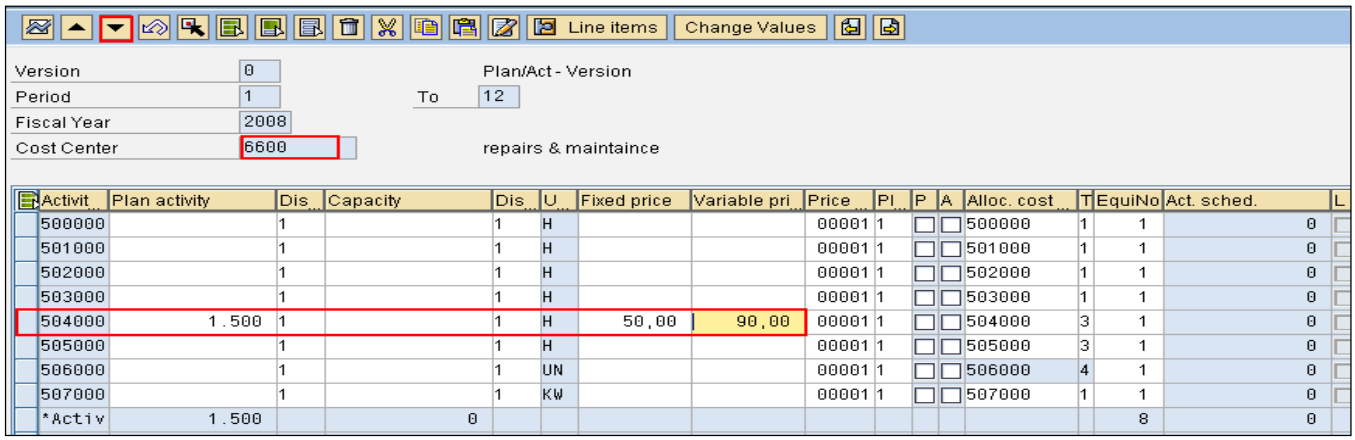


Line items | Change Values

Version 0 Plan/Act - Version
Period 1 To 12
Fiscal Year 2008
Cost Center 1400 Assembling

Activit	Plan activity	Dis	Capacity	Dis	U	Fixed price	Variable pri	Price	Pl	P	A	Alloc. cost	T	EquiNo	Act. sched.	L
500000		1		1	H			00001	1			500000	1	1	0	
501000		1		1	H			00001	1			501000	1	1	0	
502000		1		1	H			00001	1			502000	1	1	0	
503000	3.000	1		1	H		130,00	00001	1			503000	1	1	0	
504000		1		1	H			00001	1			504000	3	1	0	
505000		1		1	H			00001	1			505000	3	1	0	
506000		1		1	UN			00001	1			506000	4	1	0	
507000		1		1	KW			00001	1			507000	1	1	0	
*Activ	3.000		0											8	0	

Click on "Next combination" Button till u comes to "6600 – Repairing & Maintains Cost Center".
It will display the following screen:

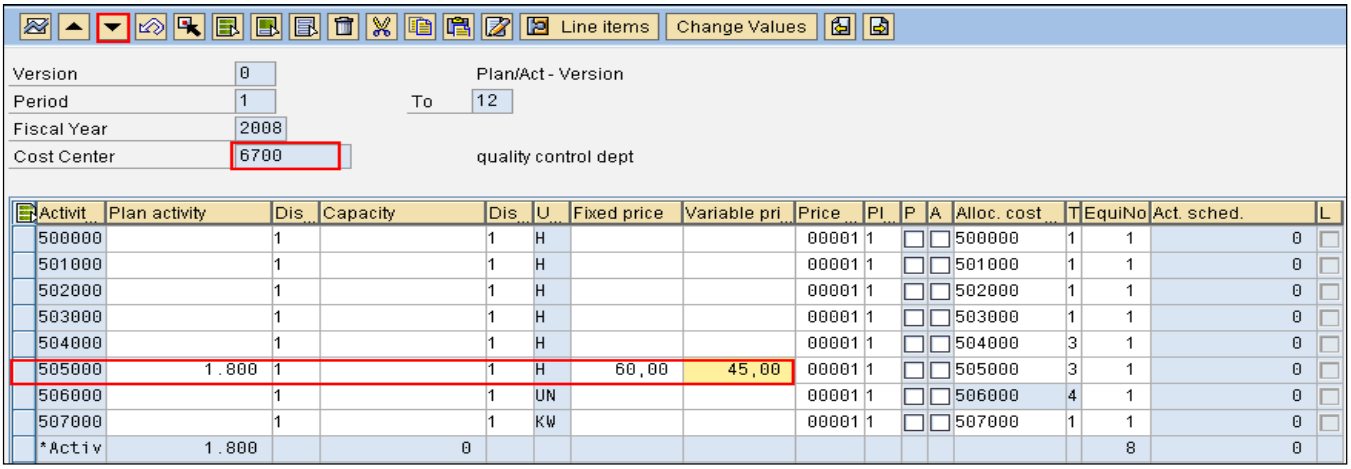


Line items | Change Values

Version 0 Plan/Act - Version
Period 1 To 12
Fiscal Year 2008
Cost Center 6600 repairs & maintaince

Activit	Plan activity	Dis	Capacity	Dis	U	Fixed price	Variable pri	Price	Pl	P	A	Alloc. cost	T	EquiNo	Act. sched.	L
500000		1		1	H			00001	1			500000	1	1	0	
501000		1		1	H			00001	1			501000	1	1	0	
502000		1		1	H			00001	1			502000	1	1	0	
503000		1		1	H			00001	1			503000	1	1	0	
504000	1.500	1		1	H	50,00	90,00	00001	1			504000	3	1	0	
505000		1		1	H			00001	1			505000	3	1	0	
506000		1		1	UN			00001	1			506000	4	1	0	
507000		1		1	KW			00001	1			507000	1	1	0	
*Activ	1.500		0											8	0	

Click on "Next combination"  Button till u comes to "6700 – Quality & Control Cost Center".
It will display the following screen:



Line items | Change Values

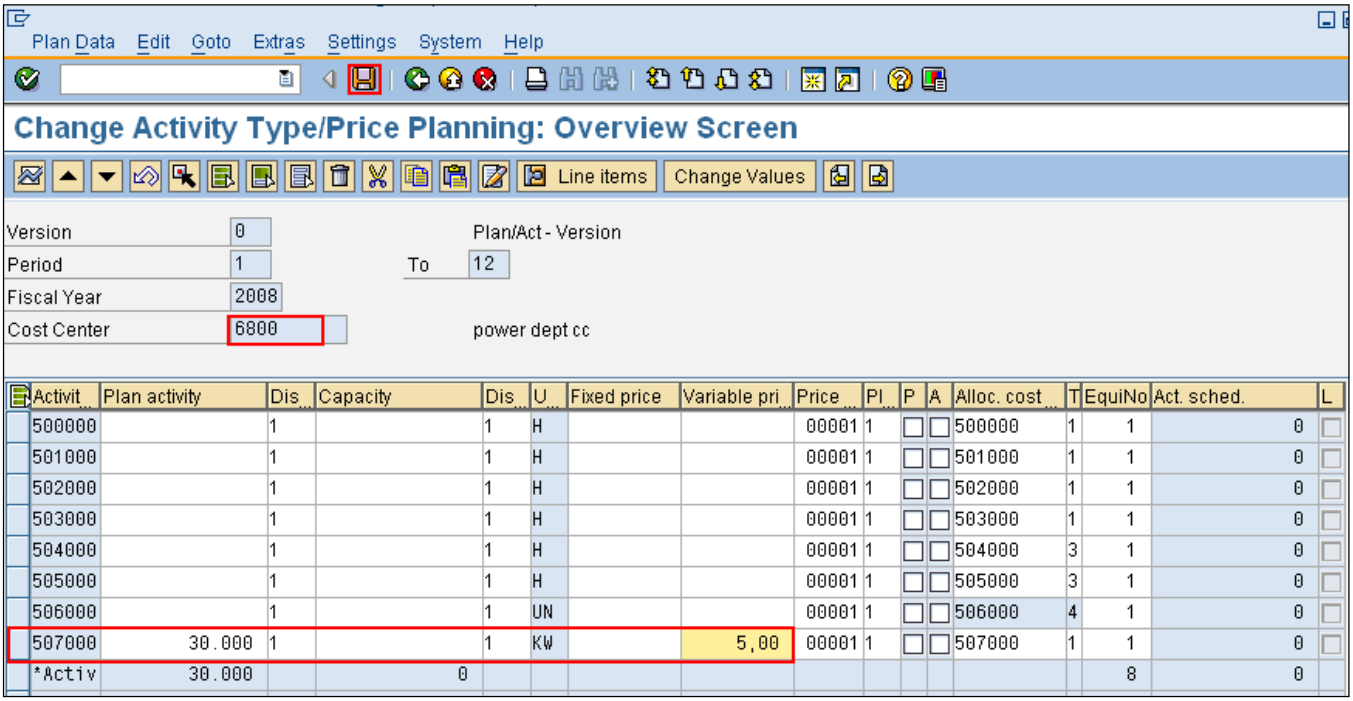
Version	0
Period	1
To	12
Fiscal Year	2008
Cost Center	6700

Plan/Act - Version

quality control dept

Activit	Plan activity	Dis	Capacity	Dis	U	Fixed price	Variable pri	Price	Pl	P	A	Alloc. cost	T	EquiNo	Act. sched.	L
500000		1		1	H			00001	1			500000	1	1	0	
501000		1		1	H			00001	1			501000	1	1	0	
502000		1		1	H			00001	1			502000	1	1	0	
503000		1		1	H			00001	1			503000	1	1	0	
504000		1		1	H			00001	1			504000	3	1	0	
505000	1.800	1		1	H	60,00	45,00	00001	1			505000	3	1	0	
506000		1		1	UN			00001	1			506000	4	1	0	
507000		1		1	KW			00001	1			507000	1	1	0	
*Activ	1.800		0											8	0	

Click on "Next combination"  Button till u comes to "6800 – Power Cost Center".
It will display the following screen:



Plan Data Edit Goto Extras Settings System Help

Change Activity Type/Price Planning: Overview Screen

Line items | Change Values

Version	0
Period	1
To	12
Fiscal Year	2008
Cost Center	6800

Plan/Act - Version

power dept cc

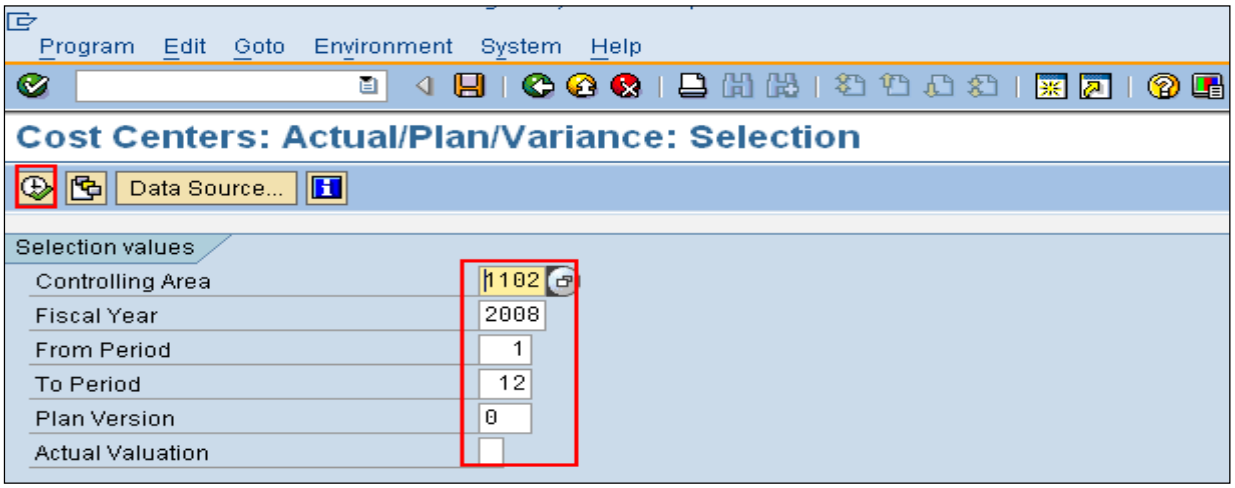
Activit	Plan activity	Dis	Capacity	Dis	U	Fixed price	Variable pri	Price	Pl	P	A	Alloc. cost	T	EquiNo	Act. sched.	L
500000		1		1	H			00001	1			500000	1	1	0	
501000		1		1	H			00001	1			501000	1	1	0	
502000		1		1	H			00001	1			502000	1	1	0	
503000		1		1	H			00001	1			503000	1	1	0	
504000		1		1	H			00001	1			504000	3	1	0	
505000		1		1	H			00001	1			505000	3	1	0	
506000		1		1	UN			00001	1			506000	4	1	0	
507000	30.000	1		1	KW		5,00	00001	1			507000	1	1	0	
*Activ	30.000		0											8	0	

After entering above parameters click on save the button to save planning activity and back to Manu screen.

REPORT ON COST CENTER

Path: Accounting→ Controlling→ Cost Center Accounting→ Information System→ Reports for Cost Center Accounting→ Plan/Actual Comparisons→ S_ALR_87013611 - Cost Centers: Actual/Plan/Variance

It will display the following screen:



Enter the above parameters and click on button.

ACTIVITY INPUT PLANNING

Activity-Independent and Activity-Dependent Cost Planning

Activity-independent cost planning covers both primary and secondary costs, but does not refer to a specific activity type. The opposite to this is activity-dependent planning.

Activity-dependent planning of primary and secondary costs enables you to plan both fixed and variable costs. You may require this functionality if your costing system uses flexible standard costing based on marginal costs. It is also possible to carry out flexible standard costing based on full costs or marginal costs.

Standard costing based on full costs means that the fixed costs are distributed in proportion to the operating level. This could mean that portions of fixed costs are included in the prices. You can assign plan activity-independent costs to activity types using various rules, for example, using equivalence numbers or your own splitting rules

Standard costing based on marginal costs means that the fixed costs included in the prices are **not** proportional to the operating level If you want to use prices based on full costs for your marginal costing, as well as purely proportional prices, you must assign to the cost objects the fixed costs of the sender cost centers in addition to allocating the variable costs of internal activity allocation. Because the fixed preparation costs are not proportional to the operating level, you should not allocate them in a marginal costing system based on the activity output of the sender cost centers.

Pre-distribution of Fixed Costs enables you to distribute the fixed costs in full to the cost centers that have planned activity input. The following prerequisites apply:

- Within an agreed activity plan, the sender cost centers provide activity quantities because **other** cost centers have planned to consume them.

- The sender cost center has **not** caused the fixed costs for the provision of these activities.

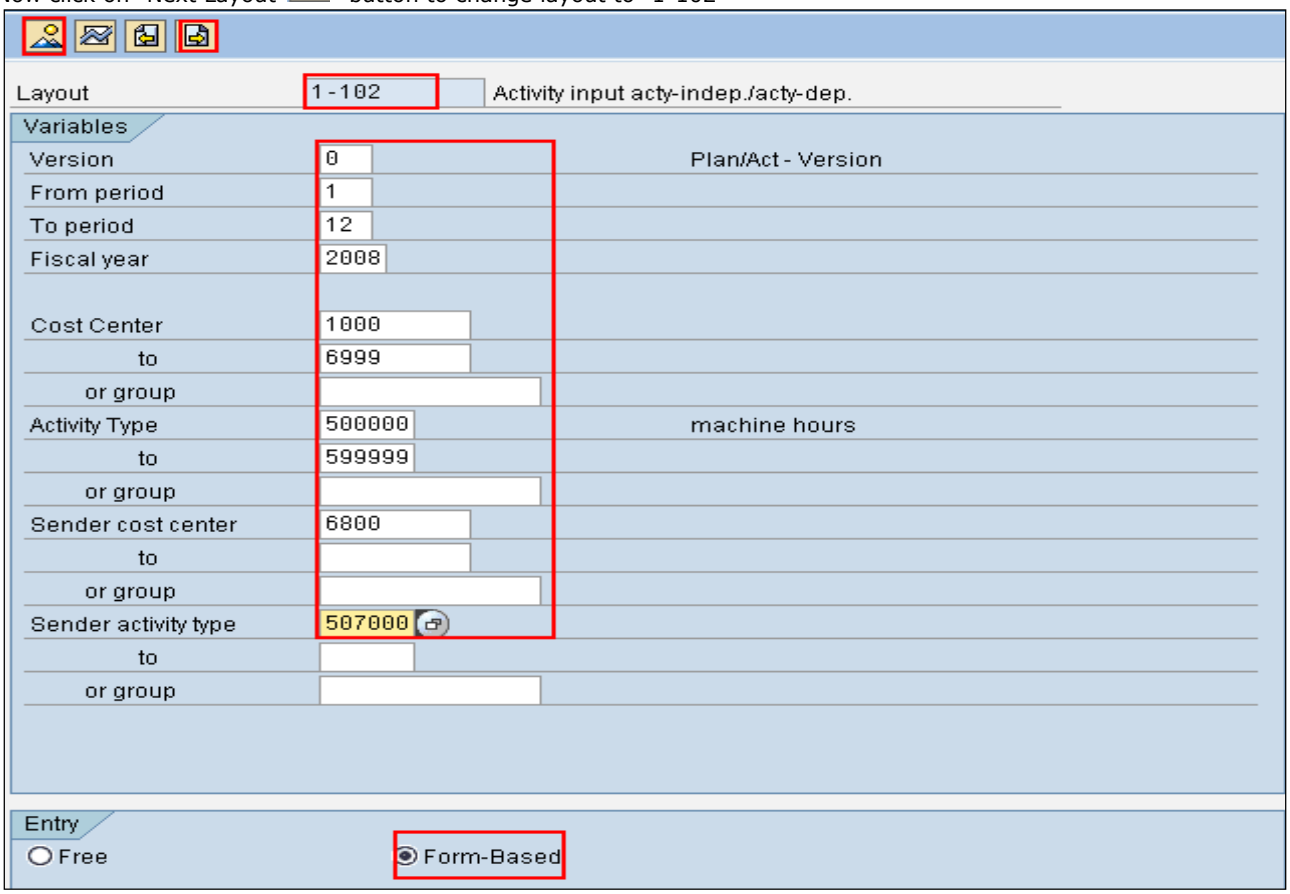
ACTIVITY DEPENDENT ACTIVITY INPUT PLANNING

Path: Accounting→ Controlling→ Cost Center Accounting→ Planning→ Cost and Activity Inputs→ KP06 – Change

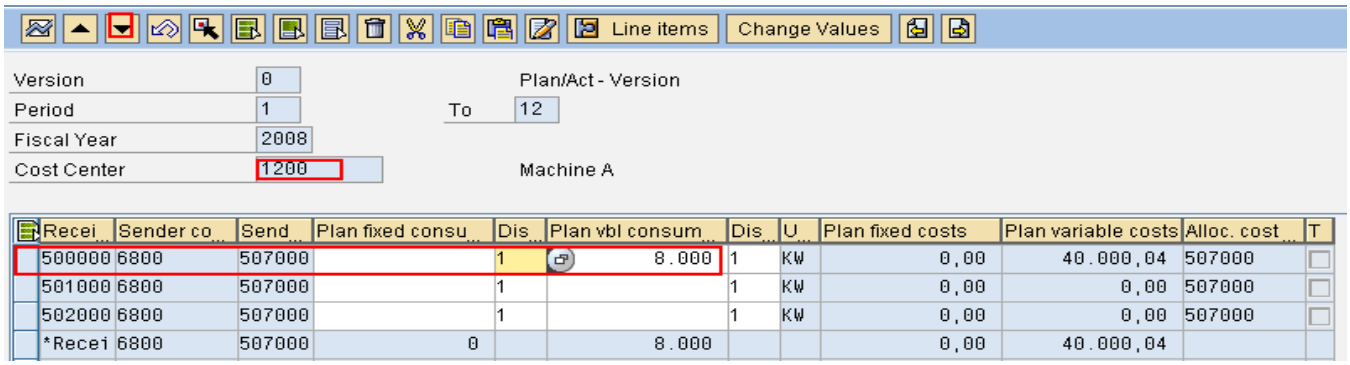
Transaction Code: KP06

It will display following screen:

Now click on "Next Layout  " button to change layout to "1-102"



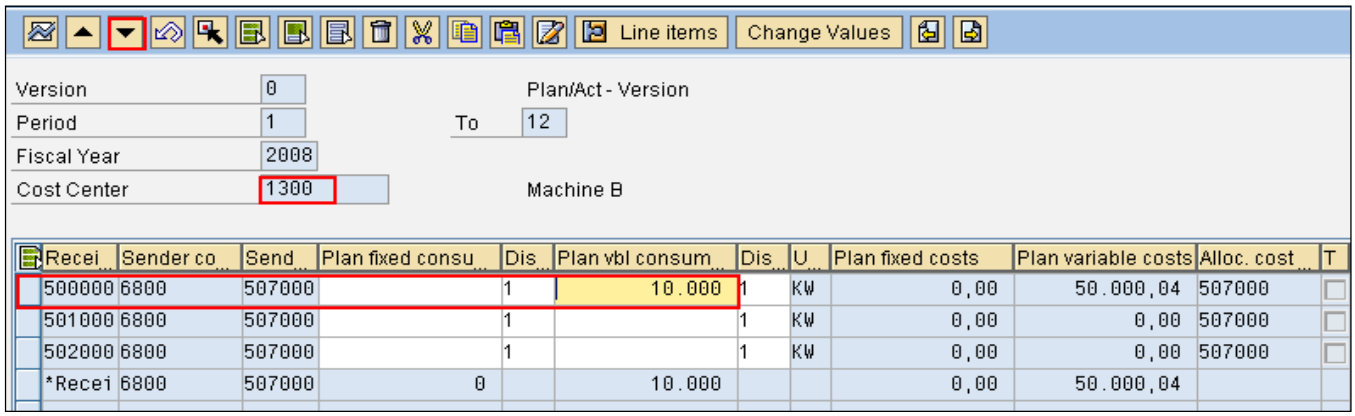
Now maintain the above parameters and click on "Overview Screen  " button.
So it will take you to another screen as follow:



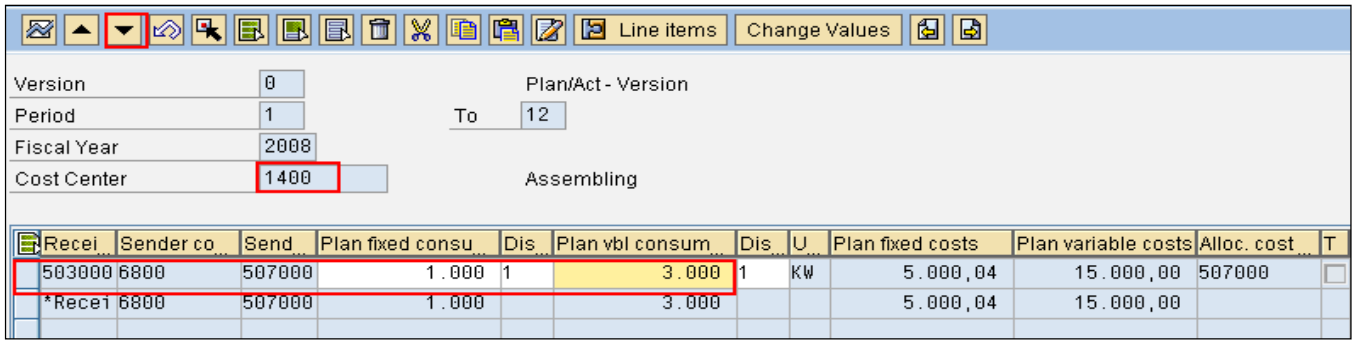
Recei	Sender co	Send	Plan fixed consu	Dis	Plan vbl consum	Dis	U	Plan fixed costs	Plan variable costs	Alloc. cost	T
500000	6800	507000		1	8.000	1	KW	0,00	40.000,04	507000	
501000	6800	507000		1		1	KW	0,00	0,00	507000	
502000	6800	507000		1		1	KW	0,00	0,00	507000	
*Recei	6800	507000	0		8.000			0,00	40.000,04		

Click on "Next combination"  Button till u comes to "1300 – Machine B Cost Center".

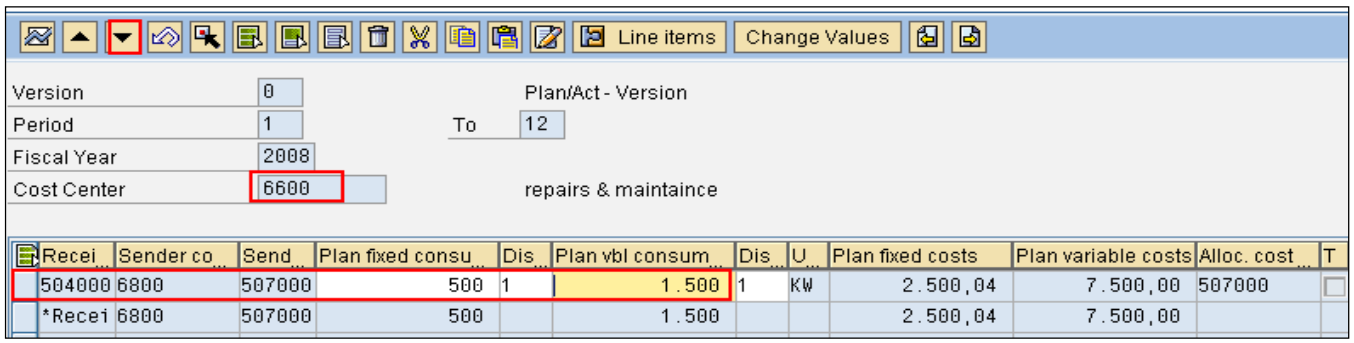
It will display the following screen:



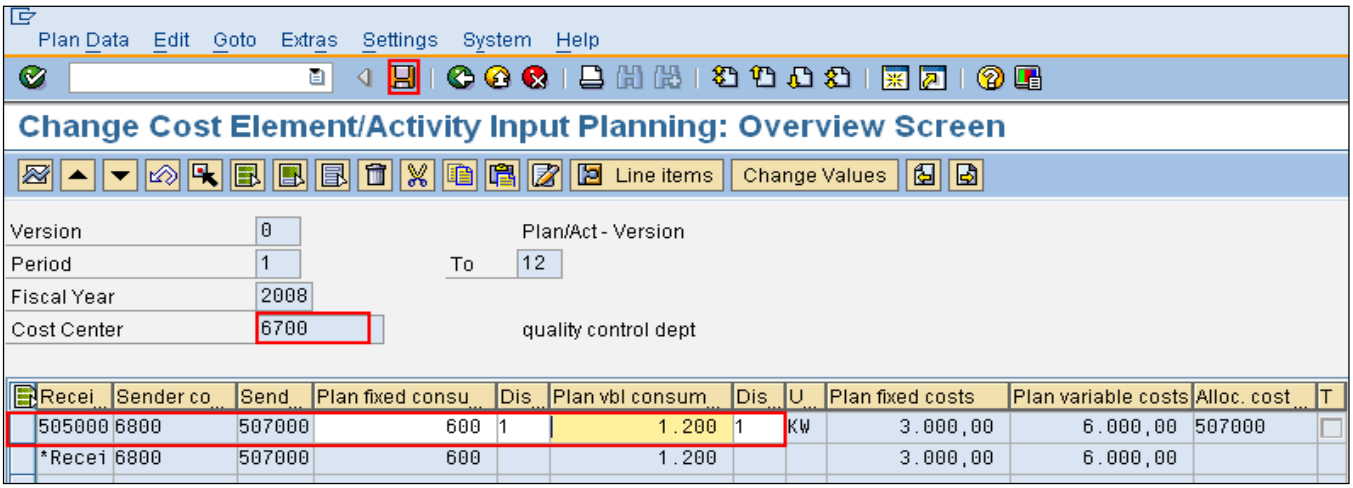
Click on "Next combination"  Button till u comes to "1400 – Assembling Cost Center".
It will display the following screen:



Click on "Next combination"  Button till u comes to "6600 – repairs & Maintains Cost Center".
It will display the following screen:



Click on "Next combination"  Button till u comes to "6700 – Quality control Cost Center".
It will display the following screen:

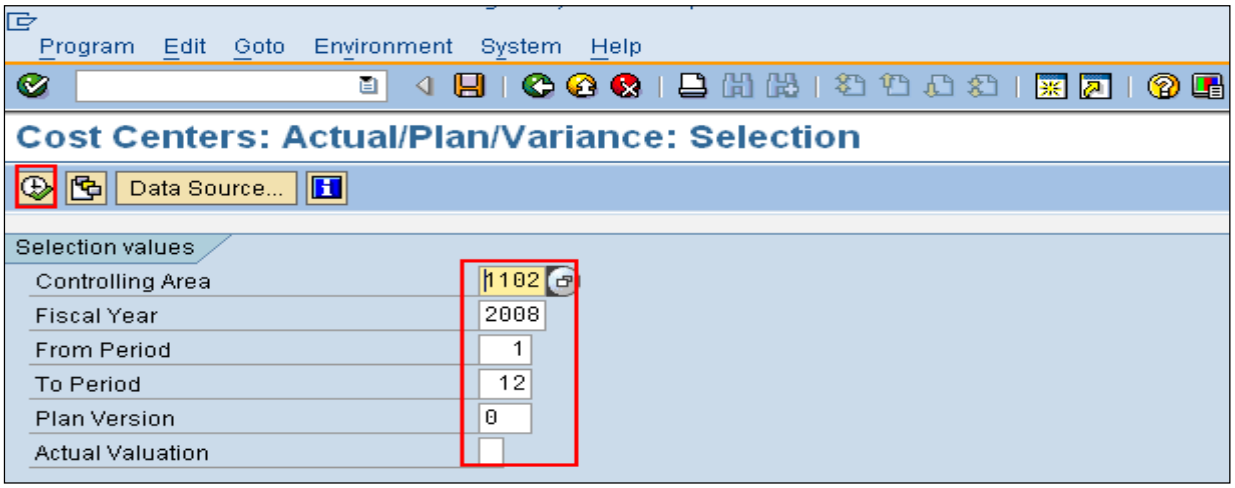


After entering above parameters save the activity and back to Manu screen.

REPORT ON COST CENTER

Path: Accounting→ Controlling→ Cost Center Accounting→ Information System→ Reports for Cost Center Accounting→ Plan/Actual Comparisons→ S_ALR_87013611 - Cost Centers: Actual/Plan/Variance

It will display the following screen:



Enter the above parameters and click on button.

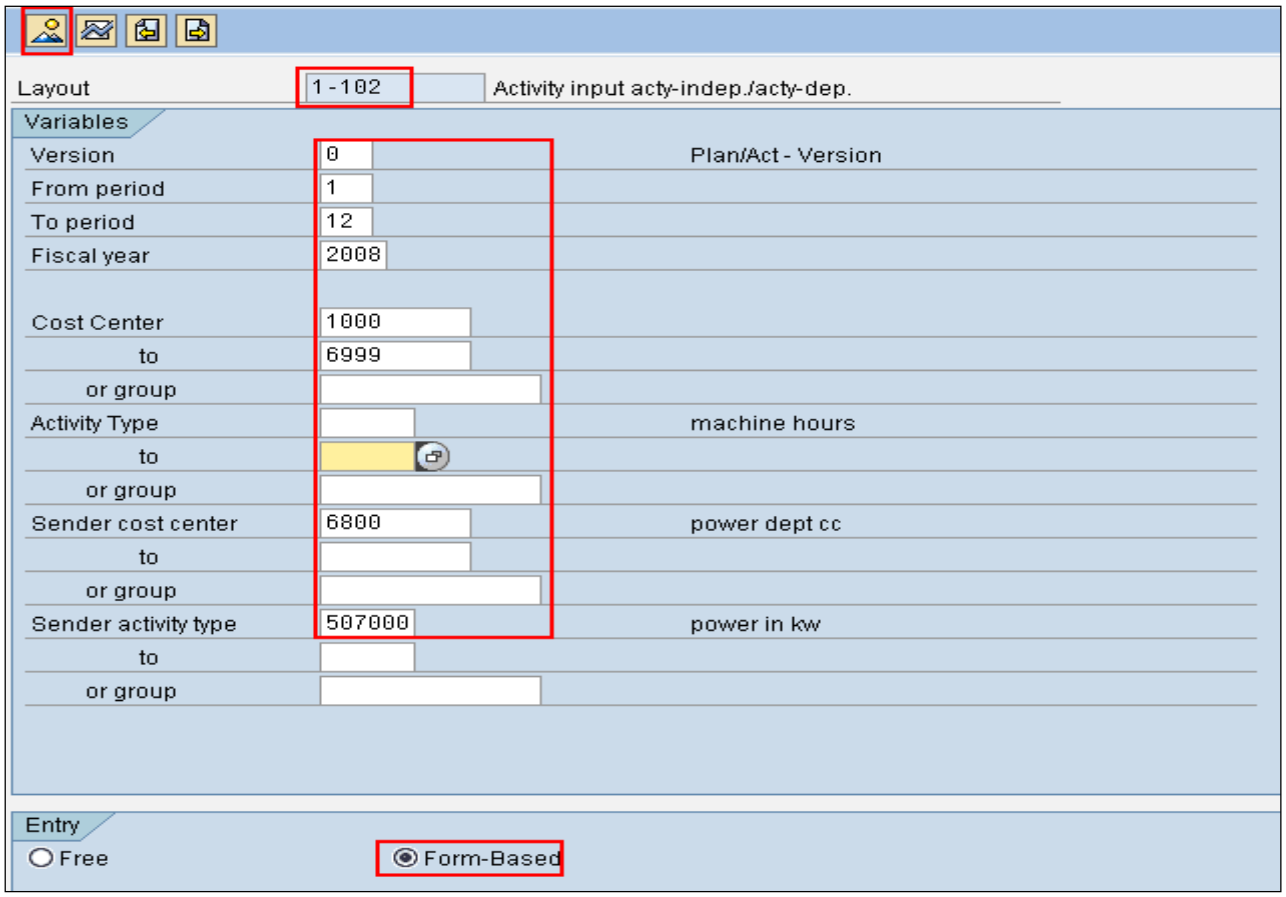
ACTIVITY INPUT ACTIVITY INDEPENDENT PLANINIG

Path: Accounting→ Controlling→ Cost Center Accounting→ Planning→ Cost and Activity Inputs→ KP06 – Change

Transaction Code: KP06

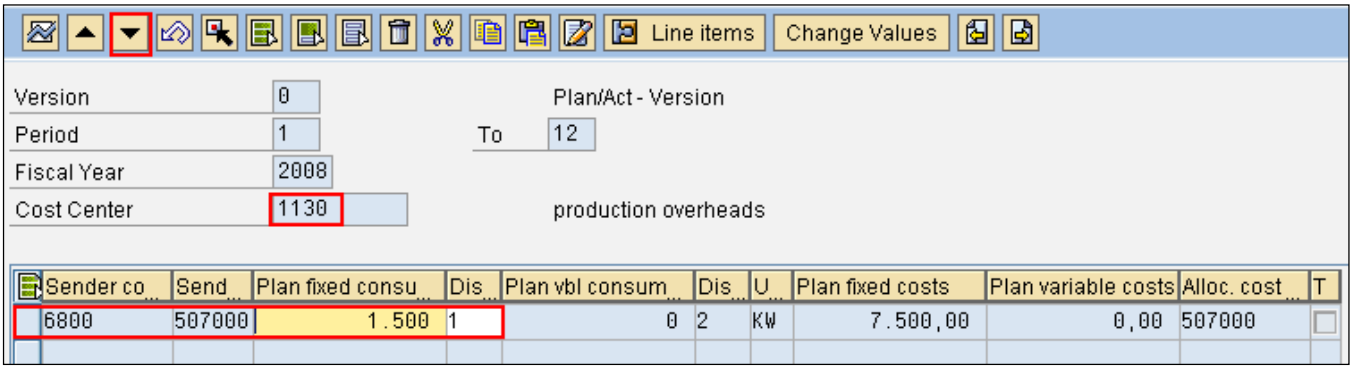
It will display following screen:

Now click on "Next Layout " button to change layout to "1-102"

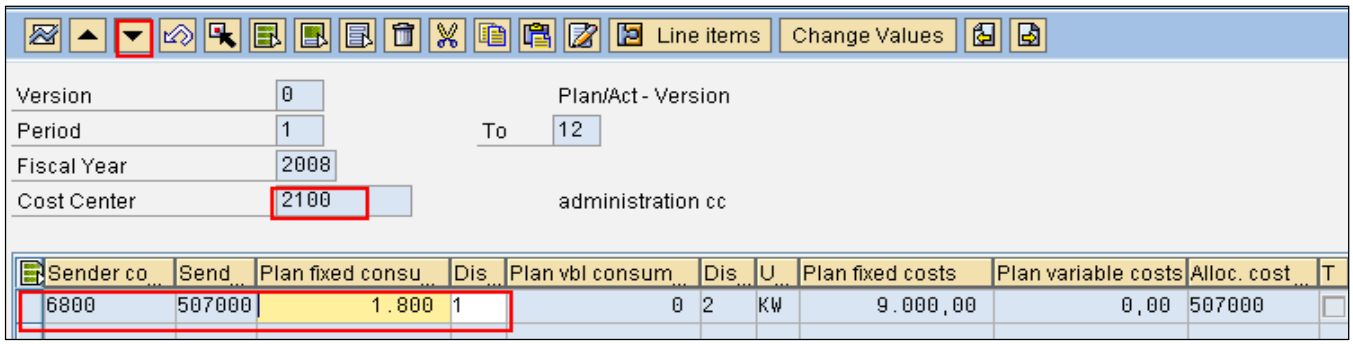


Now maintain the above parameters and click on "Overview Screen  " button.
So it will take you to another screen as follow:

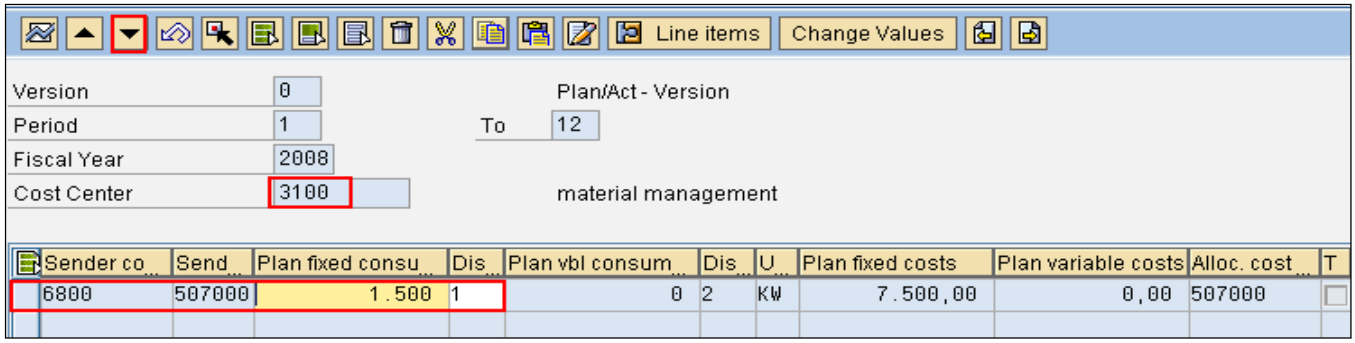
Click on "Next combination"  Button till u comes to "1130 – Production Overheads Cost Center".
It will display the following screen:



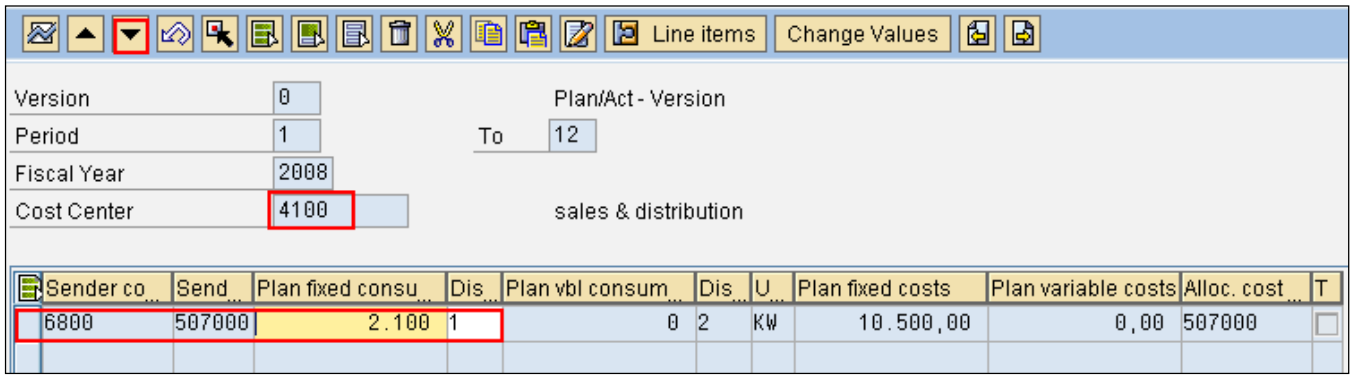
Click on "Next combination"  Button till u comes to "2100 – Administration Cost Center".
It will display the following screen:



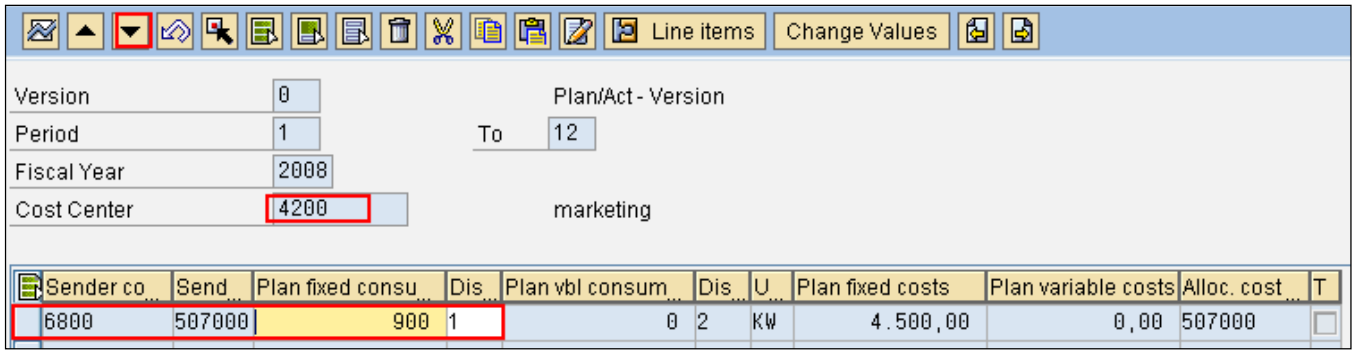
Click on "Next combination" Button till u comes to "3100 – Material Management Cost Center".
It will display the following screen:



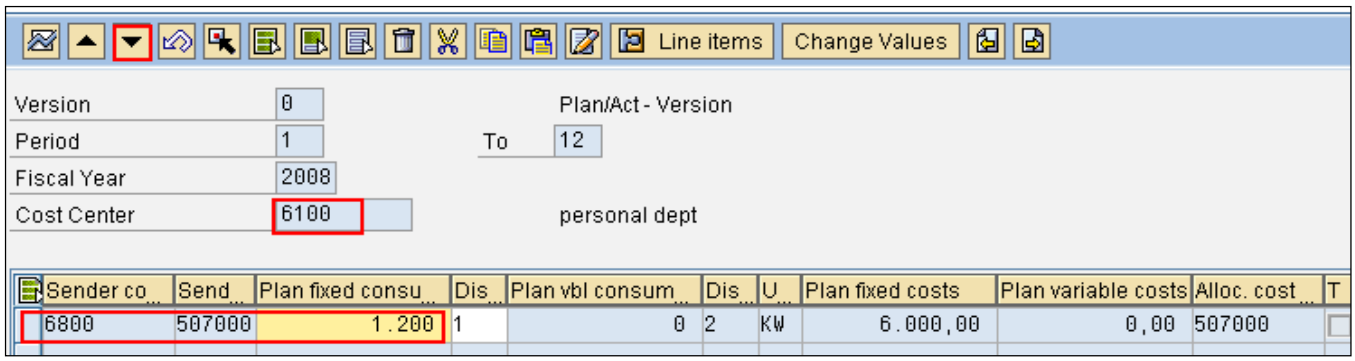
Click on "Next combination" Button till u comes to "4100 – Sales & Distribution Cost Center".
It will display the following screen:



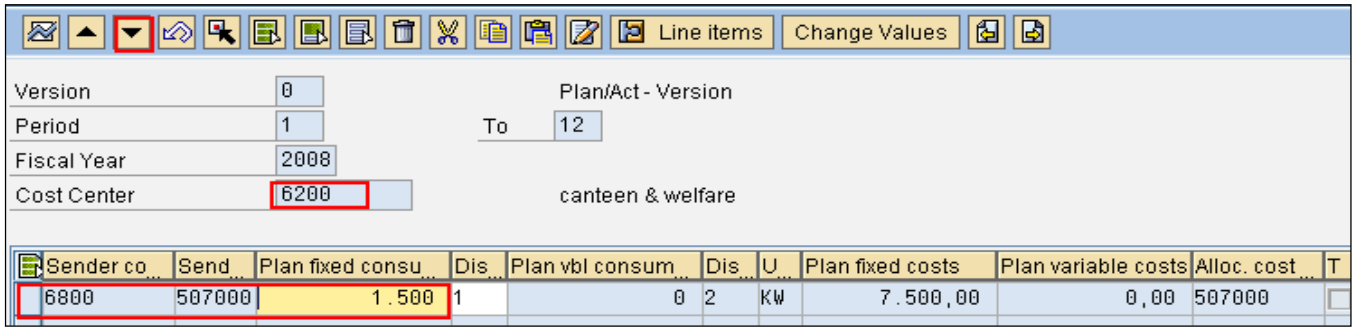
Click on "Next combination" Button till u comes to "4200 – Marketing Cost Center".
It will display the following screen:



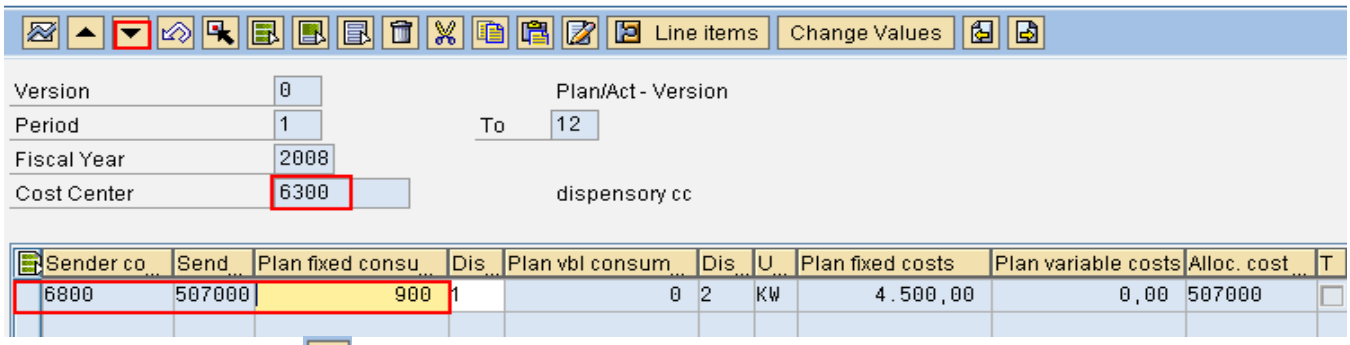
Click on "Next combination" Button till u comes to "6100 – Personal Dept Cost Center".
It will display the following screen:



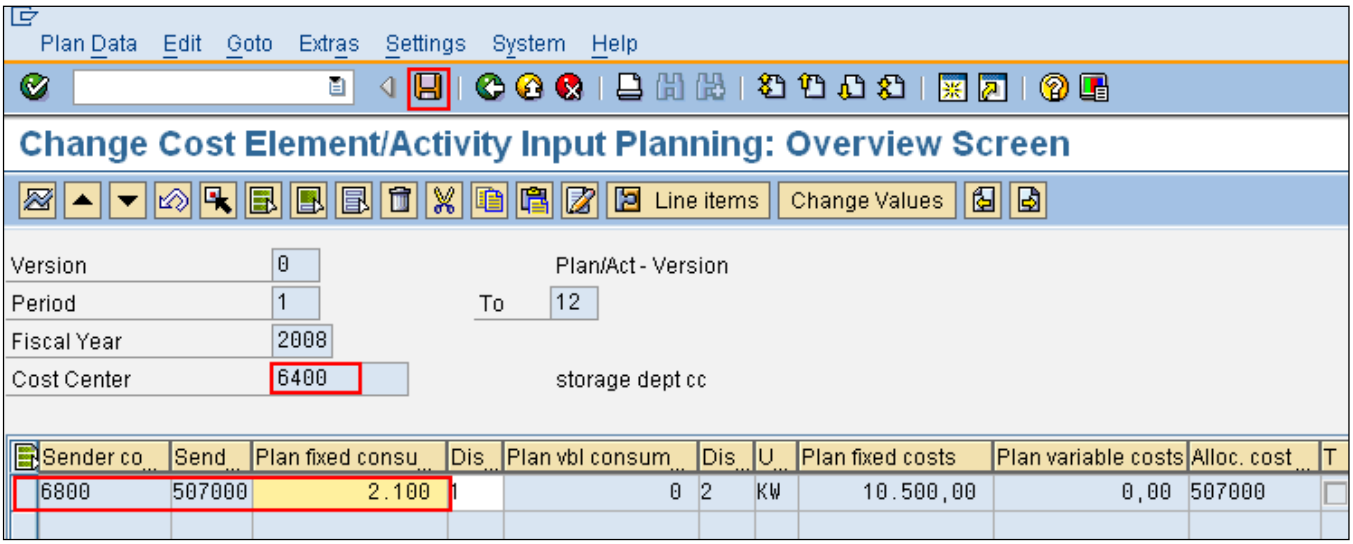
Click on "Next combination" Button till u comes to "6200 – Canteen & Welfare Cost Center".
It will display the following screen:



Click on "Next combination" Button till u comes to "6300 – Dispensary Cost Center".
It will display the following screen:



Click on "Next combination" Button till u comes to "6200 – Canteen & Welfare Cost Center".
It will display the following screen:

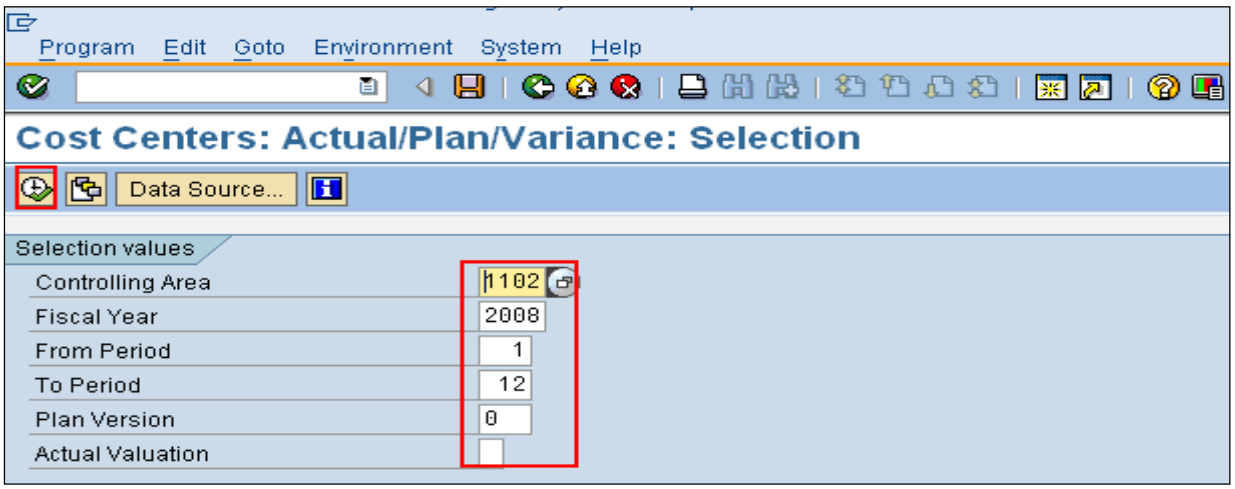


After entering above parameters just click on save button and back to Manu screen.

REPORT ON COST CENTER

Path: Accounting→ Controlling→ Cost Center Accounting→ Information System→ Reports for Cost Center Accounting→ Plan/Actual Comparisons→ S_ALR_87013611 - Cost Centers: Actual/Plan/Variance

It will display the following screen:



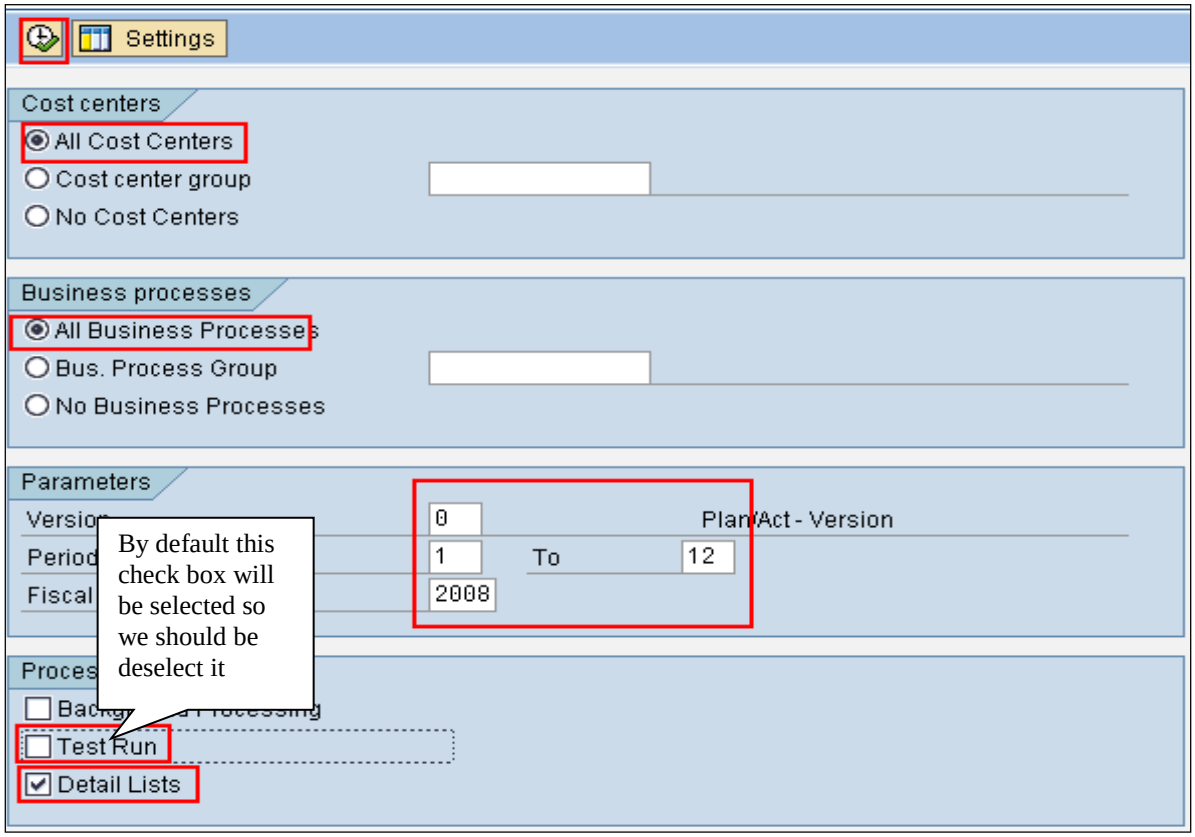
Enter the above parameters and click on  button.

EXECUTE PLAN RECONCILICATION OF ACTIVITES

Path: Accounting→ Controlling→ Cost Center Accounting→ Planning→ Planning Aids→ KPSI - Plan Reconciliation.

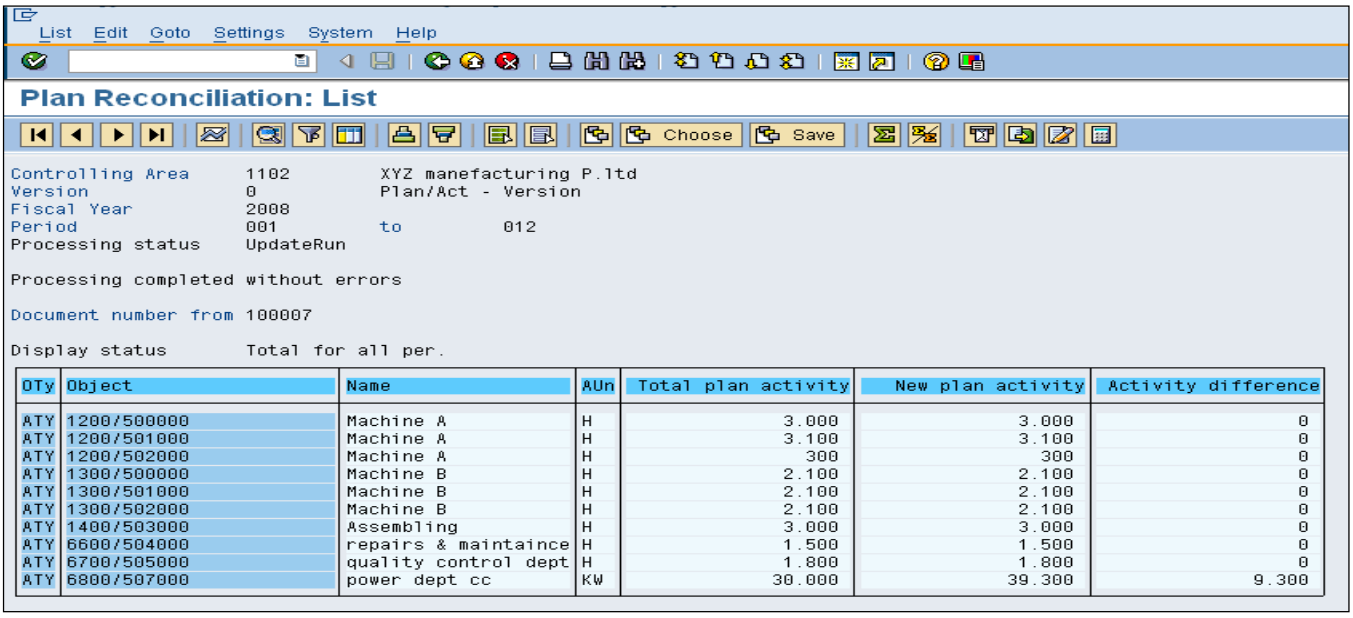
Transaction Code: KPSI - Plan Reconciliation

By this Transaction Code it will display the following screen:



Select the parameters as above and select execute button  .

It displays the following screen:



List Edit Goto Settings System Help

Plan Reconciliation: List

Choose Save

Controlling Area 1102 XYZ manefacturing P.ltd
Version 0 Plan/Act - Version
Fiscal Year 2008
Period 001 to 012
Processing status UpdateRun

Processing completed without errors

Document number from 100007

Display status Total for all per.

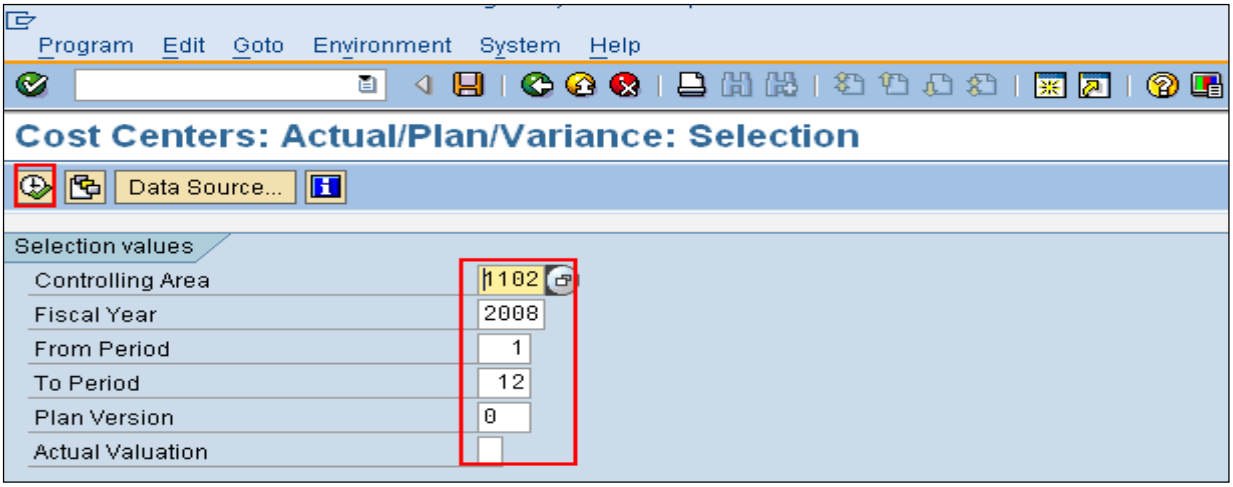
OTy	Object	Name	AUn	Total plan activity	New plan activity	Activity difference
ATY	1200/500000	Machine A	H	3.000	3.000	0
ATY	1200/501000	Machine A	H	3.100	3.100	0
ATY	1200/502000	Machine A	H	300	300	0
ATY	1300/500000	Machine B	H	2.100	2.100	0
ATY	1300/501000	Machine B	H	2.100	2.100	0
ATY	1300/502000	Machine B	H	2.100	2.100	0
ATY	1400/503000	Assembling	H	3.000	3.000	0
ATY	6600/504000	repairs & maintaince	H	1.500	1.500	0
ATY	6700/505000	quality control dept	H	1.800	1.800	0
ATY	6800/507000	power dept cc	KW	30.000	39.300	9.300

Once you execute the screen just go back from this screen to Easy Access screen.

REPORT ON COST CENTER

Path: Accounting→ Controlling→ Cost Center Accounting→ Information System→ Reports for Cost Center Accounting→ Plan/Actual Comparisons→ S_ALR_87013611 - Cost Centers: Actual/Plan/Variance

It will display the following screen:



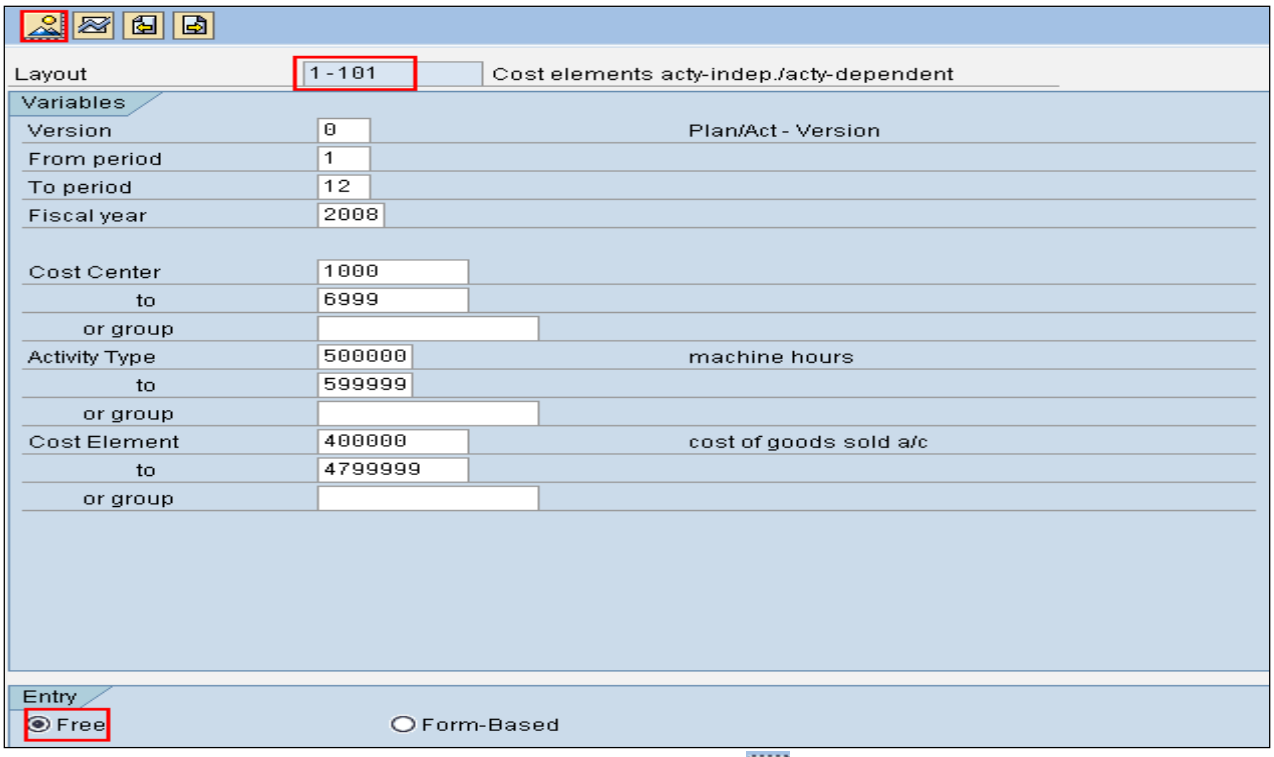
Enter the above parameters and click on  button.

ACTIVITY DEPENDENT COST PLANNING

Path: Accounting→ Controlling→ Cost Center Accounting→ Planning→ Cost and Activity Inputs → KP06 - Change

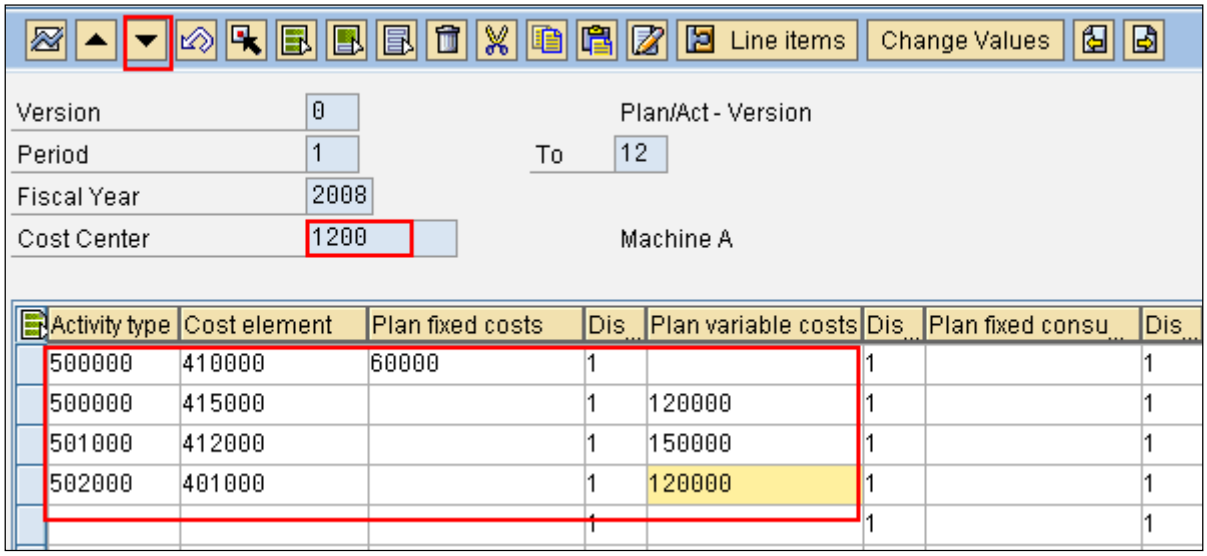
Transaction Code: KP06 - Change KPSI - Plan Reconciliation

By this Transaction Code it will display the following screen:

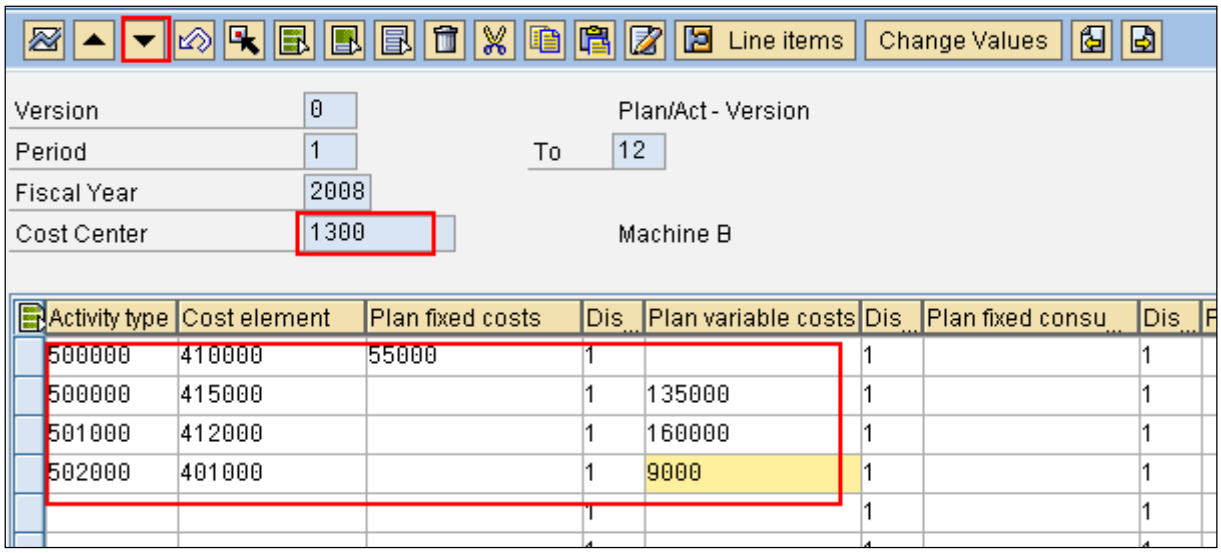


After maintaining the above parameters just click on overview screen  button.
So it will take to following screen:

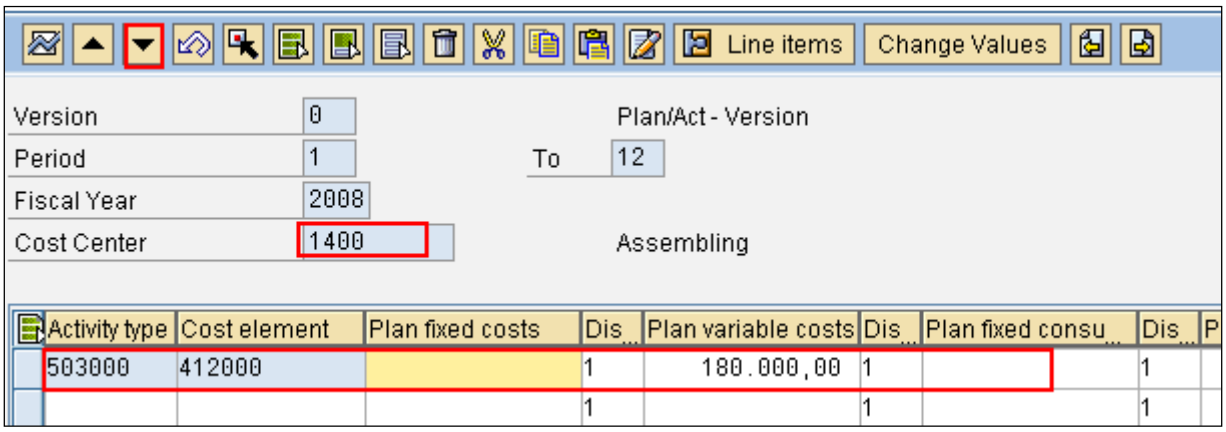
Click on "Next combination"  Button till u comes to "1200 – Machine A Cost Center".
It will display the following screen:



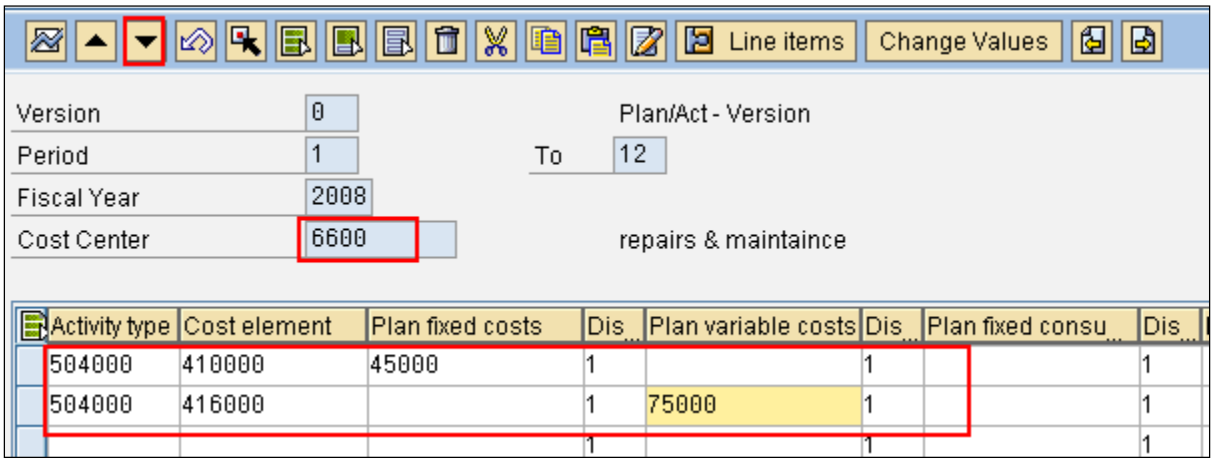
Click on "Next combination"  Button till u comes to "1300 – Machine B Cost Center".
It will display the following screen:



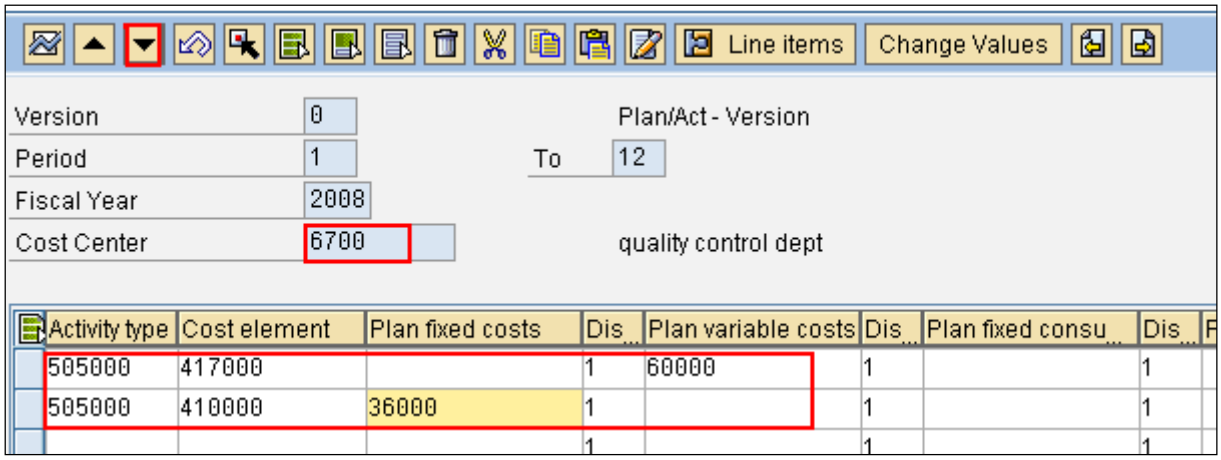
Click on "Next combination" Button till u comes to "1400 – Assembling Cost Center".
It will display the following screen:



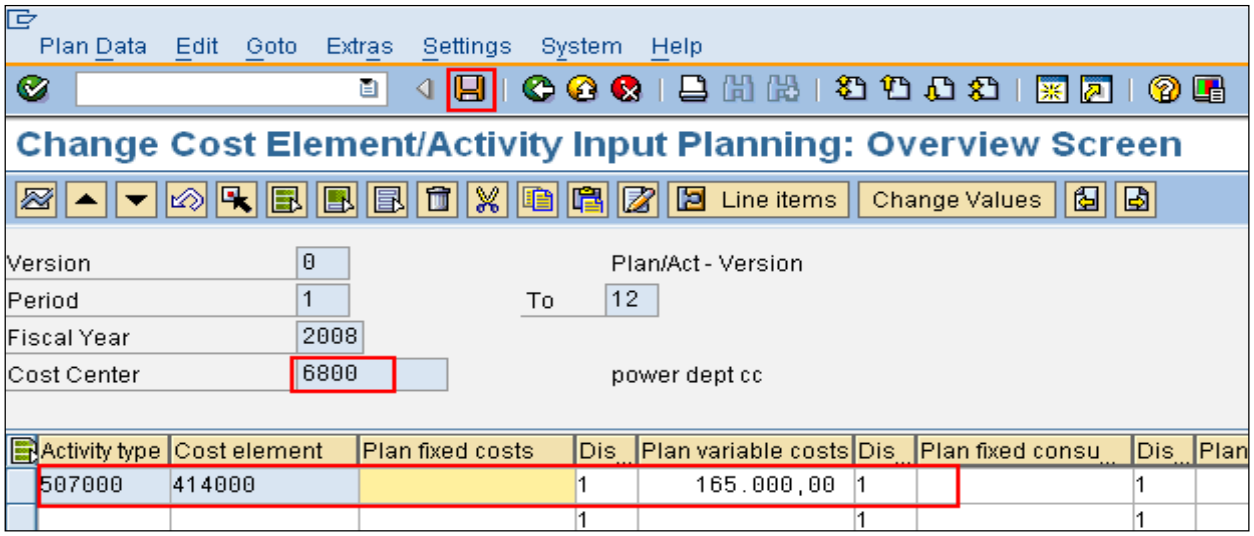
Click on "Next combination" Button till u comes to "6600 – Repairs & Maintains Cost Center".
It will display the following screen:



Click on "Next combination" Button till u comes to "67600 – Quality Control Cost Center".
It will display the following screen:



Click on "Next combination"  Button till u comes to "6800 – Power dept Cost Center".
It will display the following screen:

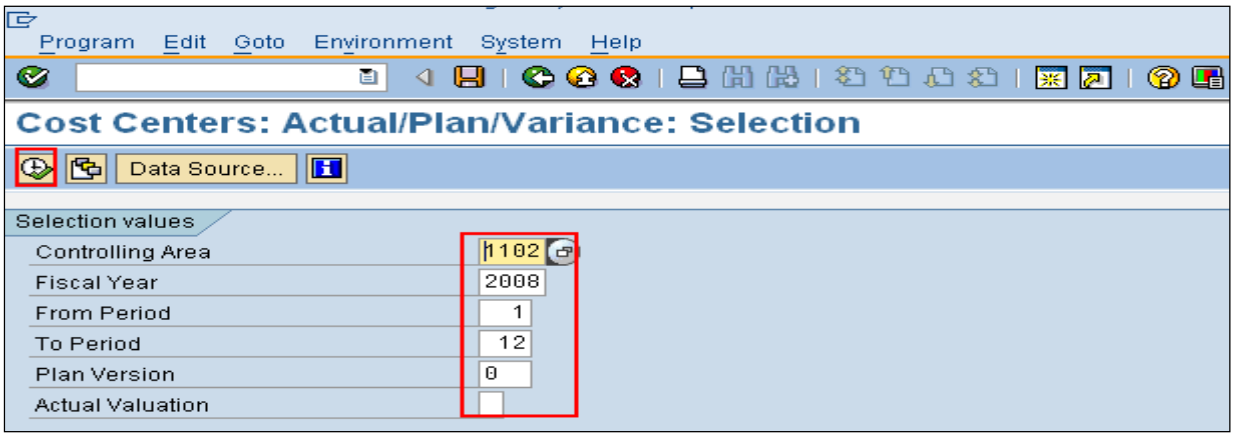


After entering above parameters save the activity and back to easy access screen.

REPORT ON COST CENTER

Path: Accounting→ Controlling→ Cost Center Accounting→ Information System→ Reports for Cost Center Accounting→ Plan/Actual Comparisons→ S_ALR_87013611 - Cost Centers: Actual/Plan/Variance

It will display the following screen:



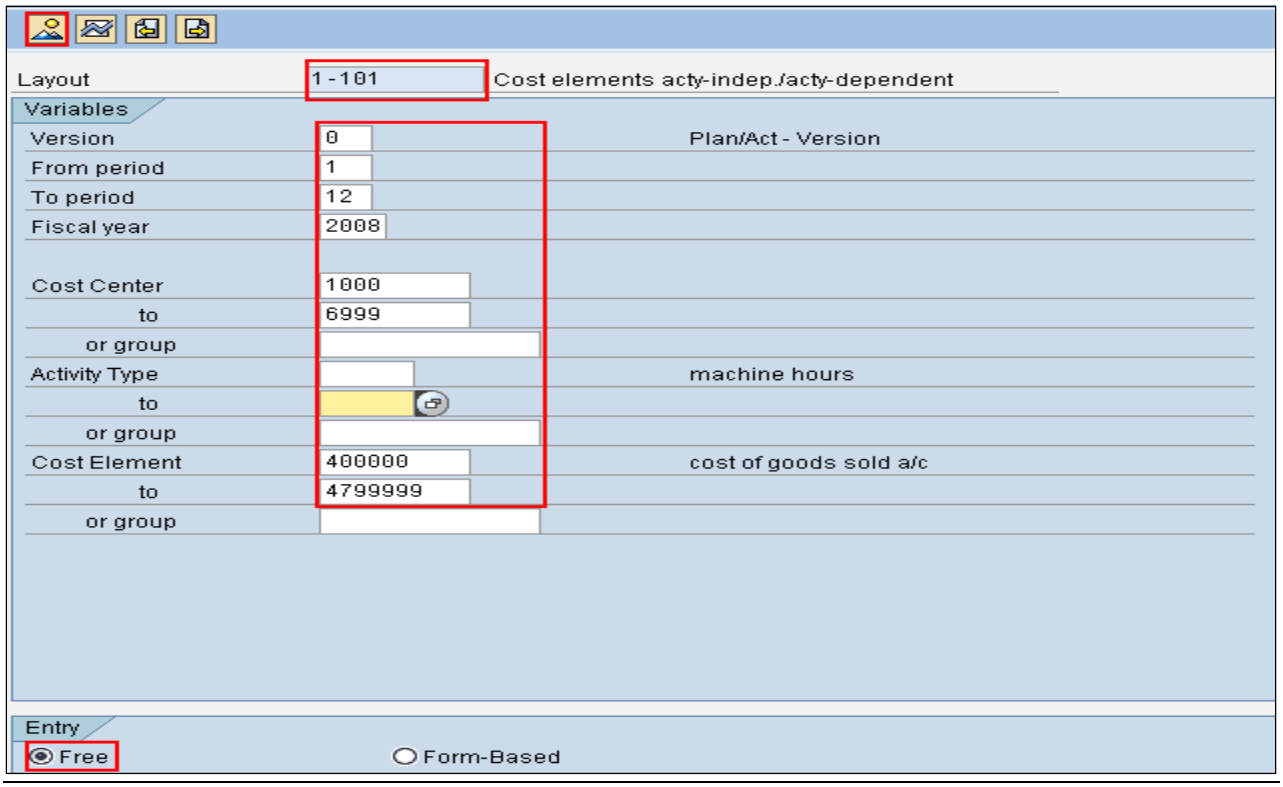
Enter the above parameters and click on button.

ACTIVITY INDEPENDENT COST PLANNING

Path: Accounting→ Controlling→ Cost Center Accounting→ Planning→ Cost and Activity Inputs → KP06 - Change

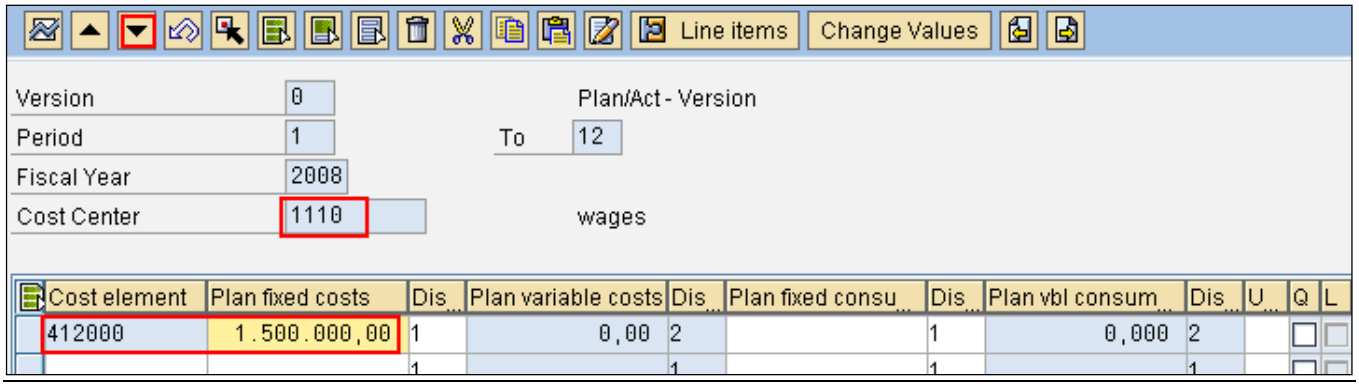
Transaction Code: KP06 - Change KPSI - Plan Reconciliation

By this Transaction Code it will display the following screen:

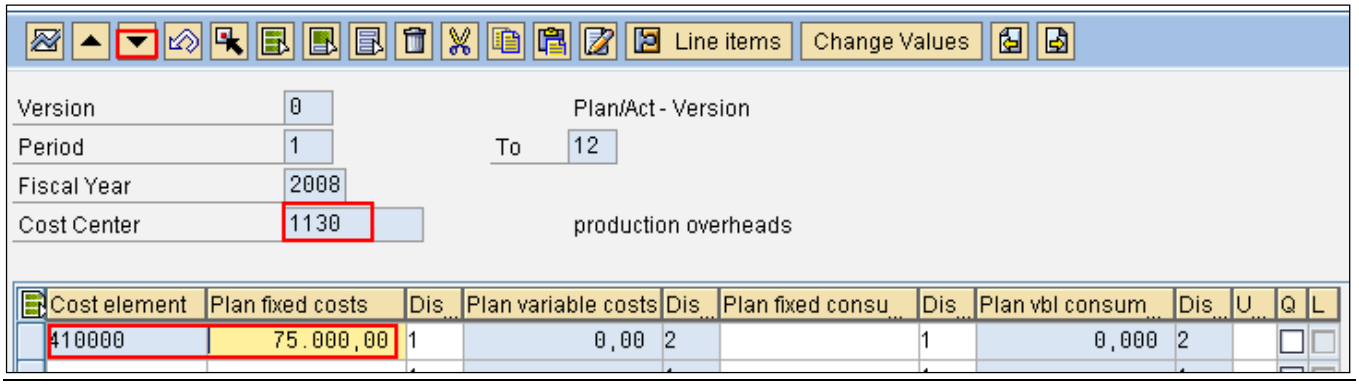


After maintaining the above parameters just click on overview screen button.
So it will take to following screen:

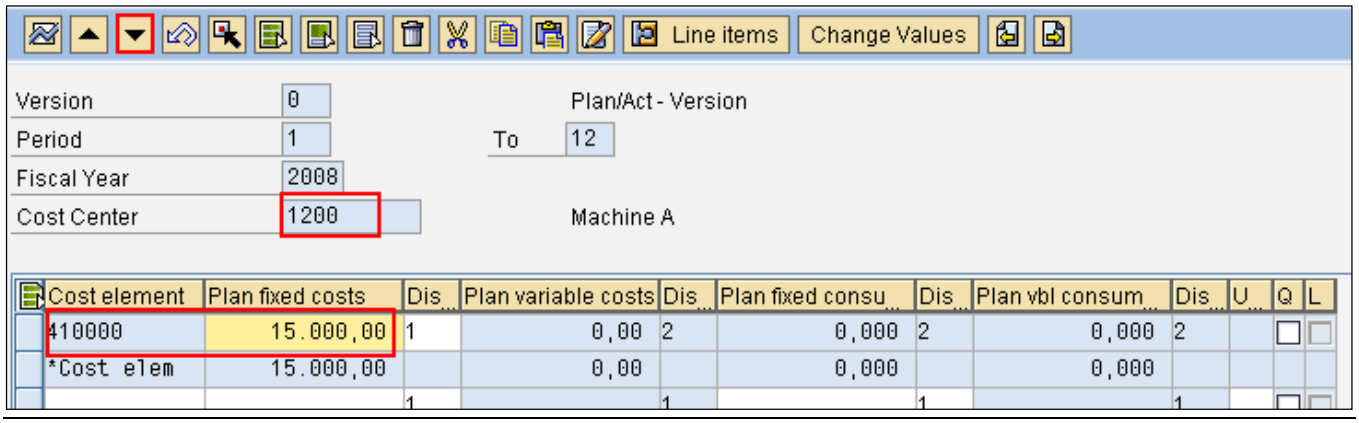
Click on "Next combination" Button till u comes to "1110 – Wages Cost Center".
It will display the following screen:



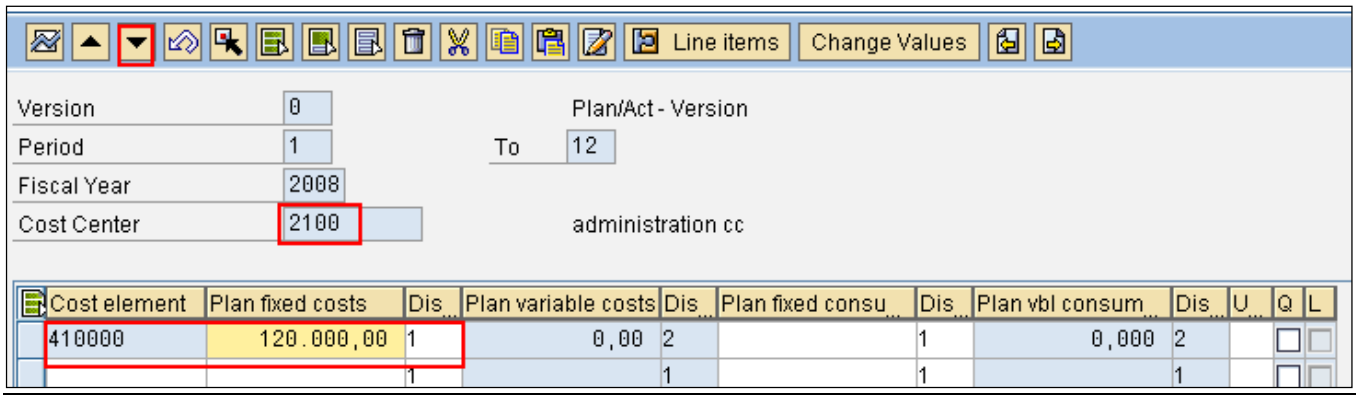
Click on "Next combination" Button till u comes to "1130 – Production Overheads Cost Center".
It will display the following screen:



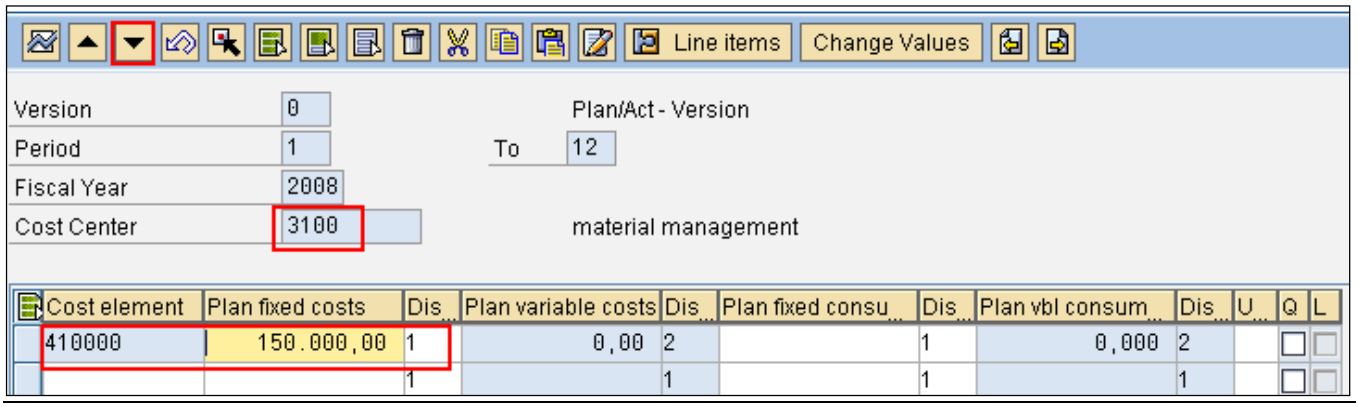
Click on "Next combination" Button till u comes to "1200 – Machine A Cost Center".
It will display the following screen:



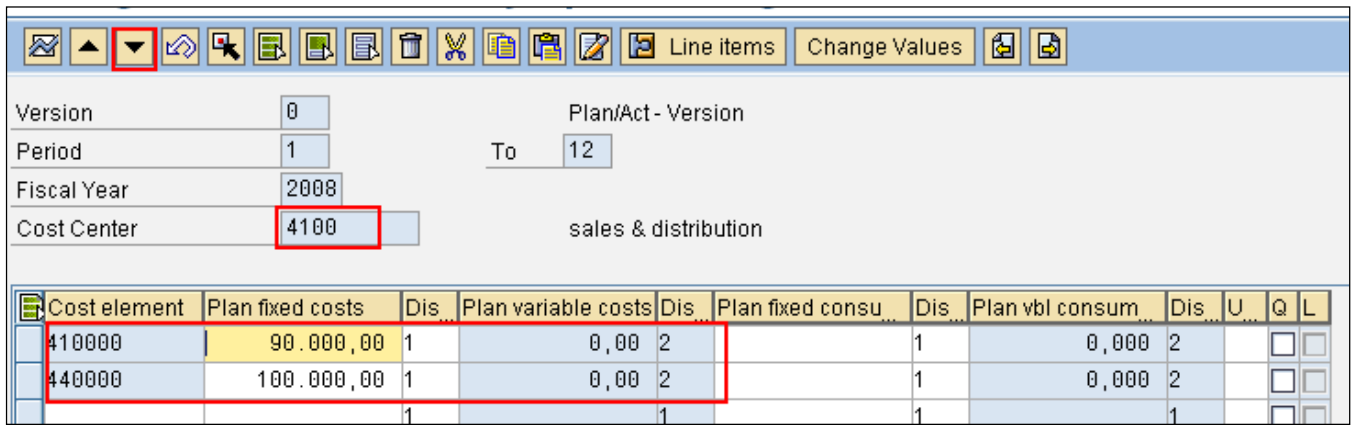
Click on "Next combination" Button till u comes to "2100 – Administration Cost Center".
It will display the following screen:



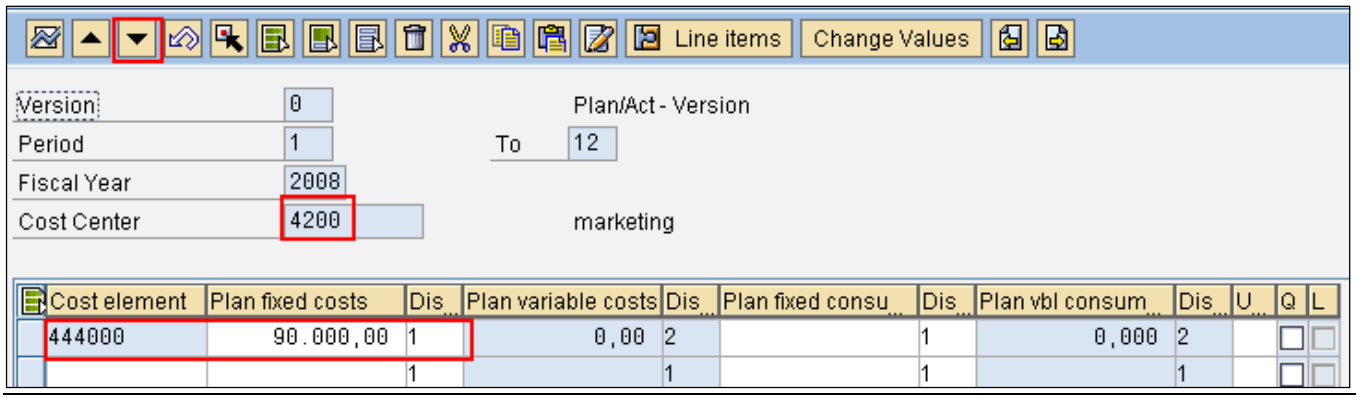
Click on "Next combination"  Button till u comes to "3100 – Material Management Cost Center".
It will display the following screen:



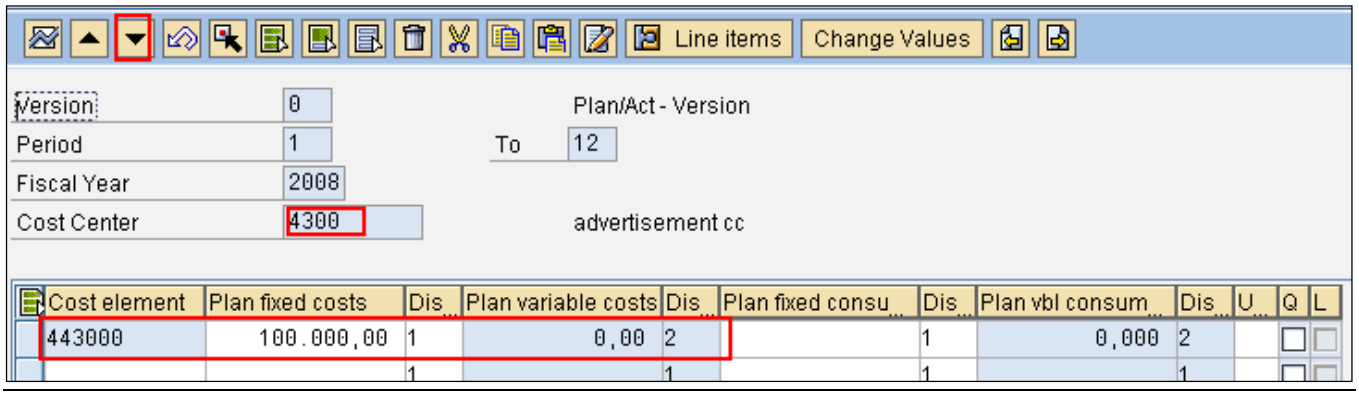
Click on "Next combination"  Button till u comes to "4100 – Sales & Distribution Cost Center".
It will display the following screen:



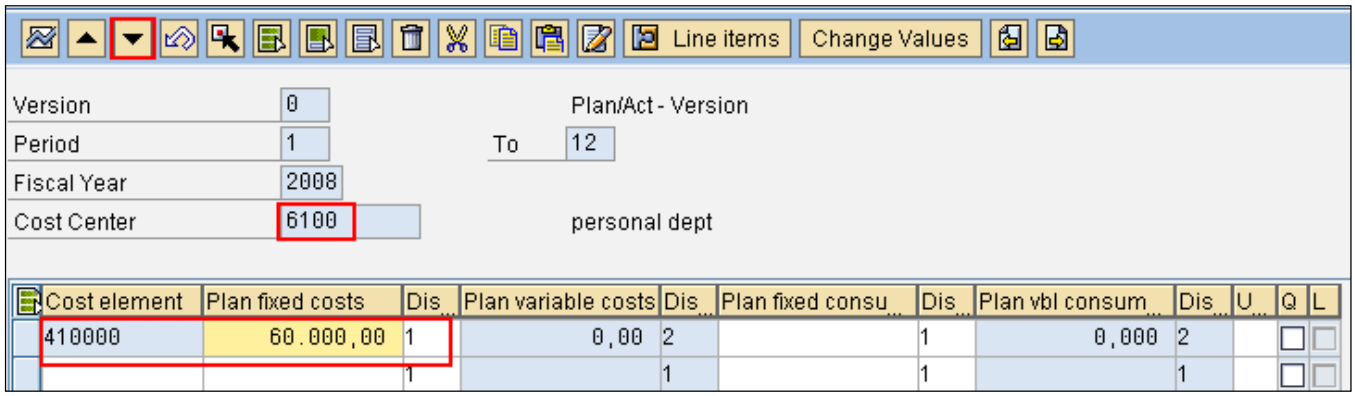
Click on "Next combination"  Button till u comes to "4200 – Marketing Cost Center".
It will display the following screen:



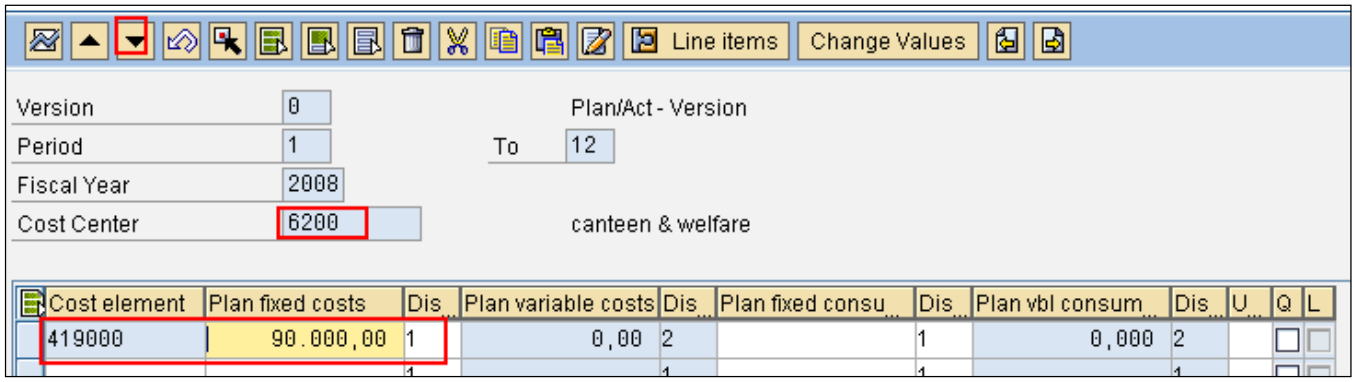
Click on "Next combination"  Button till u comes to "4300 – Advertisement Cost Center".
It will display the following screen:



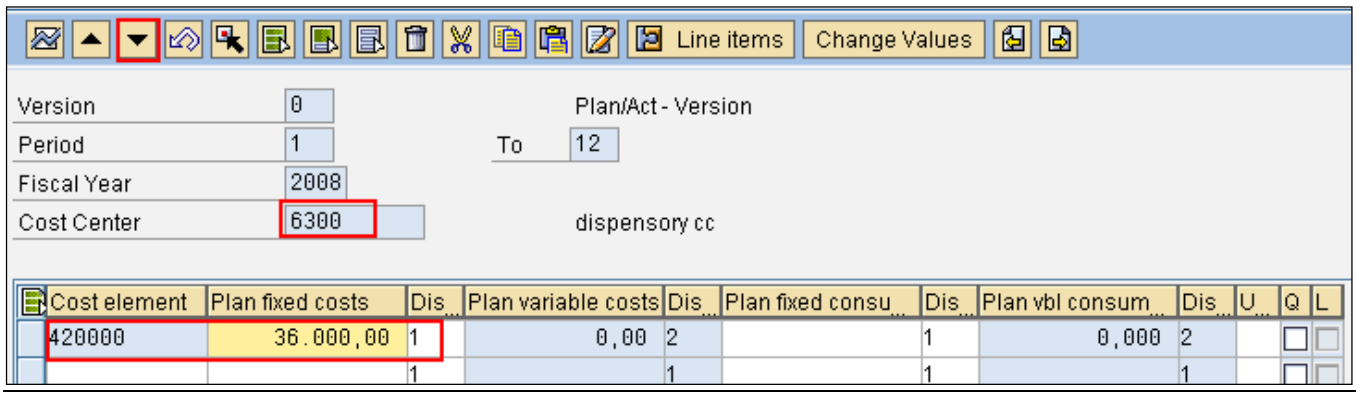
Click on "Next combination"  Button till u comes to "6100 – Personal dept Cost Center".
It will display the following screen:



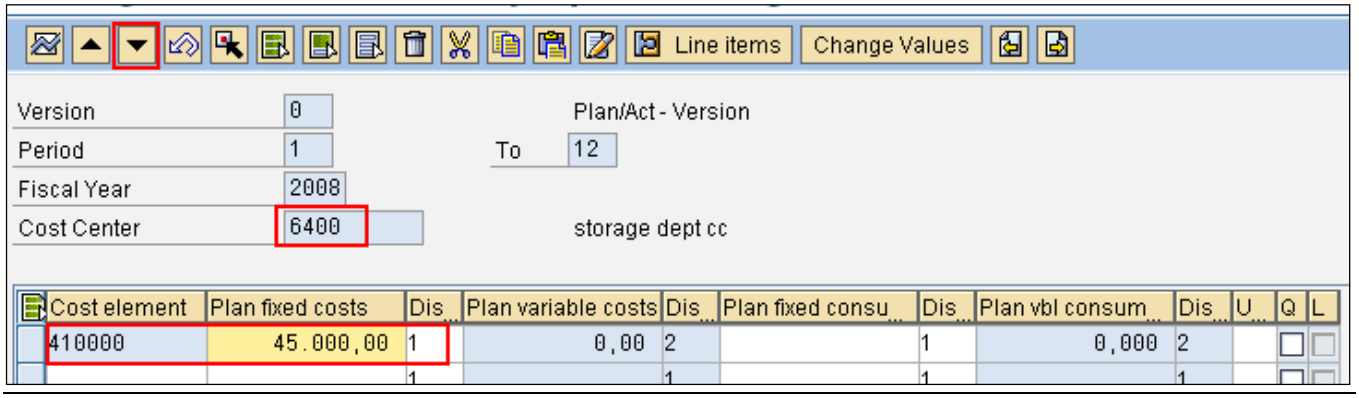
Click on "Next combination"  Button till u comes to "6200 – Canteen & welfare Cost Center".
It will display the following screen:



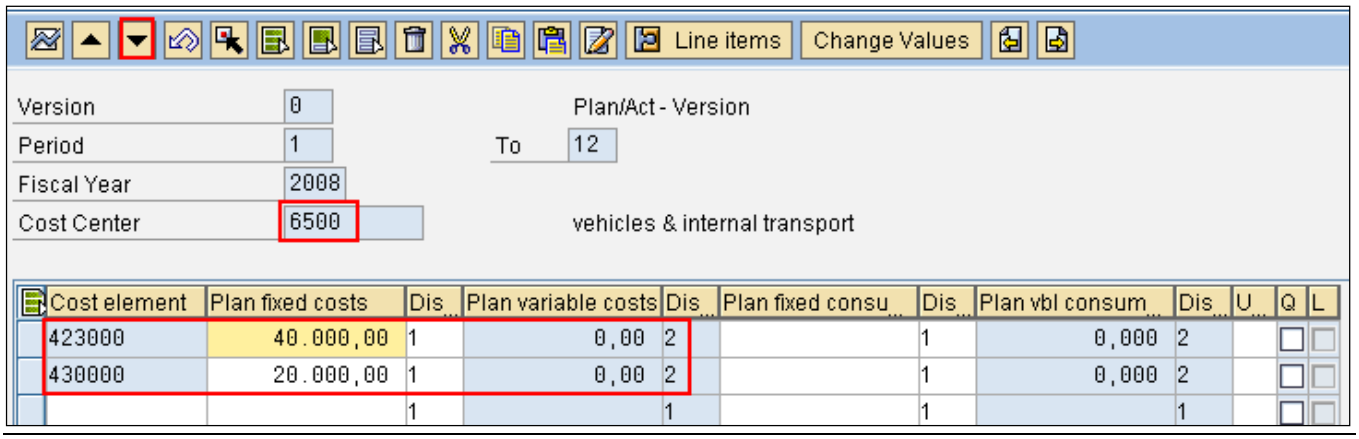
Click on "Next combination" Button till u comes to "6300 – Dispensary Cost Center".
It will display the following screen:



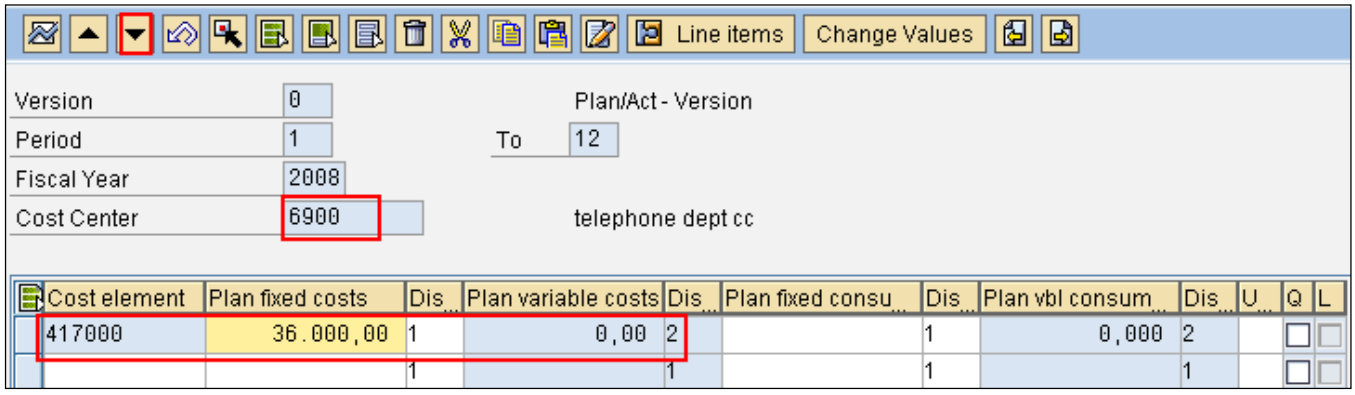
Click on "Next combination" Button till u comes to "6400 – storage dept Cost Center".
It will display the following screen:



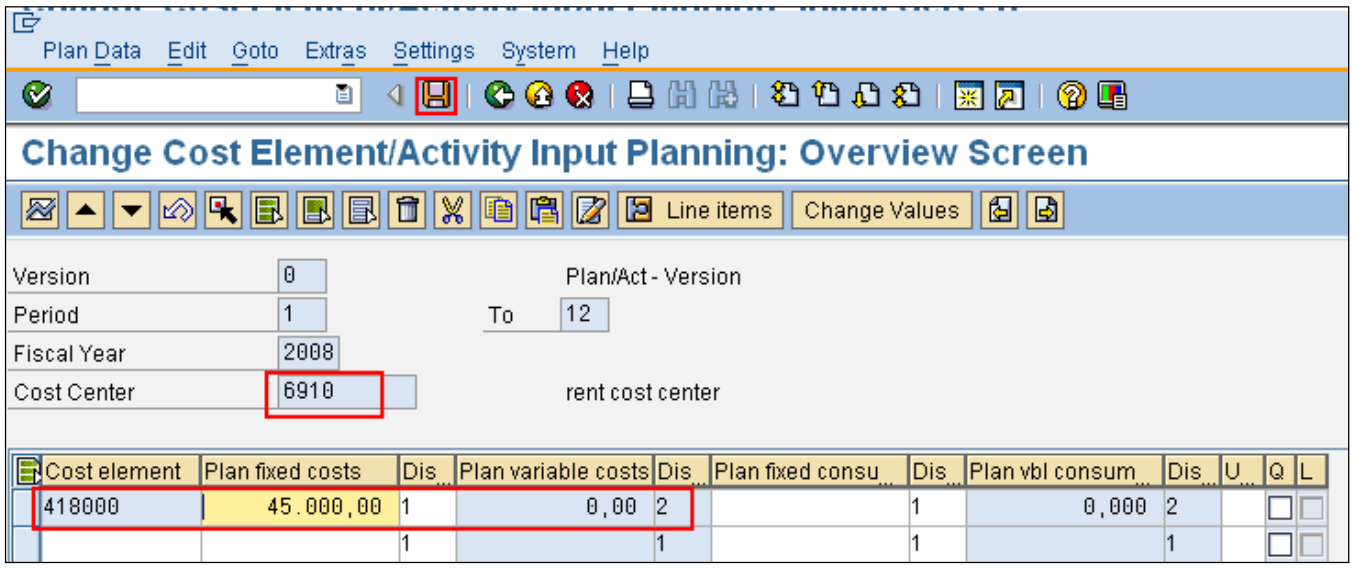
Click on "Next combination" Button till u comes to "6500 – Vehicles & Internal Cost Center".
It will display the following screen:



Click on "Next combination"  Button till u comes to "6900 – Telephone Dept Cost Center".
It will display the following screen:



Click on "Next combination"  Button till u comes to "6910 – Rent Dept Cost Center".
It will display the following screen:

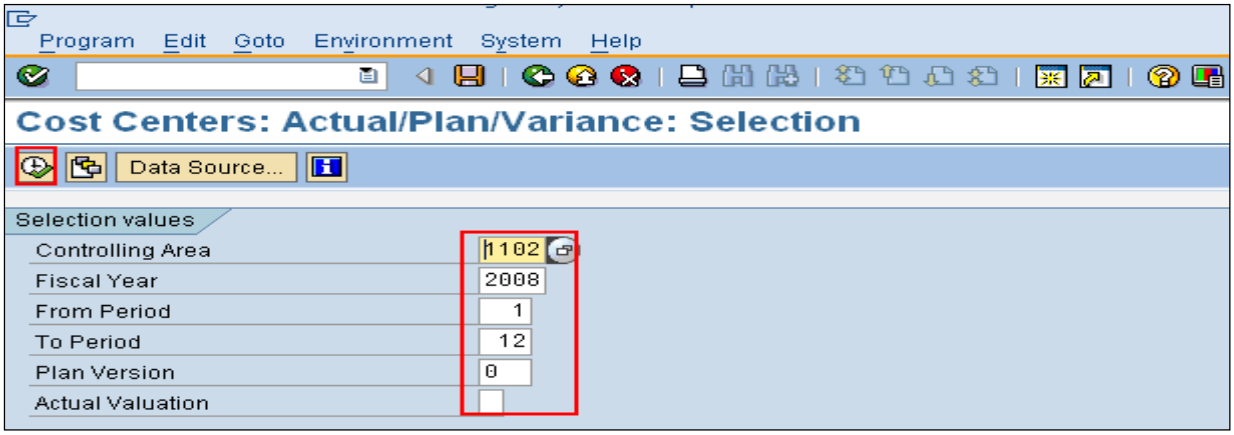


After entering above parameters save the activity and back to easy access screen.

REPORT ON COST CENTER

Path: Accounting→ Controlling→ Cost Center Accounting→ Information System→ Reports for Cost Center Accounting→ Plan/Actual Comparisons→ S_ALR_87013611 - Cost Centers: Actual/Plan/Variance

It will display the following screen:



Enter the above parameters and click on button.

Allocation of services cost centers cost among services receiving cost center:

The allocation may be made basing on posted to cost center or a activities of a cost center.
The system provides the following allocation methods:

1. Periodic Re-Posting
2. Distribution
3. Assessment
4. Indirect Activity Allocation

In above first 3 methods are used for Distribution of cost and last method is used for Distribution of Activates

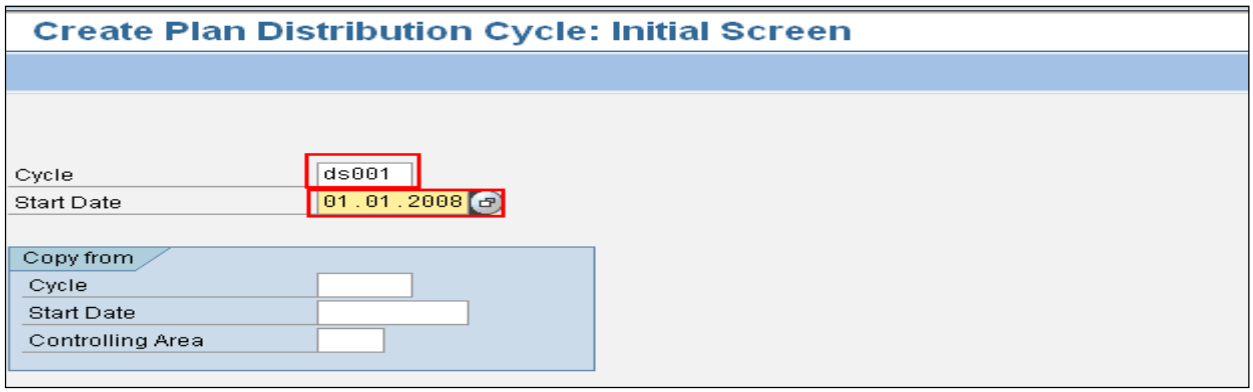
Distribution Method of Allocation of the Primary Cost

Define Assessment Cycle:

Path: Accounting→Controlling→Cost Center Accounting→Planning→Current Settings→S_ALR_87005903 - Define Distribution.

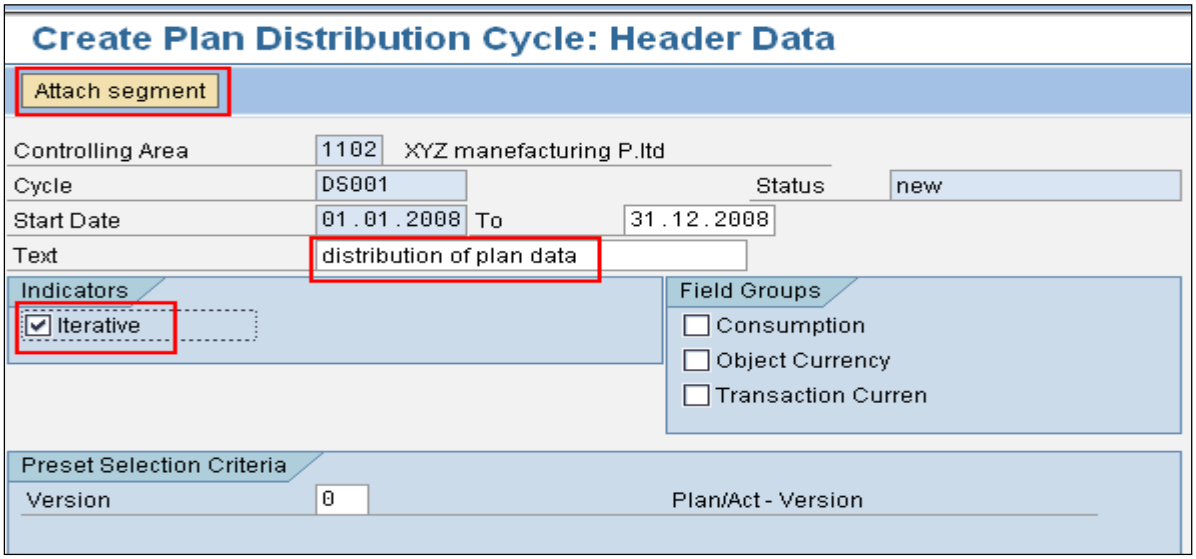
Transaction Code: KSV9

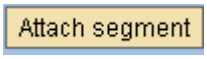
By above transaction code it will display the following screen:

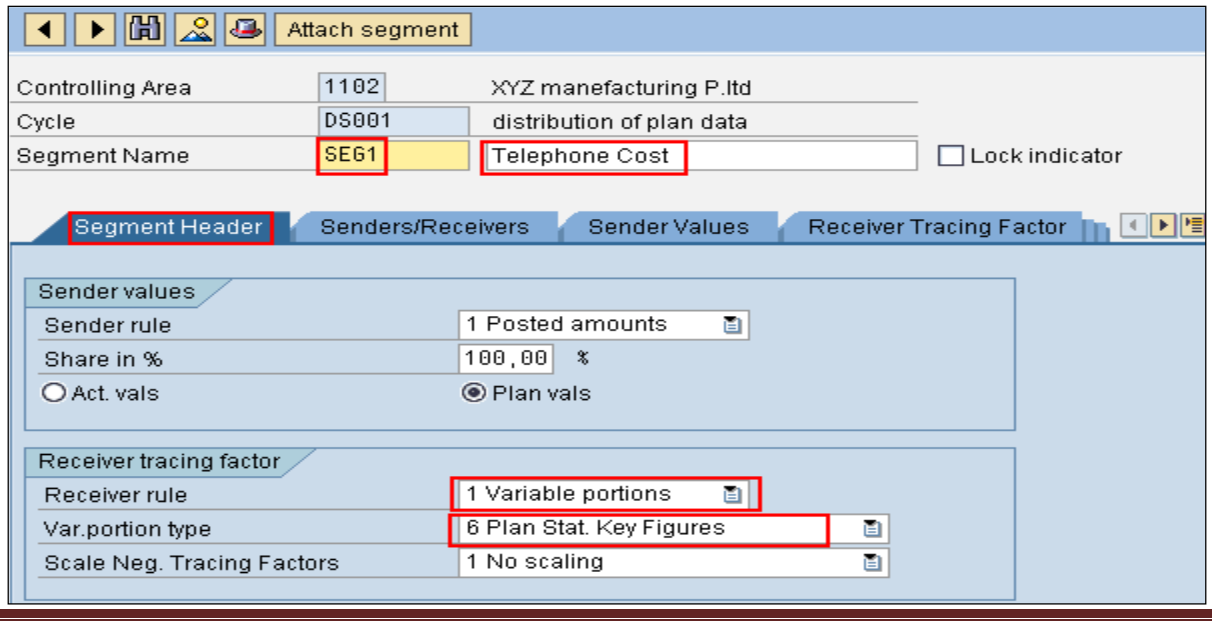


In the above screen give Cycle name and Start Date and pres enter button.

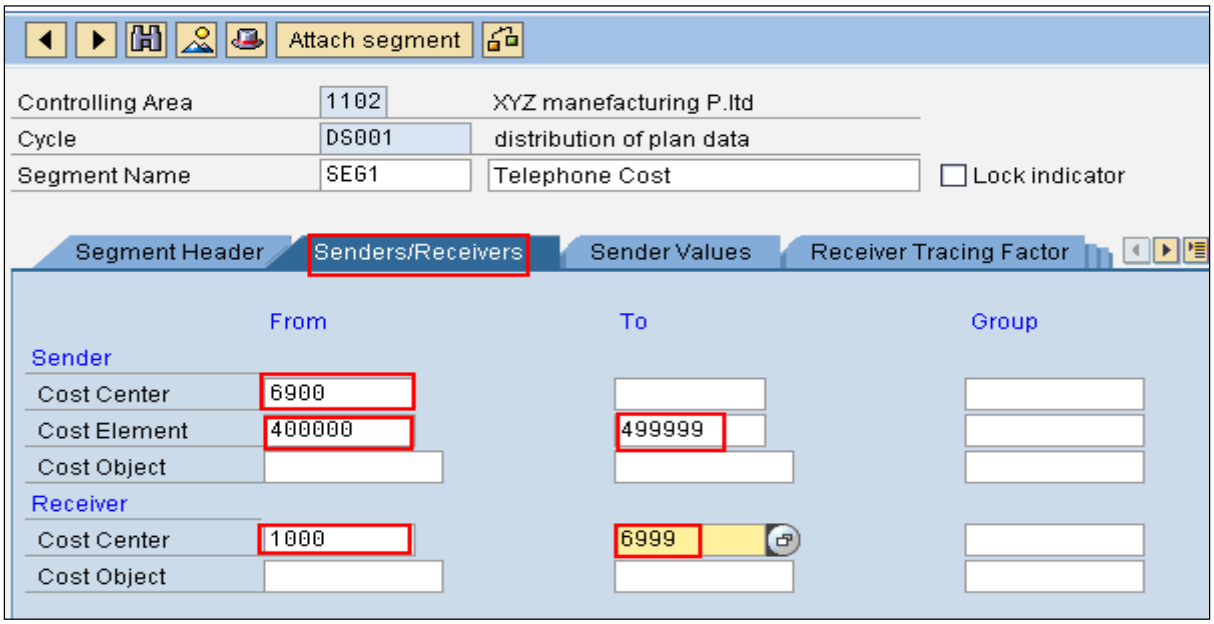
It will display the following screen:



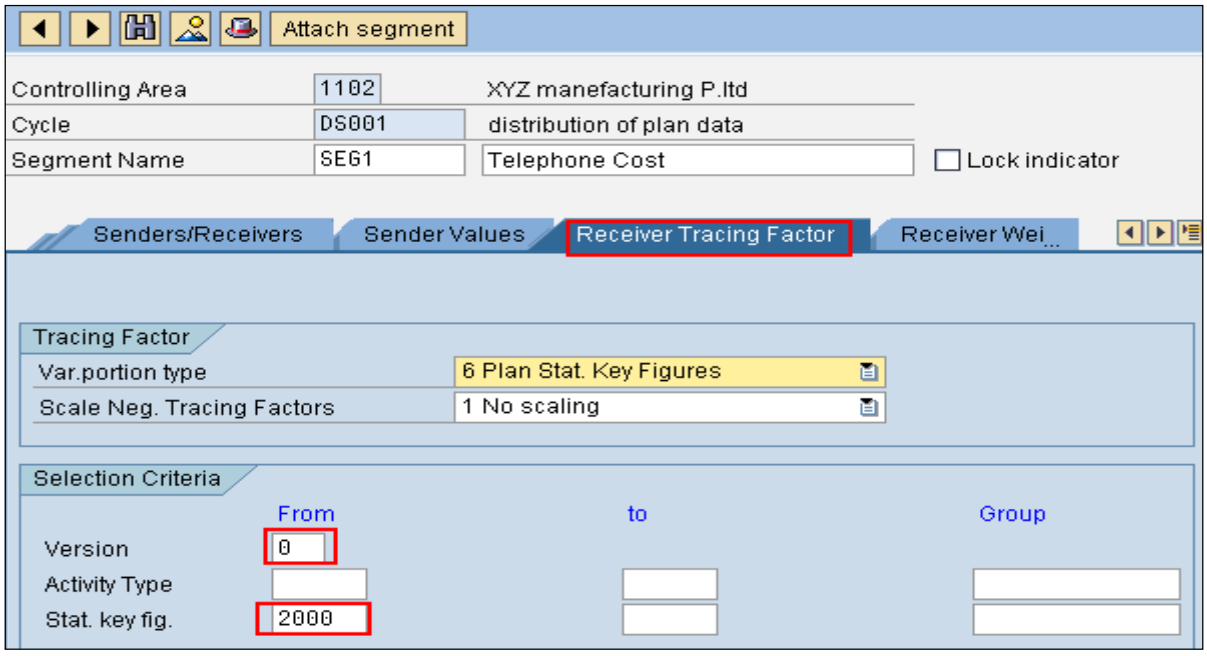
In the above screen maintain the Text and flag the check box Iterative and pres on  button.
It takes you to another screen as follow:



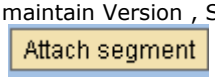
In the above screen maintain Segment name and description. Under "Segment Header" tab Receiver rule "1 Variable Portions" and Var.Portion Type "6 plan stat. key figures".
After maintain above parameters click on another tab "Sender/Receivers" so it will display following screen:



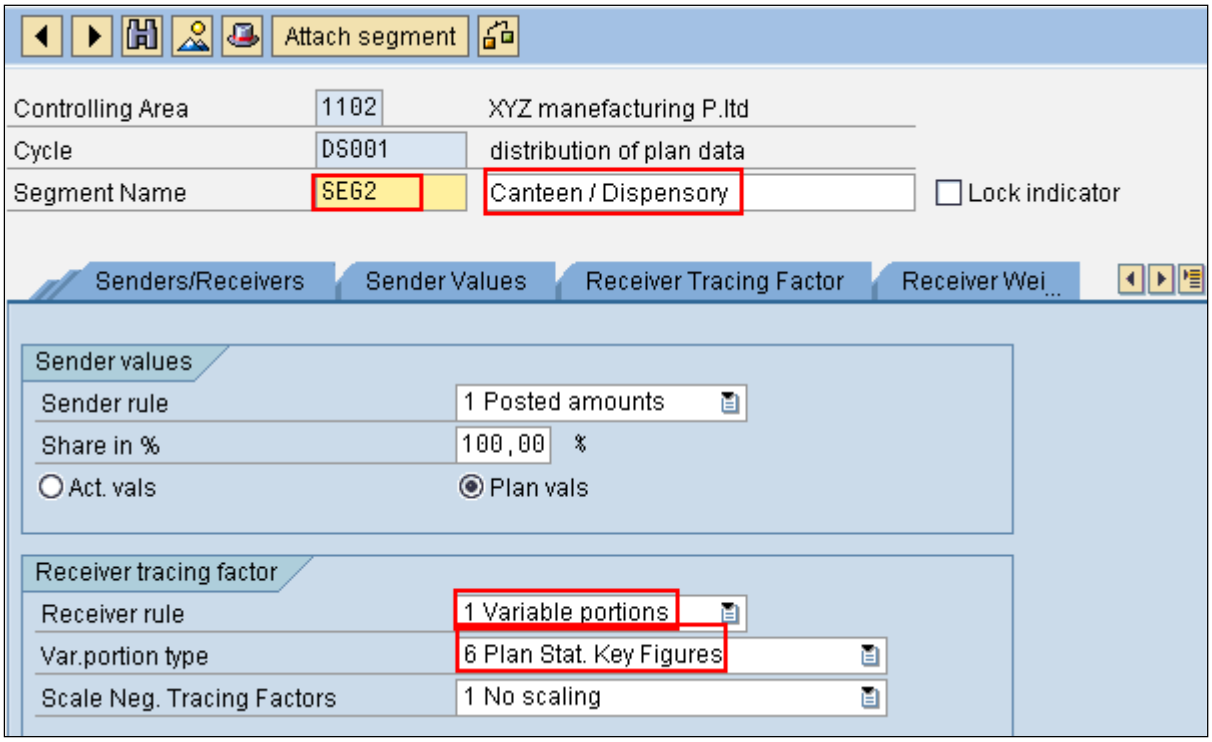
In the above screen maintain sender cost center, sender cost element and receiver cost center under "Senders/Receivers" tab.
After this click on "Receiver Tracing Factor" tab so it will take you to following screen;



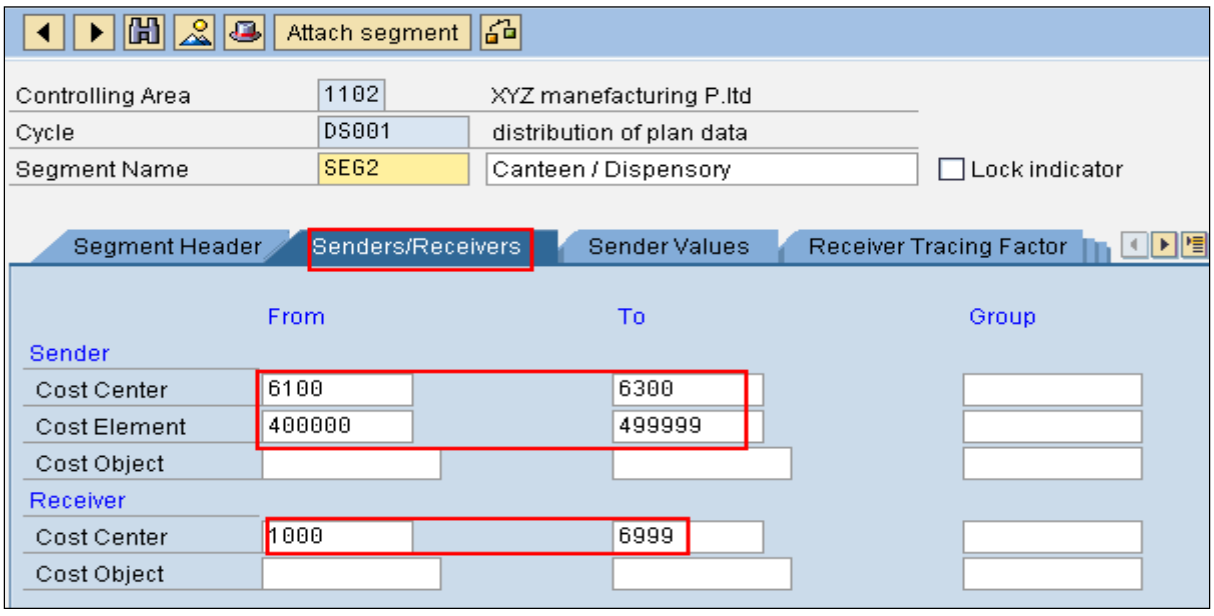
In the above screen maintain Version , Stat.Key fig and pres on save button to save the activity.

After saving click on 

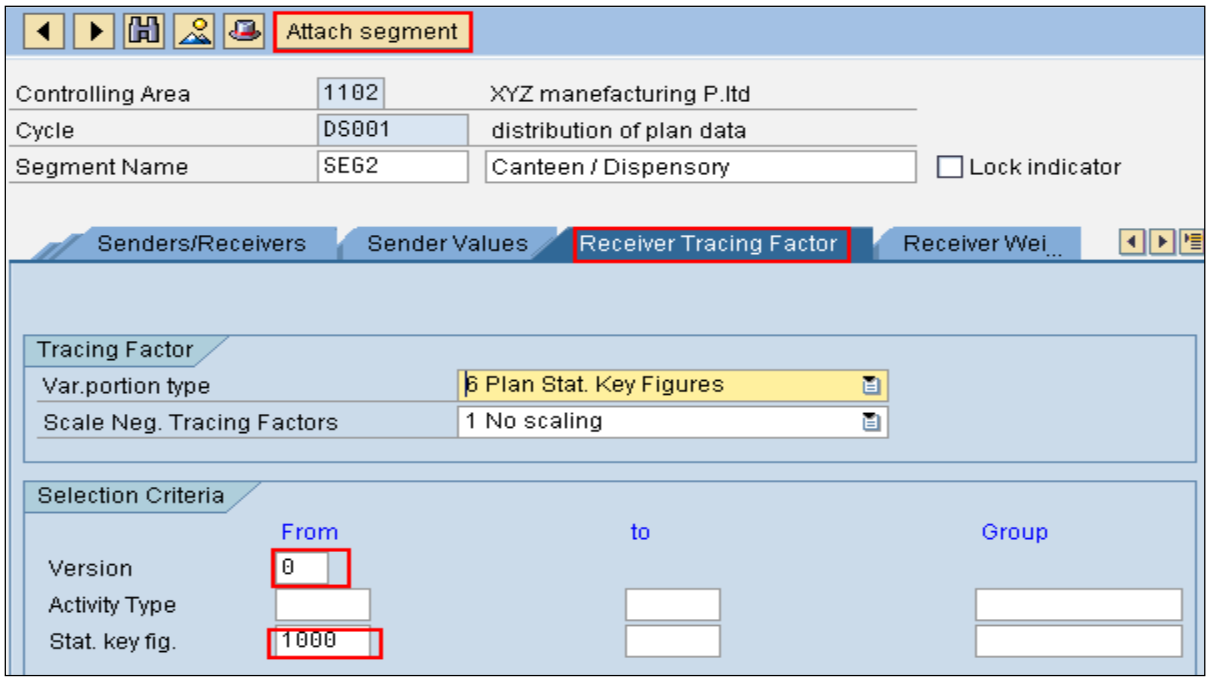
button so it will display new screen for another segment as follow:



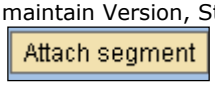
In the above screen maintain Segment name and description. Under "Segment Header" tab Receiver rule "1 Variable Portions" and Var.Portion Type "6 plan stat. key figures".
After maintain above parameters click on another tab "Sender/Receivers" so it will display following screen:

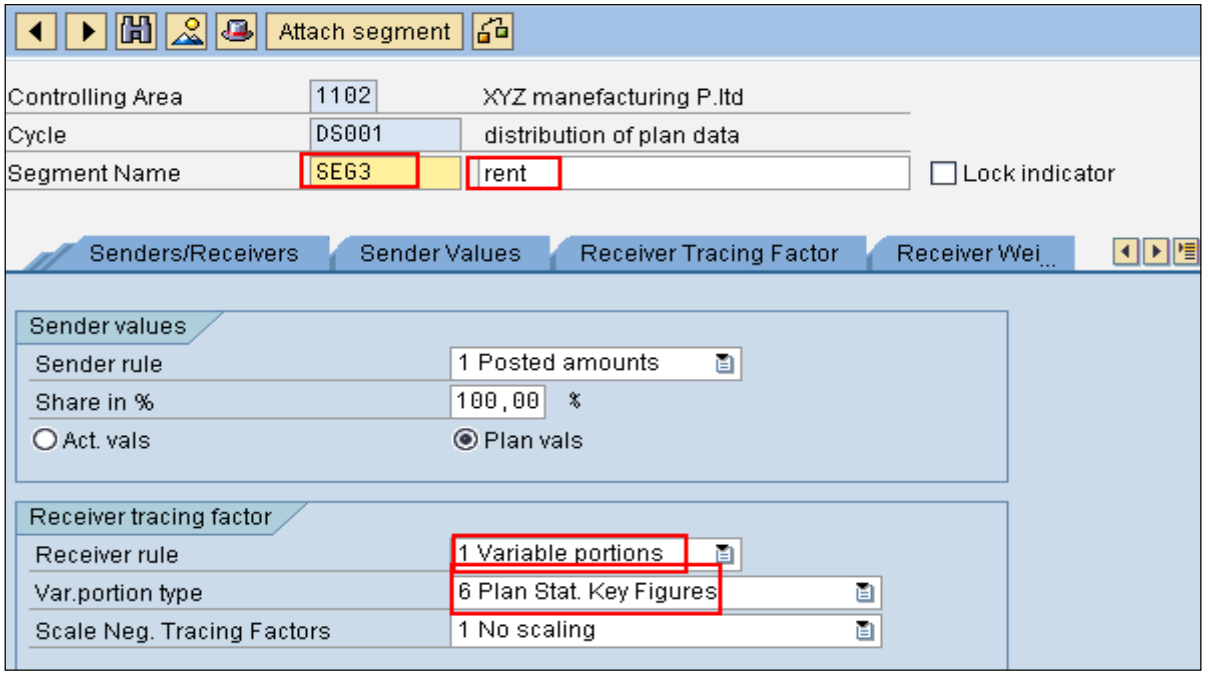


In the above screen maintain sender cost center, sender cost element and receiver cost center under "Senders/Receivers" tab.
After this click on "Receiver Tracing Factor" tab so it will take you to following screen:

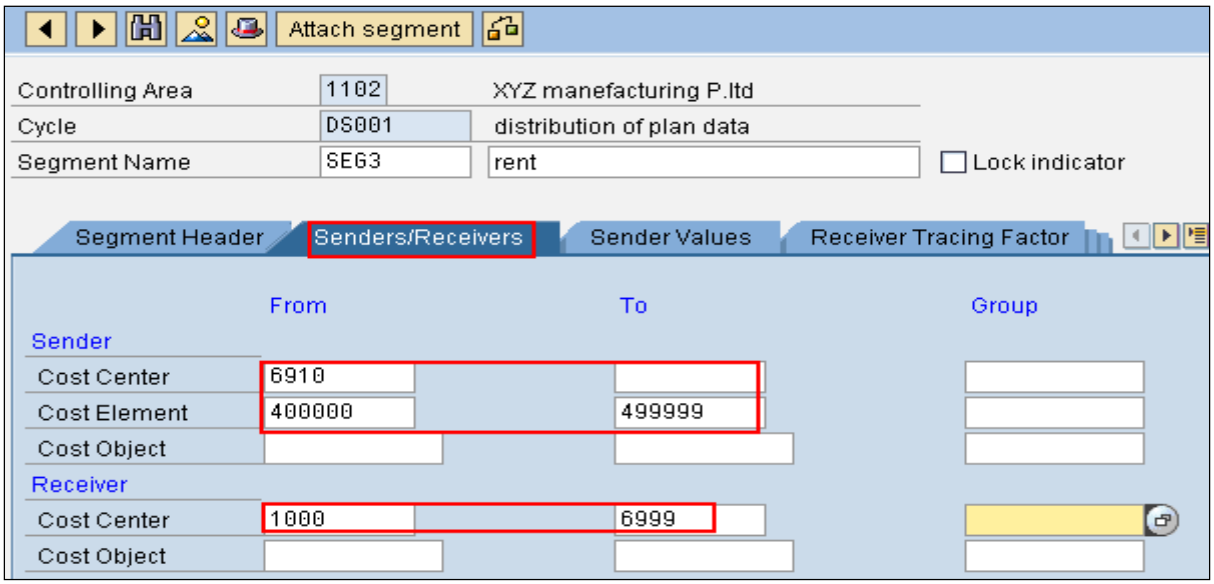


In the above screen maintain Version, Stat. Key fig and pres on save button to save the activity.

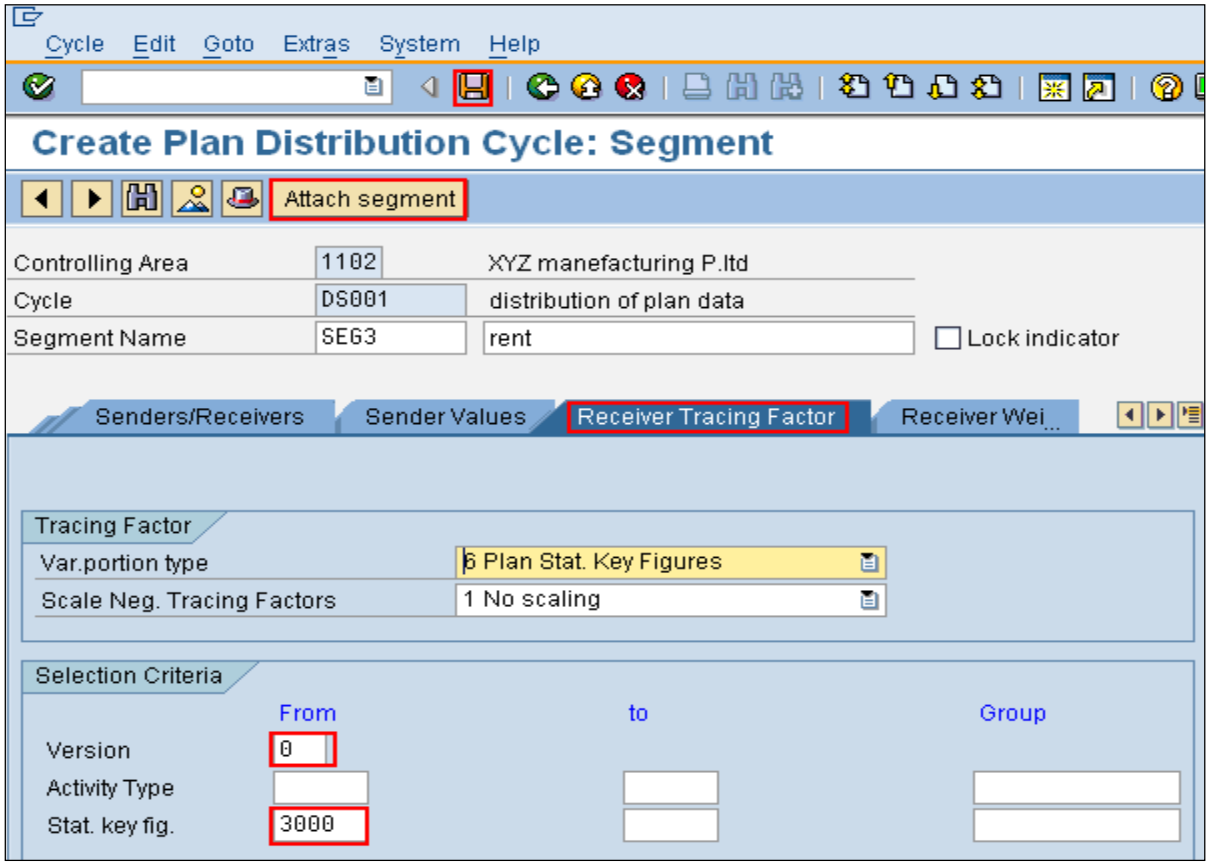
After saving click on  button so it will display new screen for another segment as follow:



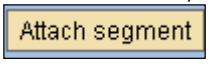
In the above screen maintain Segment name and description. Under "Segment Header" tab Receiver rule "1 Variable Portions" and Var.Portion Type "6 plan stat. key figures".
After maintain above parameters click on another tab "Sender/Receivers" so it will display following screen:



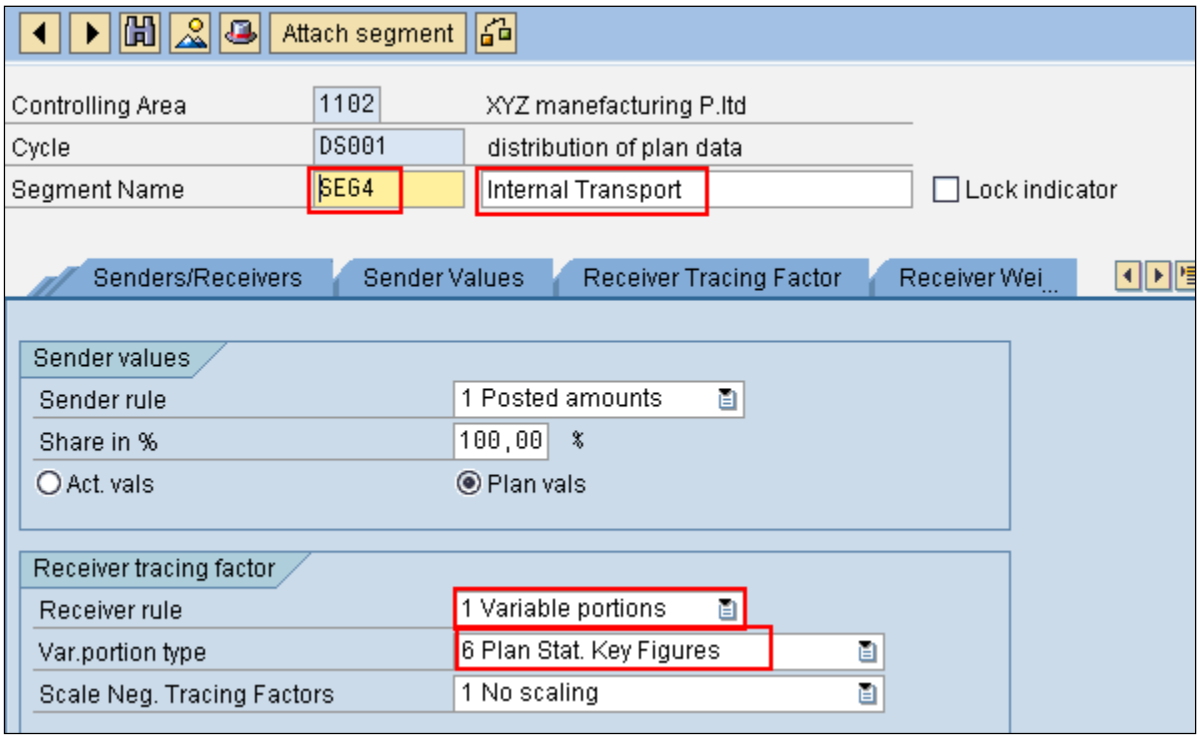
In the above screen maintain sender cost center, sender cost element and receiver cost center under "Senders/Receivers" tab.
After this click on "Receiver Tracing Factor" tab so it will take you to following screen;



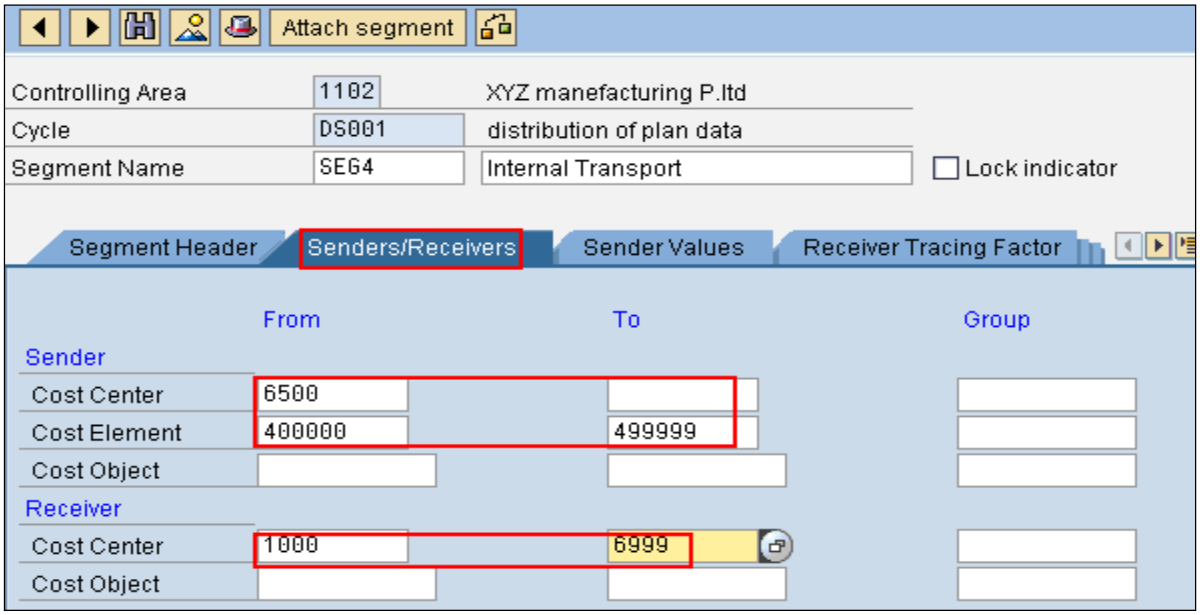
In the above screen maintain Version , Stat.Key fig and pres on save button to save the activity.

After saving click on 

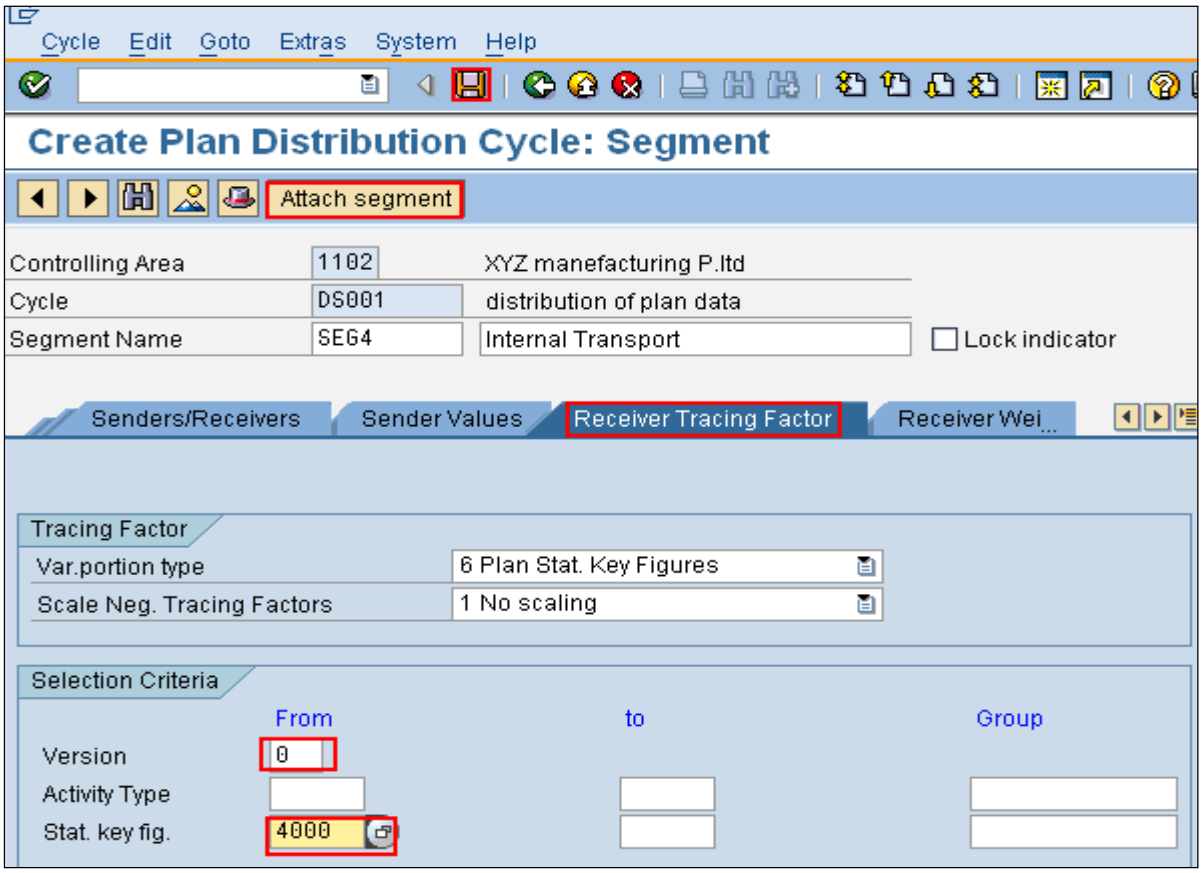
button so it will display new screen for another segment as follow:



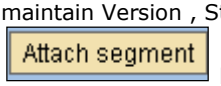
In the above screen maintain Segment name and description. Under "Segment Header" tab Receiver rule "1 Variable Portions" and Var.Portion Type "6 plan stat. key figures".
After maintain above parameters click on another tab "Sender/Receivers" so it will display following screen:

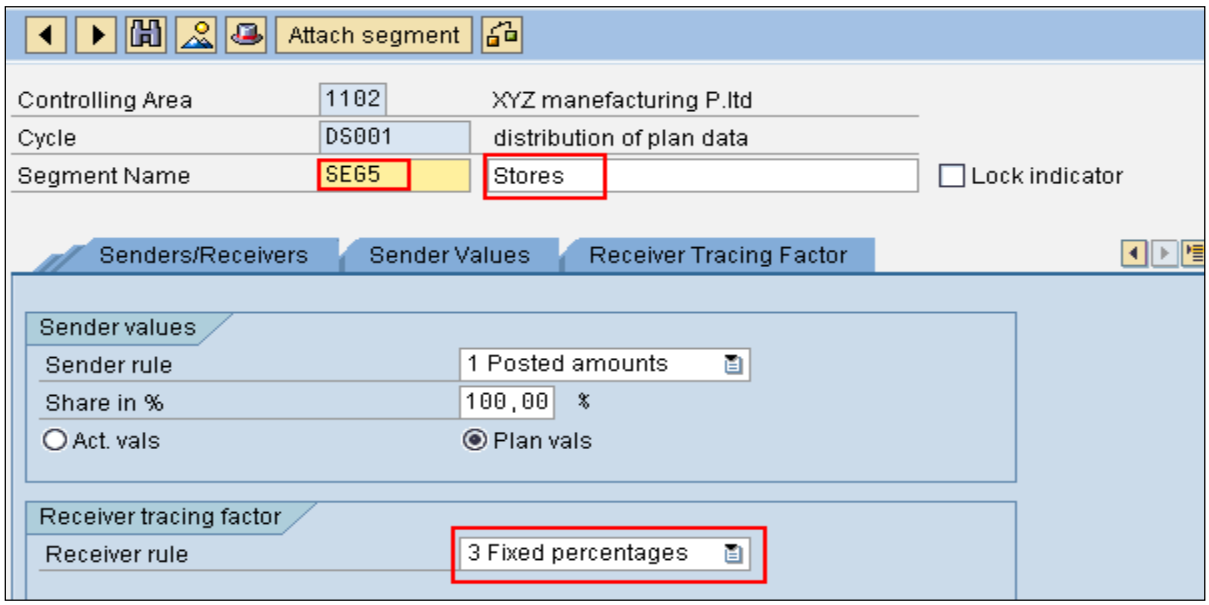


In the above screen maintain sender cost center, sender cost element and receiver cost center under "Senders/Receivers" tab.
After this click on "Receiver Tracing Factor" tab so it will take you to following screen;

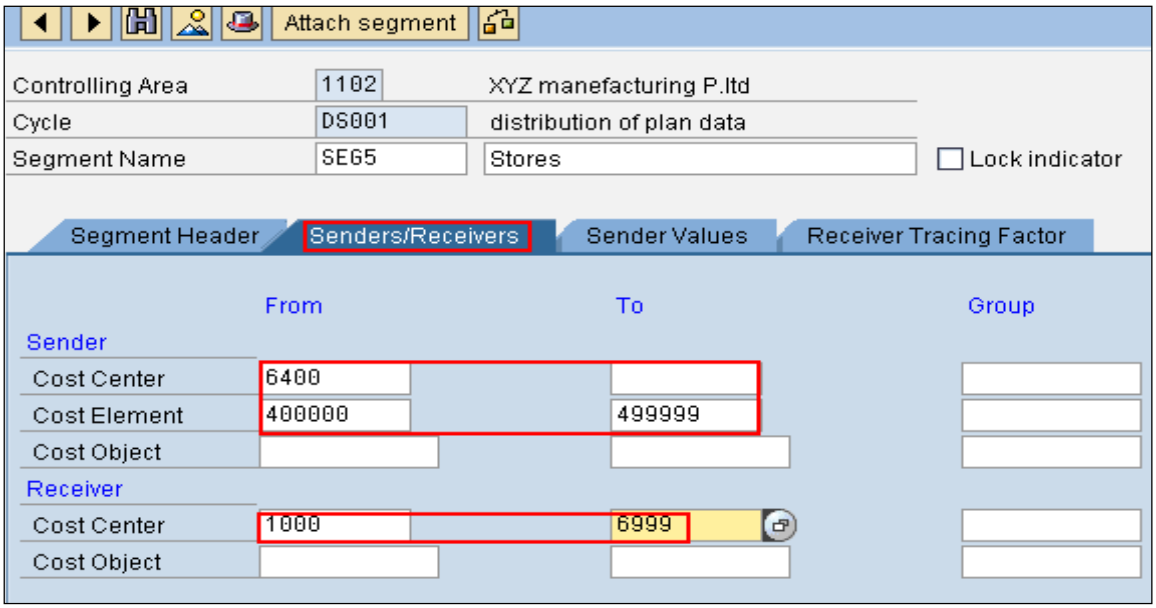


In the above screen maintain Version , Stat.Key fig and pres on save button to save the activity.

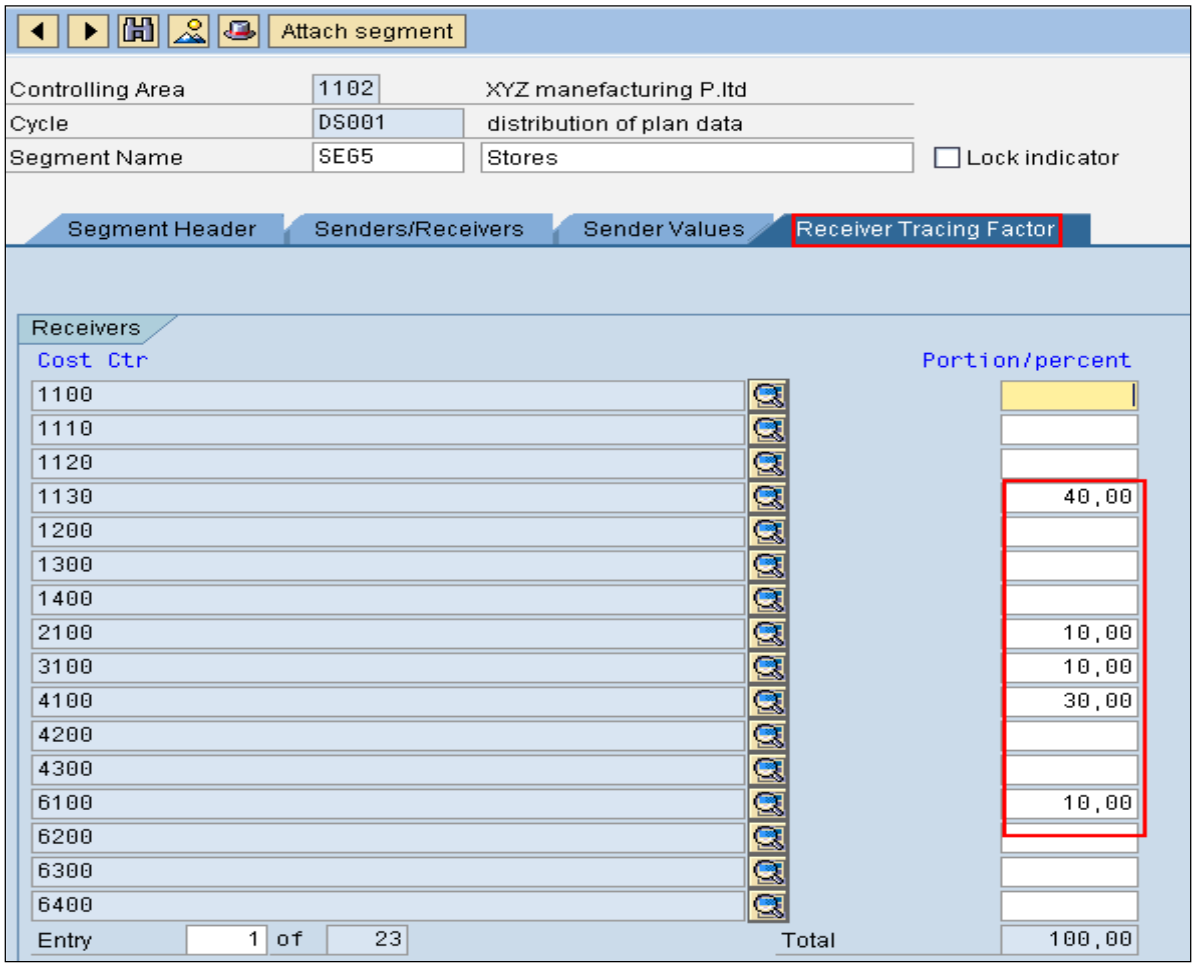
After saving click on  button so it will display new screen for another segment as follow:



In the above screen maintain Segment name and description. Under "Segment Header" tab Receiver rule "3 Fixed Percentages".
After maintain above parameters click on another tab "Sender/Receivers" so it will display following screen:



In the above screen maintain sender cost center, sender cost element and receiver cost center under "Senders/Receivers" tab.
After this click on "Receiver Tracing Factor" tab so it will take you to following screen;



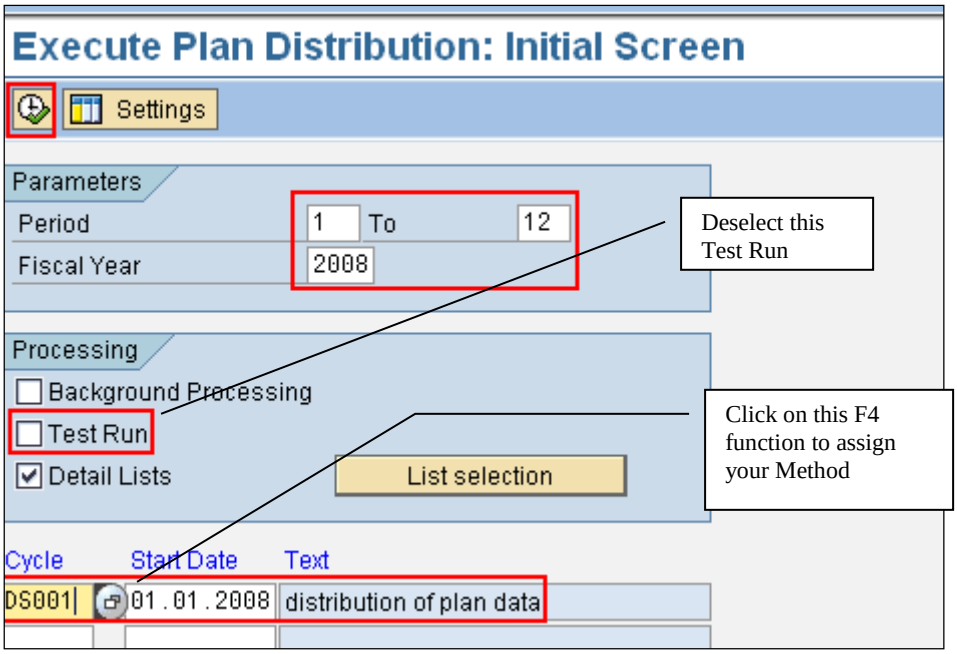
After entering above parameters click on save button and go back to easy access screen.

Execute the above Distributions Method

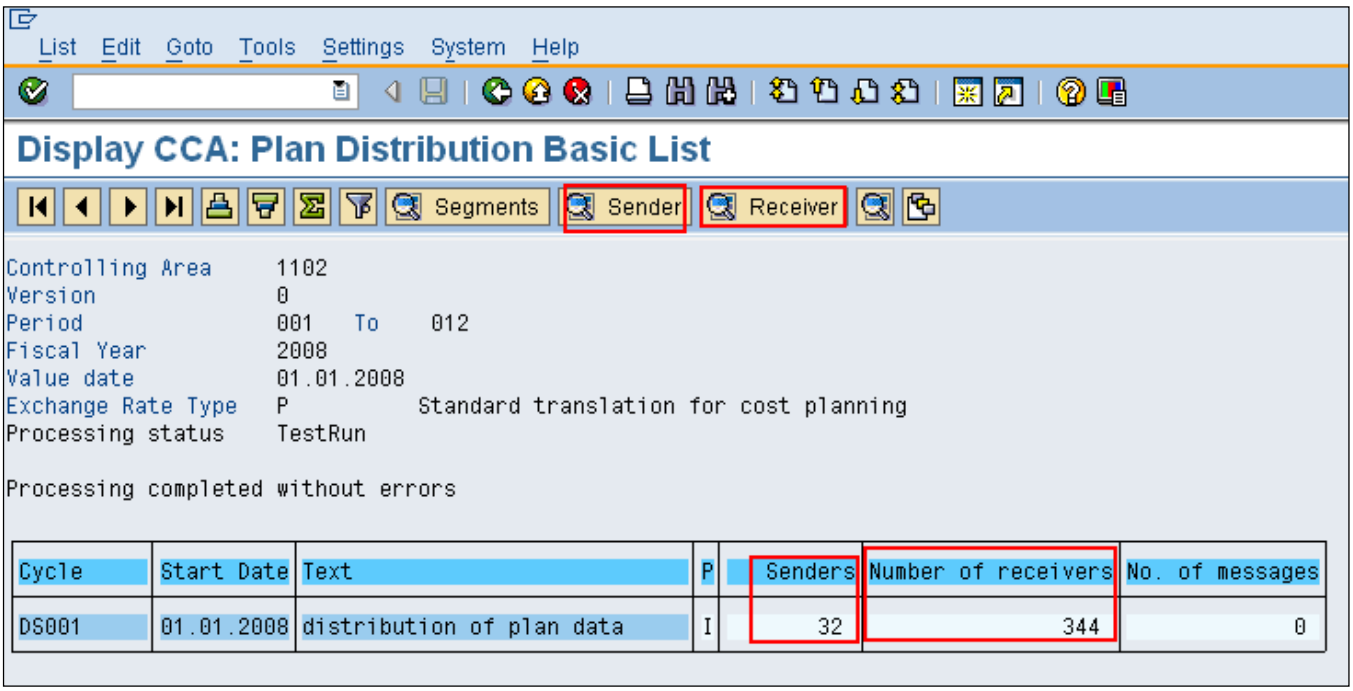
Path: Accounting→Controlling→Cost Center Accounting→Planning→ Allocations→ KSVB - Distribution

Transaction Code: KSVB – Distribution

By above transaction code it will display the following screen:



In the above screen after maintaining all parameters click on button.
So it will display the following screen:

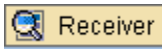


Now put your curse on Senders and click  it will show the following screen with al senders:

Basic list | Segments | Receiver

Cycle DS001 distribution of plan data
Start Date 01.01.2008
Period 001 To 012

Invalid	Period	Cost Ctr	Cost Elem.	CO Area Currency	COCr	Sender TF
	1	6900	417000	3.000,00-	INR	997.000
	1	6200	423000	7,82-	INR	55.000
	1	6200	430000	3,90-	INR	55.000
	1	6300	423000	11,73-	INR	55.000
	1	6300	430000	5,86-	INR	55.000
	1	6300	419000	493,41-	INR	55.000
	1	6300	418000	298,81-	INR	55.000
	1	6300	417000	163,31-	INR	55.000
	1	6300	410000	3.314,14-	INR	55.000
	1	6200	420000	131,58-	INR	55.000
	1	6200	418000	241,12-	INR	55.000
	1	6200	417000	150,99-	INR	55.000
	1	6100	417000	362,58-	INR	55.000
	1	6100	418000	329,32-	INR	55.000
	1	6100	419000	723,68-	INR	55.000
	1	6100	420000	289,48-	INR	55.000
	1	6100	423000	195,39-	INR	55.000
	1	6100	430000	97,69-	INR	55.000
	1	6200	410000	2.209,42-	INR	55.000
	1	6100	410000	55.235,76-	INR	55.000
	1	6200	419000	7.828,95-	INR	55.000
	1	6300	420000	3.197,37-	INR	55.000
	1	6910	418000	3.750,00-	INR	895.000
	1	6500	423000	3.333,33-	INR	318.000
	1	6500	430000	1.666,67-	INR	318.000
	1	6400	423000	15,63-	INR	100,00
	1	6400	430000	7,81-	INR	100,00
	1	6400	417000	124,46-	INR	100,00
	1	6400	418000	566,01-	INR	100,00
	1	6400	419000	657,89-	INR	100,00
	1	6400	420000	263,16-	INR	100,00
	1	6400	410000	8.168,87-	INR	100,00
*	1			96.846,14-	INR	
	2	6900	417000	3.000,00-	INR	994.000
	2	6200	423000	7,45-	INR	55.000
	2	6200	430000	3,73-	INR	55.000
	2	6300	423000	11,18-	INR	55.000
	2	6300	430000	5,58-	INR	55.000
	2	6300	419000	493,41-	INR	55.000
	2	6300	418000	298,81-	INR	55.000
	2	6300	417000	160,37-	INR	55.000
	2	6300	410000	3.314,14-	INR	55.000
	2	6200	420000	131,58-	INR	55.000
	2	6200	418000	241,12-	INR	55.000
	2	6200	417000	148,16-	INR	55.000
	2	6100	417000	363,09-	INR	55.000
	2	6100	418000	329,32-	INR	55.000
	2	6100	419000	723,68-	INR	55.000
	2	6100	420000	289,48-	INR	55.000
	2	6100	423000	186,23-	INR	55.000
	2	6100	430000	93,13-	INR	55.000
	2	6200	410000	2.209,42-	INR	55.000
	2	6100	410000	55.235,76-	INR	55.000

Now click on back and put you curser on Number of receivers and click on 

so it will show the following window:

Display CCA: Plan Distribution Receiver List

Basic list | Segments

Cycle DS001 distribution of plan data
Start Date 01.01.2008
Period 001 To 012

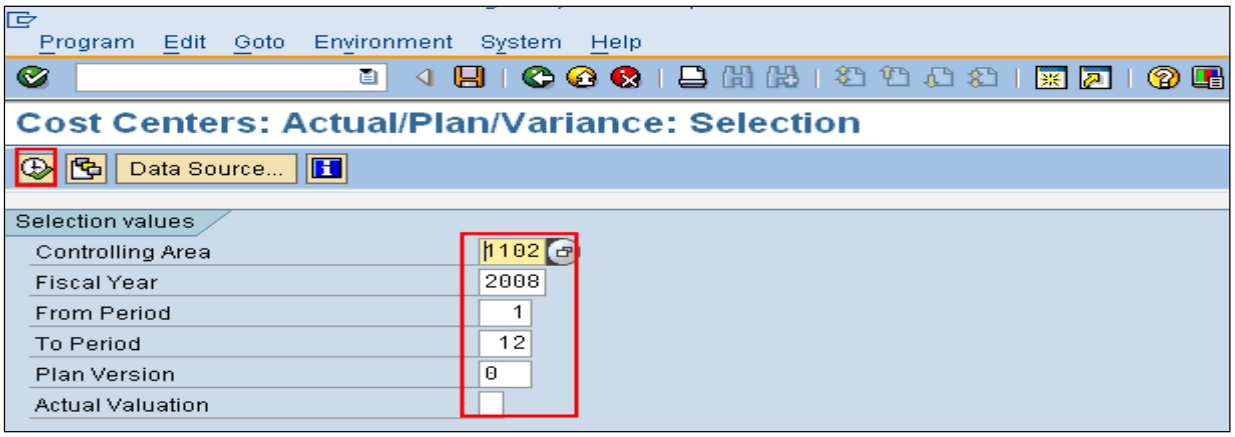
Invalid	Period	Cost Ctr	Cost Elem.	CO Area Currency	COCr	Tracing Factor
	1	1130	417000	376,13	INR	125.000
	1	2100	417000	752,26	INR	250.000
	1	3100	417000	451,35	INR	150.000
	1	4100	417000	376,13	INR	125.000
	1	4200	417000	300,90	INR	100.000
	1	6100	417000	300,90	INR	100.000
	1	6200	417000	126,38	INR	42.000
	1	6300	417000	126,38	INR	42.000
	1	6400	417000	75,23	INR	25.000
	1	6600	417000	39,12	INR	13.000
	1	6700	417000	75,22	INR	25.000
	1	1130	423000	0,43	INR	3.000
	1	1200	423000	0,57	INR	4.000
	1	1300	423000	0,57	INR	4.000
	1	2100	423000	1,42	INR	10.000
	1	3100	423000	0,71	INR	5.000
	1	4100	423000	0,71	INR	5.000
	1	4200	423000	0,85	INR	6.000
	1	6100	423000	0,57	INR	4.000
	1	6200	423000	0,28	INR	2.000
	1	6300	423000	0,43	INR	3.000
	1	6400	423000	0,57	INR	4.000
	1	6600	423000	0,43	INR	3.000

Now click on back button till you go back to easy access screen:

REPORT ON COST CENTER

Path: Accounting→ Controlling→ Cost Center Accounting→ Information System→ Reports for Cost Center Accounting→ Plan/Actual Comparisons→ S_ALR_87013611 - Cost Centers: Actual/Plan/Variance

It will display the following screen:



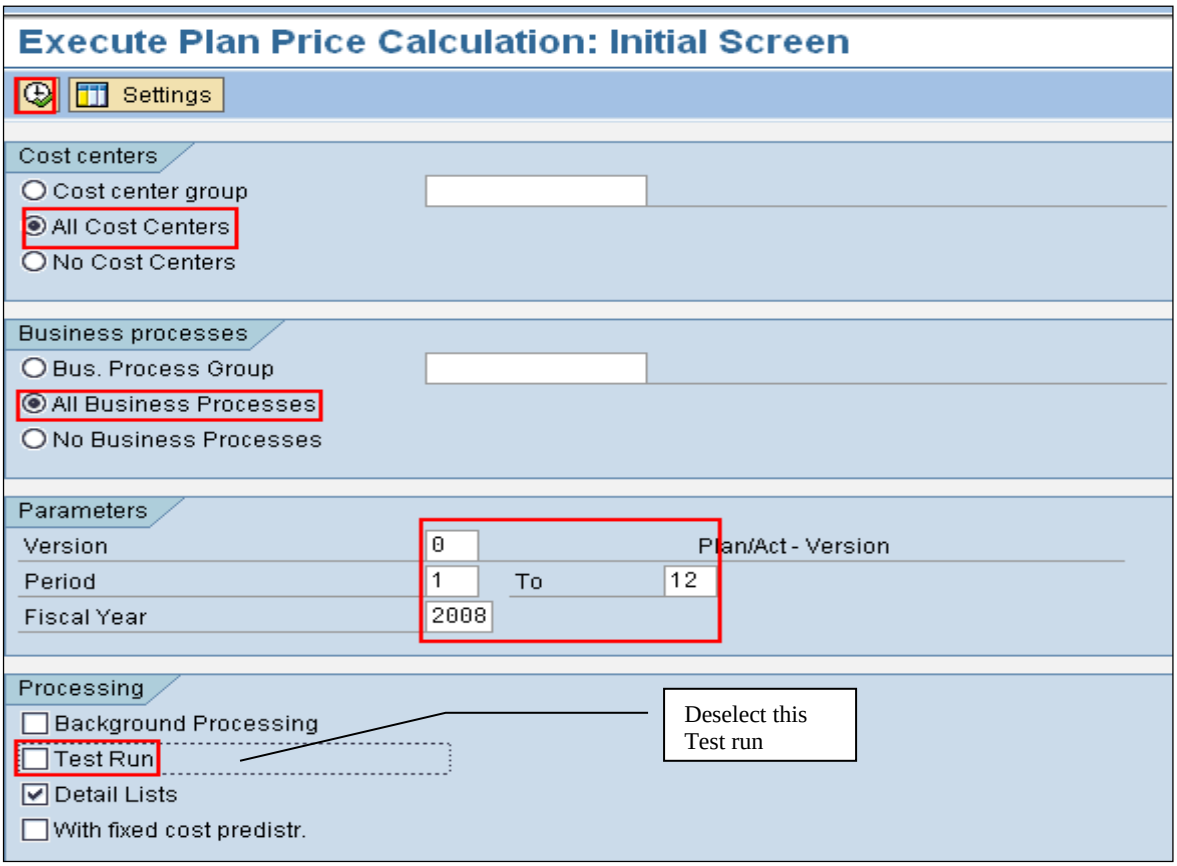
Enter the above parameters and click on  button.

Plan Price Calculation

Path: Accounting→Controlling→Cost Center Accounting→Planning→ Allocations→ KSPI - Price Calculation

Transaction Code: KSPI - Price Calculation

By above transaction code it will display the following screen:



In the above screen just Deselect Test run and click on execute button.

It will display the following screen:

Price Calculation Results - Plan

Activity Analysis | Choose | Save

Controlling Area	1102	XYZ manefacturing P.ltd
Version	0	Plan/Act - Version
Fiscal Year	2008	
Period	001	to 012
Plan price calc.	2	Average price
Currency	INR	Indian Rupee
Exchange Rate Type	P	Standard translation for cost planning
Value Date	01.01.2008	
Processing status	UpdateRun	
Document number from	100105	
	100104	
	100103	
	100102	

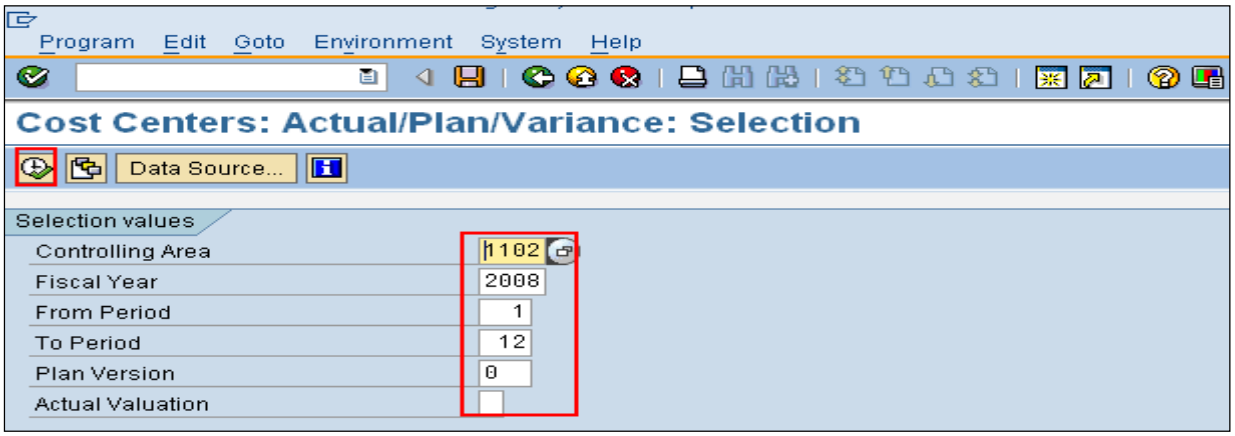
OTy	Object	Name	AUn	Activity Quantity	Total price	Price (Fixed)	PUnit
ATY	1200/500000	Machine A	H	3.000	8.072,17	2.952,57	100
ATY	1200/501000	Machine A	H	3.100	57.605,57	9.218,47	1000
ATY	1200/502000	Machine A	H	300	49.525,75	9.525,75	100
ATY	1300/500000	Machine B	H	2.100	12.149,67	3.721,82	100
ATY	1300/501000	Machine B	H	2.100	8.721,82	1.102,78	100
ATY	1300/502000	Machine B	H	2.100	1.531,35	1.102,78	100
ATY	1400/503000	Assembling	H	3.000	65.597,96	1.399,49	1000
ATY	6600/504000	repairs & maintaince	H	1.500	12.076,22	6.656,38	100
ATY	6700/505000	quality control dept	H	1.800	7.712,28	4.099,05	100
ATY	6800/507000	power dept cc	KW	39.300	4.198,47	0,00	1000

Now just back from the screen to easy access screen:

REPORT ON COST CENTER

Path: Accounting→ Controlling→ Cost Center Accounting→ Information System→ Reports for Cost Center Accounting→ Plan/Actual Comparisons→ S_ALR_87013611 - Cost Centers: Actual/Plan/Variance

It will display the following screen:

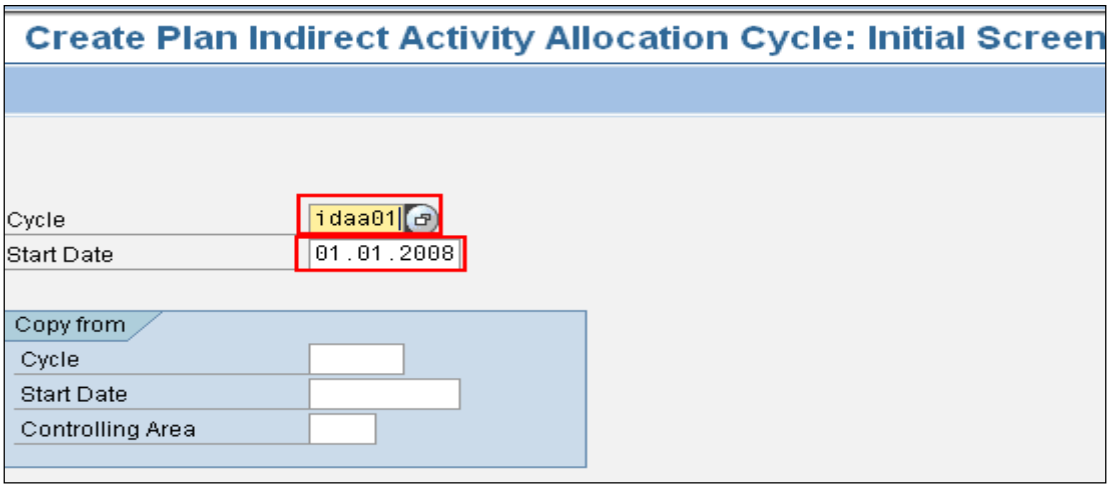


Enter the above parameters and click on button.

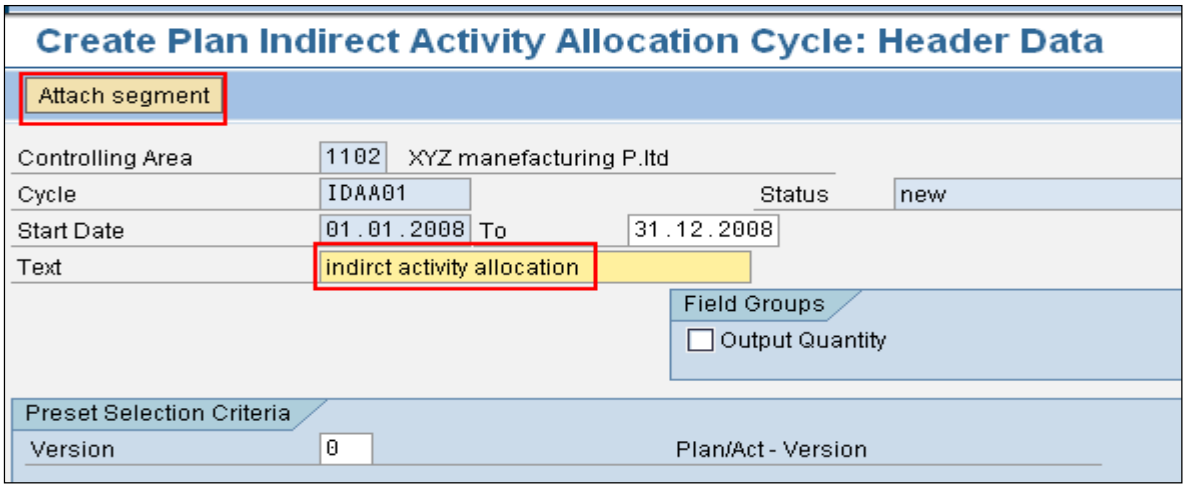
Define Cycle for Indirect Activity Allocation

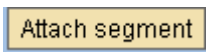
Path: Accounting→Controlling→Cost Center Accounting→Planning→ Current Settings → S_ALR_87005471 - Define Indirect Activity Allocation

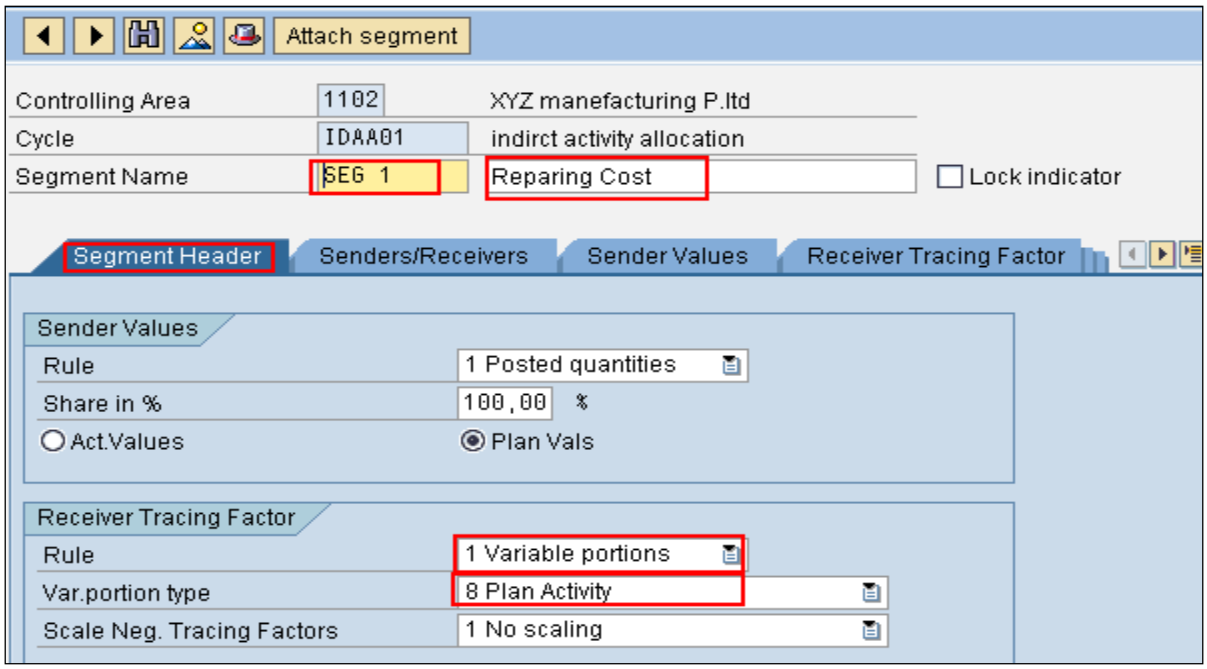
By above transaction code it will display the following screen:



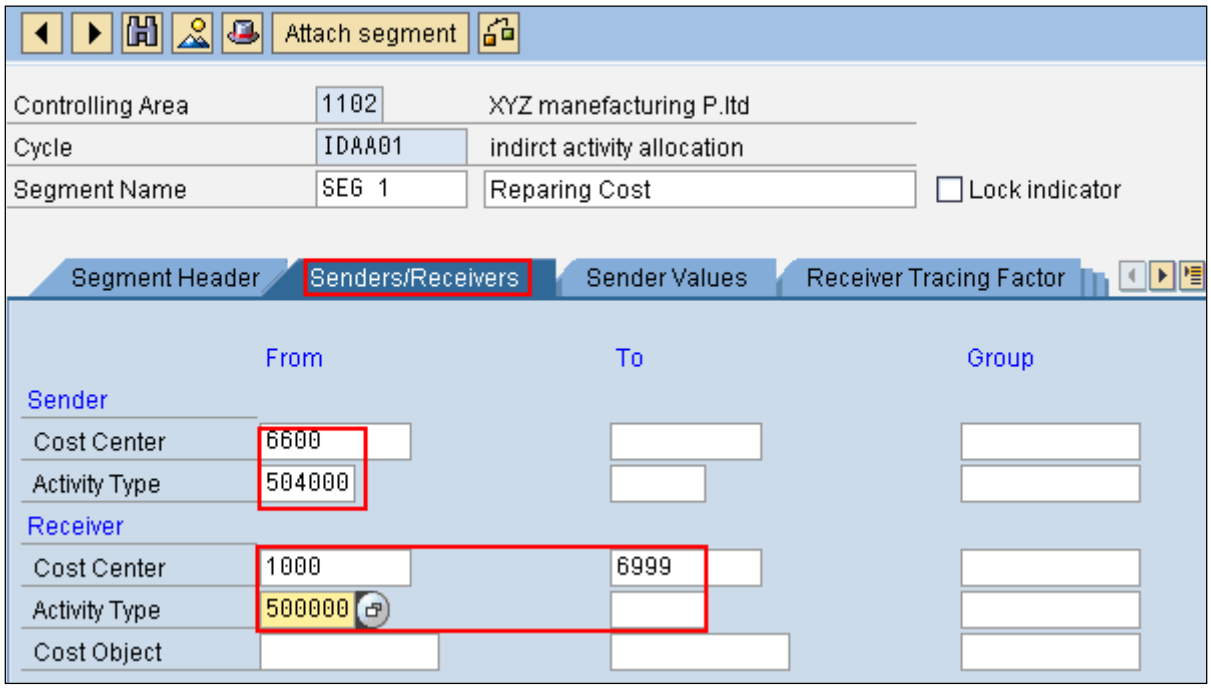
In the above screen enter new Cycle name and start date and pres enter button.
So it will display following screen:



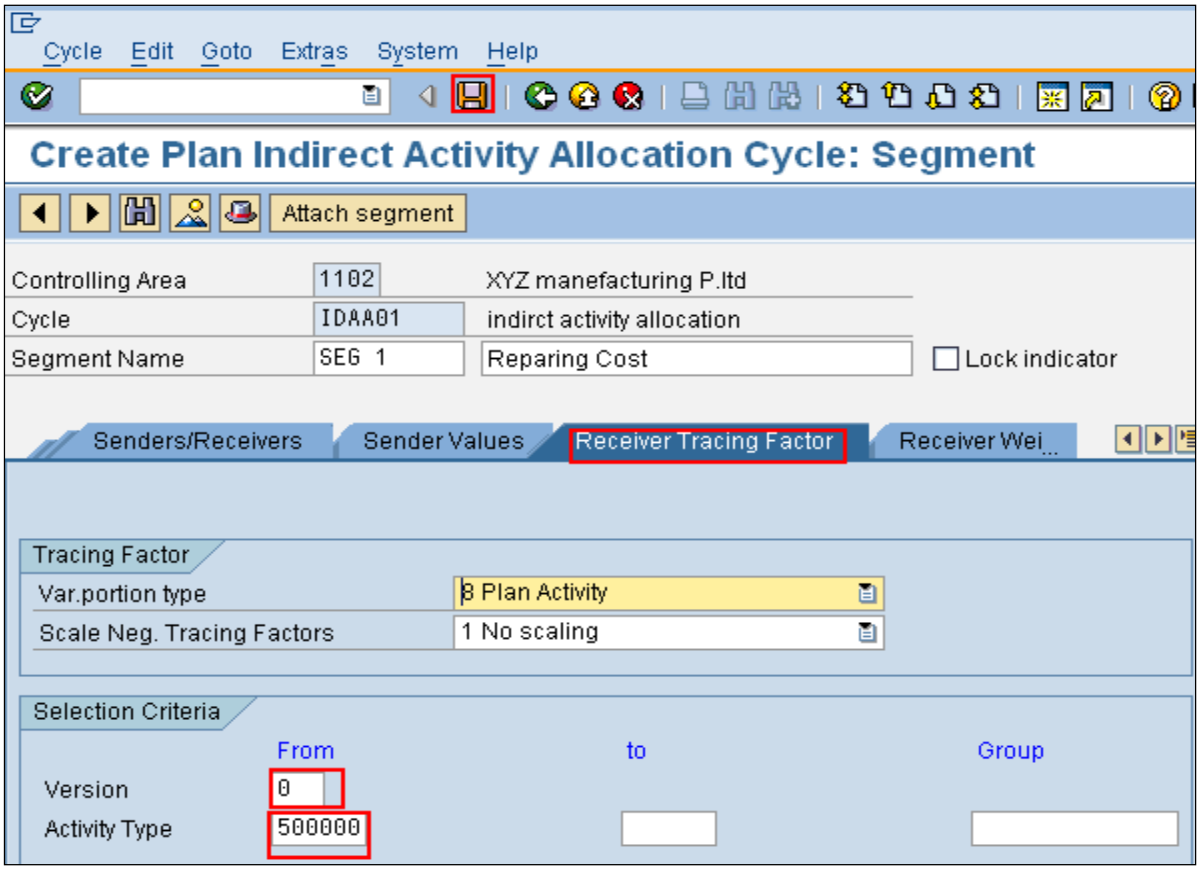
In the above screen enter Text and click on  button:



In the above screen under Tab "Segment Header" enter segment name and description, maintain Rule as "1 Variable Portions", Var.Portion Type as "8 Plan Activity" and click on TAB "Sender/Receivers"



In above screen maintain Sender and Receiver parameters and click on Tab "Receiver Tracing Factor"



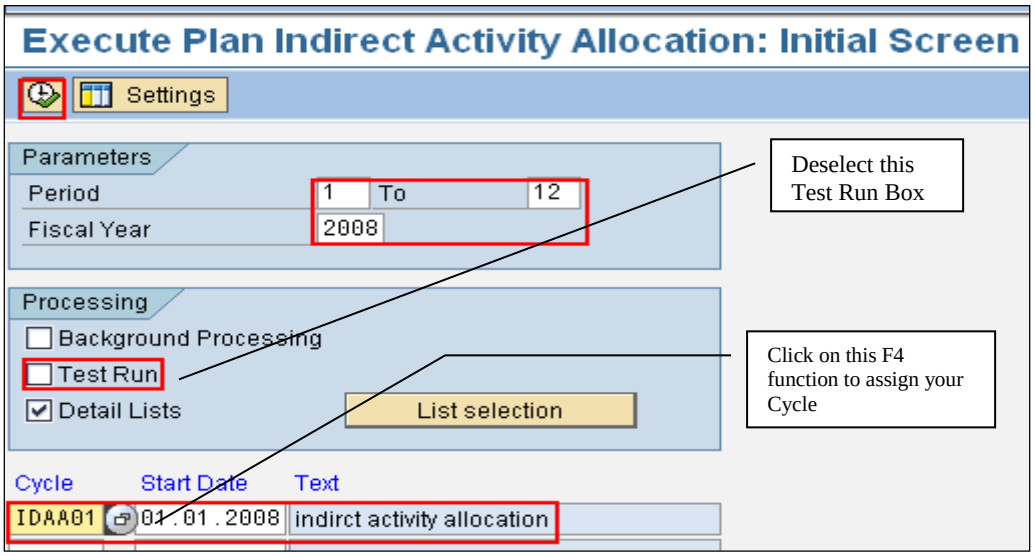
After maintain parameters in above screen just save the activity and back to easy access screen.

Executive above Cycle

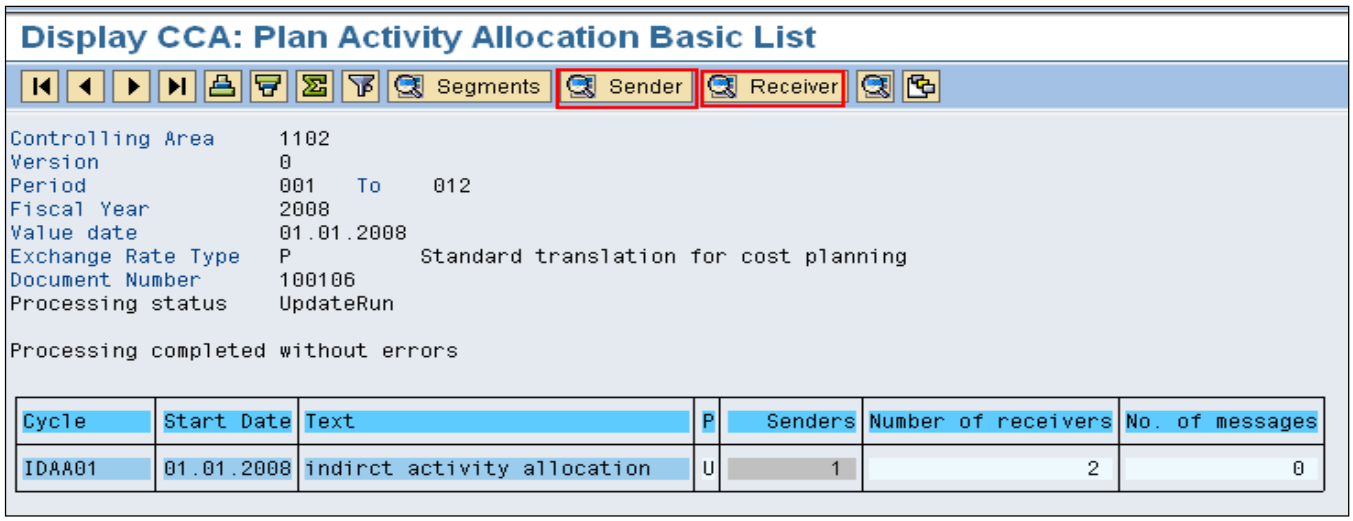
Path: Accounting→Controlling→Cost Center Accounting→Planning→ Allocations → KSCB - Indirect Activity Allocation

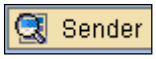
Transaction Code: KSCB - Indirect Activity Allocation

By above transaction code it will display the following screen:

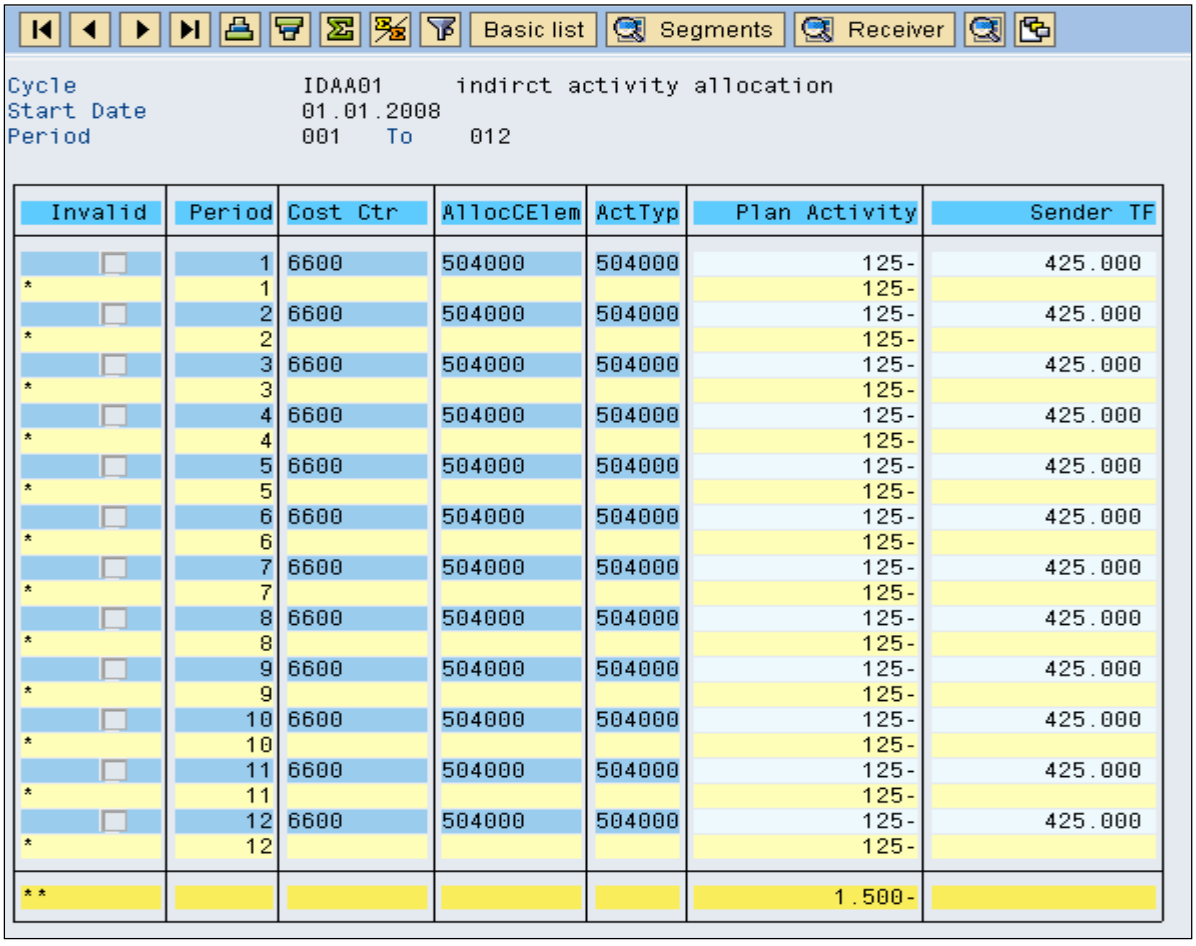


Maintain the required parameters in above screen and click on 
So it will take you to another screen:

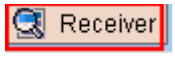


In above screen put curser on Senders and click on 

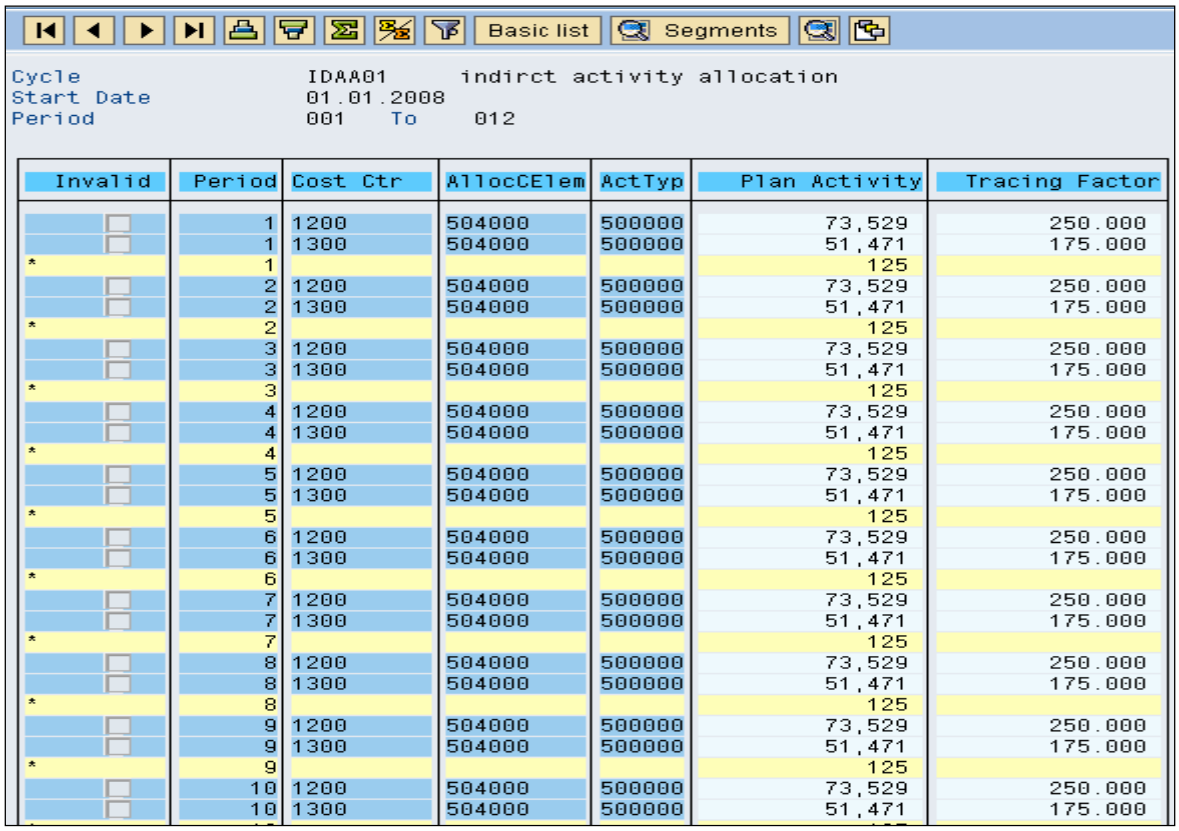
button.
So it will show the following screen:



Back the to main screen.

Now put your curse on Receivers and click on 

So it will display the following screen:



Basic list | Segments

Cycle IDAA01 indirct activity allocation
Start Date 01.01.2008
Period 001 To 012

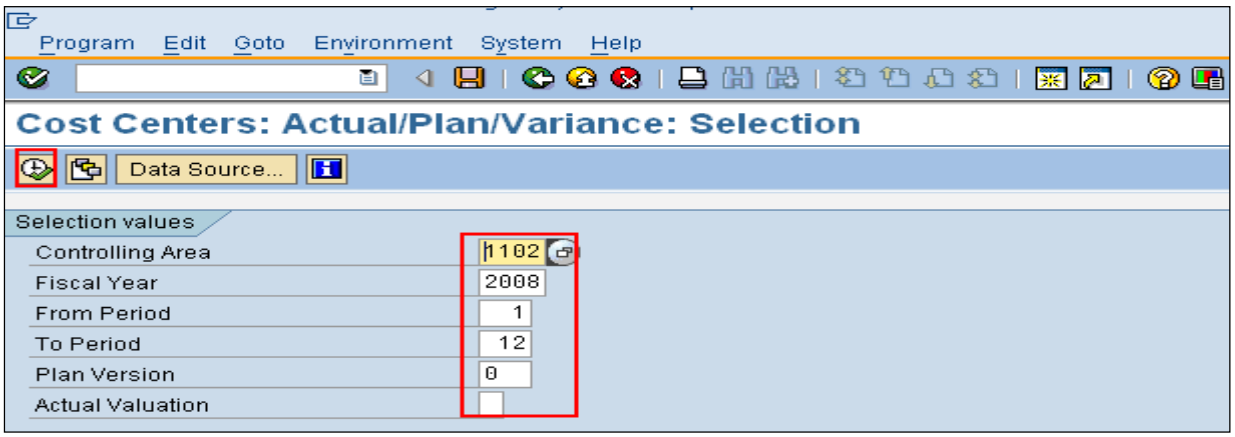
Invalid	Period	Cost Ctr	AllocCElem	ActTyp	Plan Activity	Tracing Factor
	1	1200	504000	500000	73,529	250.000
	1	1300	504000	500000	51,471	175.000
*	1				125	
	2	1200	504000	500000	73,529	250.000
	2	1300	504000	500000	51,471	175.000
*	2				125	
	3	1200	504000	500000	73,529	250.000
	3	1300	504000	500000	51,471	175.000
*	3				125	
	4	1200	504000	500000	73,529	250.000
	4	1300	504000	500000	51,471	175.000
*	4				125	
	5	1200	504000	500000	73,529	250.000
	5	1300	504000	500000	51,471	175.000
*	5				125	
	6	1200	504000	500000	73,529	250.000
	6	1300	504000	500000	51,471	175.000
*	6				125	
	7	1200	504000	500000	73,529	250.000
	7	1300	504000	500000	51,471	175.000
*	7				125	
	8	1200	504000	500000	73,529	250.000
	8	1300	504000	500000	51,471	175.000
*	8				125	
	9	1200	504000	500000	73,529	250.000
	9	1300	504000	500000	51,471	175.000
*	9				125	
	10	1200	504000	500000	73,529	250.000
	10	1300	504000	500000	51,471	175.000

Now just back to easy access screen.

REPORT ON COST CENTER

Path: Accounting→ Controlling→ Cost Center Accounting→ Information System→ Reports for Cost Center Accounting→ Plan/Actual Comparisons→ S_ALR_87013611 - Cost Centers: Actual/Plan/Variance

It will display the following screen:



Program Edit Goto Environment System Help

Cost Centers: Actual/Plan/Variance: Selection

Data Source...

Selection values

Controlling Area	1102
Fiscal Year	2008
From Period	1
To Period	12
Plan Version	0
Actual Valuation	

Enter the above parameters and click on  button.

SPLITING

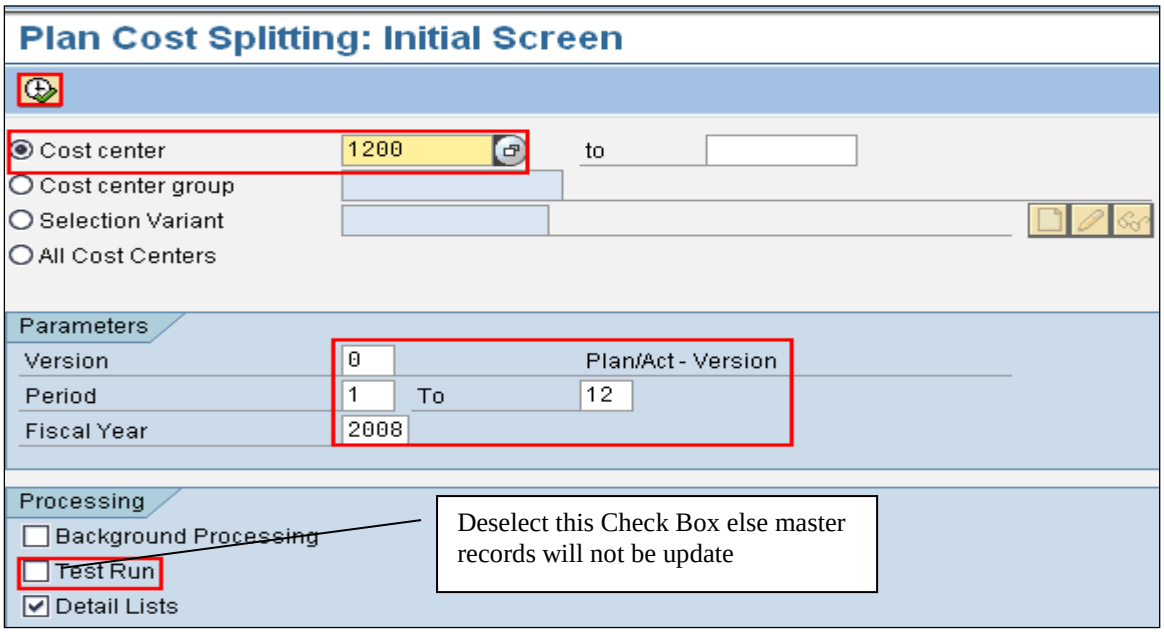
In every cost center we may have activity dependent cost or activity independent cost. It the cost center has a multiple activities the activity independent cost is to be related distributed among the activities by specifying same distribution rule it no distribution rule is specify the system split the activity independent cost equally among the activity.

Path: Accounting→Controlling→Cost Center Accounting→Planning→ Allocations → KSS4 - Splitting

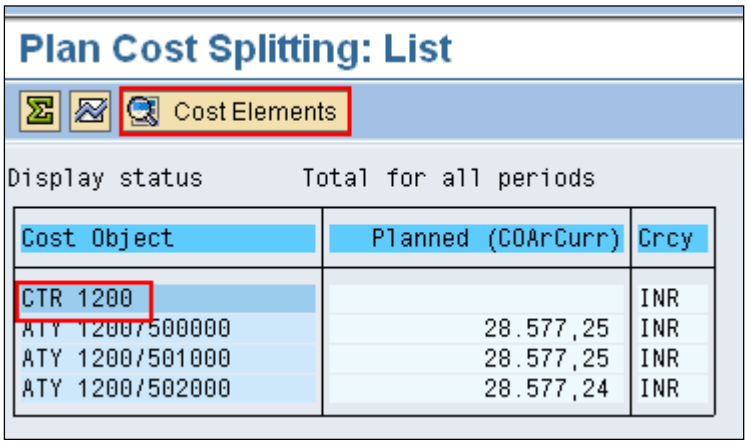
Transaction Code: KSS4 – Splitting

Database Table: TSC0A, TSC0B, TSC0C, TSC0D, TSC0E, TSC0F, TSC0G, TSC0H, TSC0I

By above transaction code it will display the following screen:

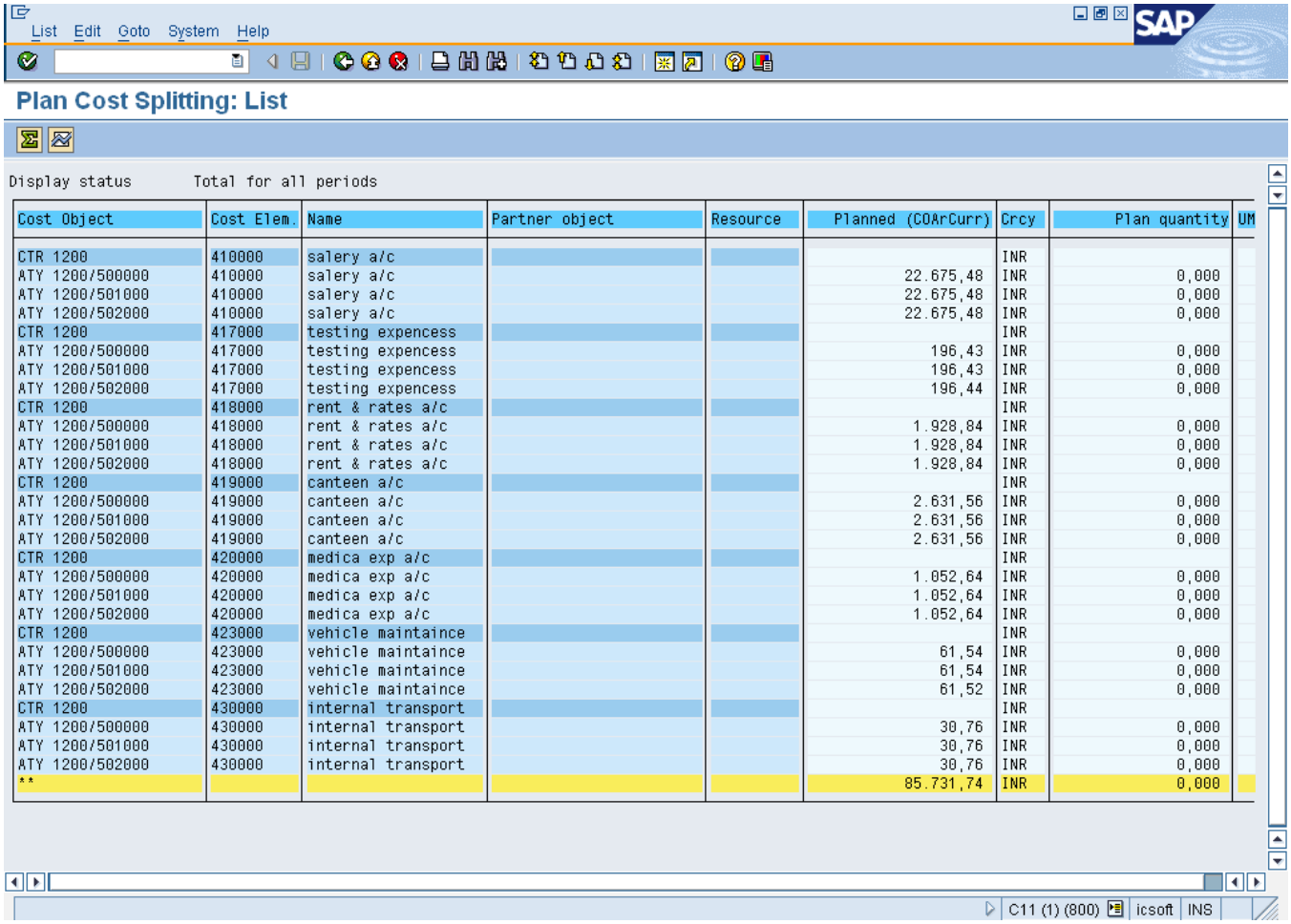


\In the above screen maintain the parameters as specified and click on executive button.
So it displays the following screen:



In the above screen keep curser on "CTR 1200" and click on 

button .
So it displays the following screen:



List Edit Goto System Help

Plan Cost Splitting: List

Display status Total for all periods

Cost Object	Cost Elem.	Name	Partner object	Resource	Planned (COArCurr)	Crcy	Plan quantity	UM
CTR 1200	410000	salery a/c				INR		
ATY 1200/500000	410000	salery a/c			22.675,48	INR	0,000	
ATY 1200/501000	410000	salery a/c			22.675,48	INR	0,000	
ATY 1200/502000	410000	salery a/c			22.675,48	INR	0,000	
CTR 1200	417000	testing expencess				INR		
ATY 1200/500000	417000	testing expencess			196,43	INR	0,000	
ATY 1200/501000	417000	testing expencess			196,43	INR	0,000	
ATY 1200/502000	417000	testing expencess			196,44	INR	0,000	
CTR 1200	418000	rent & rates a/c				INR		
ATY 1200/500000	418000	rent & rates a/c			1.928,84	INR	0,000	
ATY 1200/501000	418000	rent & rates a/c			1.928,84	INR	0,000	
ATY 1200/502000	418000	rent & rates a/c			1.928,84	INR	0,000	
CTR 1200	419000	canteen a/c				INR		
ATY 1200/500000	419000	canteen a/c			2.631,56	INR	0,000	
ATY 1200/501000	419000	canteen a/c			2.631,56	INR	0,000	
ATY 1200/502000	419000	canteen a/c			2.631,56	INR	0,000	
CTR 1200	420000	medica exp a/c				INR		
ATY 1200/500000	420000	medica exp a/c			1.052,64	INR	0,000	
ATY 1200/501000	420000	medica exp a/c			1.052,64	INR	0,000	
ATY 1200/502000	420000	medica exp a/c			1.052,64	INR	0,000	
CTR 1200	423000	vehicle maintaince				INR		
ATY 1200/500000	423000	vehicle maintaince			61,54	INR	0,000	
ATY 1200/501000	423000	vehicle maintaince			61,54	INR	0,000	
ATY 1200/502000	423000	vehicle maintaince			61,52	INR	0,000	
CTR 1200	430000	internal transport				INR		
ATY 1200/500000	430000	internal transport			30,76	INR	0,000	
ATY 1200/501000	430000	internal transport			30,76	INR	0,000	
ATY 1200/502000	430000	internal transport			30,76	INR	0,000	
**					85.731,74	INR	0,000	

C11 (1) (800) icsoft INS

Back to easy access screen.

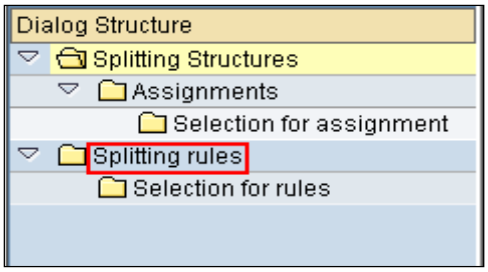
Define Splitting Structure

Path: SPRO→ Controlling→ Cost Center Accounting→ Planning→ Allocations→ Activity Allocation→ Splitting→ Define Splitting Structure.

Transaction Code: OKES

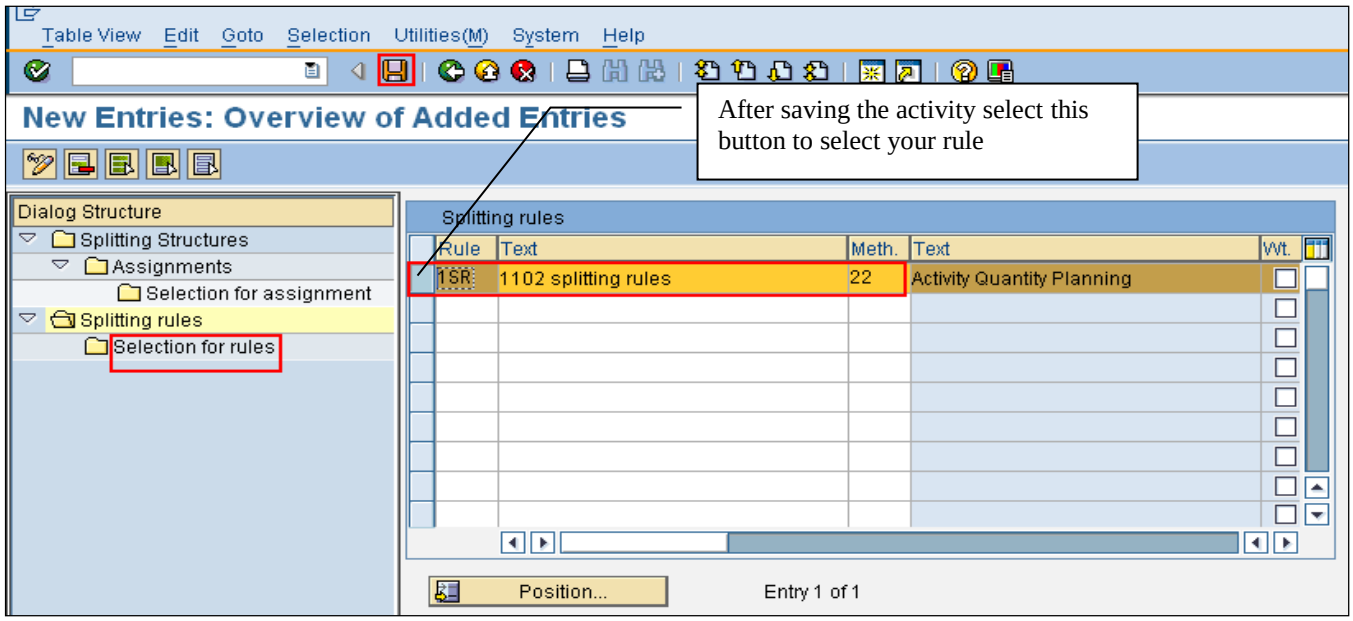
Database Table: OKEW, COSC

In the displayed screen under Dialog Structure double click on "Splitting Rules"



Once Click on Splitting Rules it will display the following screen:

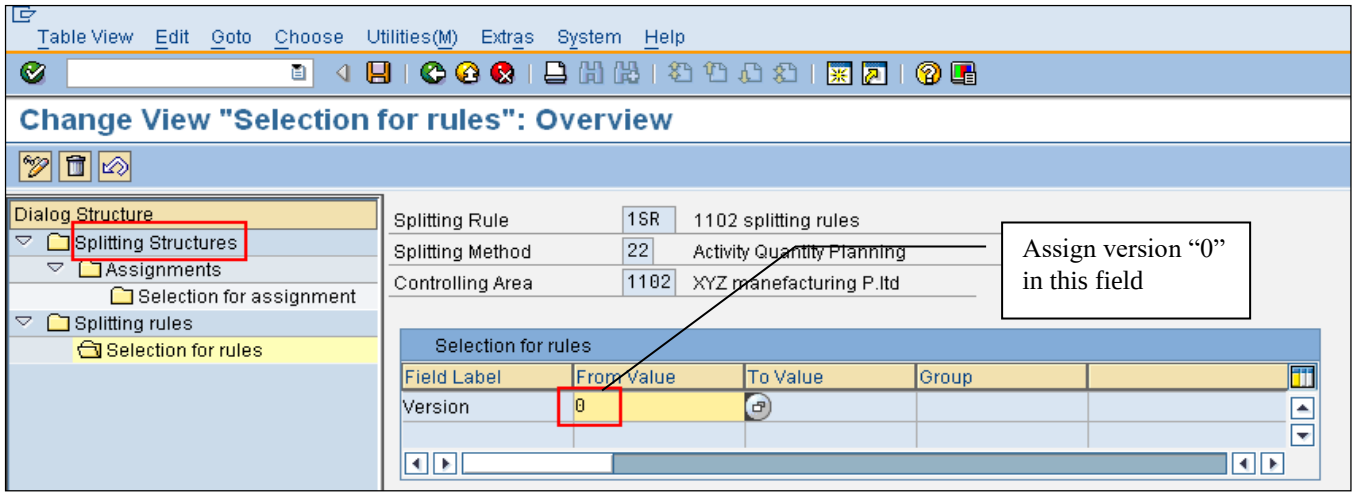
In this screen click on New Entries button.



In the above screen enter new Rule name, text and method as "22", pres enter and save the screen.

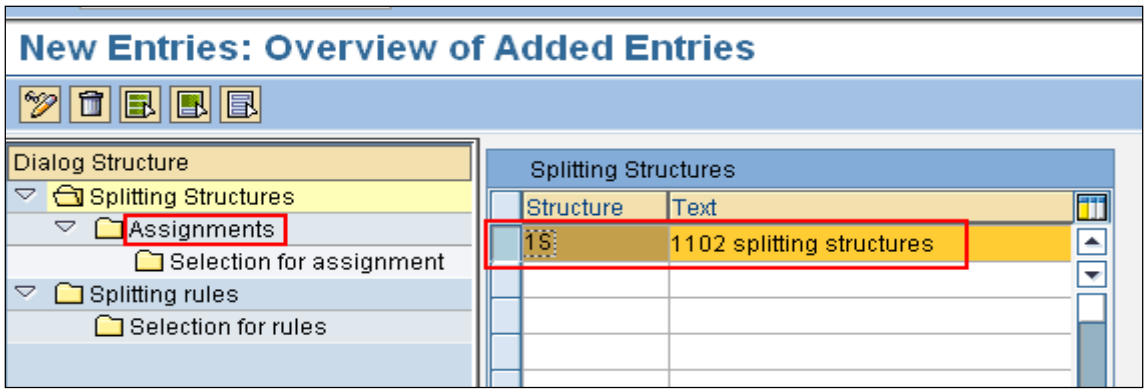
Now select the rule which you created and double click on "Selection for rules" under Dialog Structures.

In this screen click on New Entries button.
It will display the following screen:



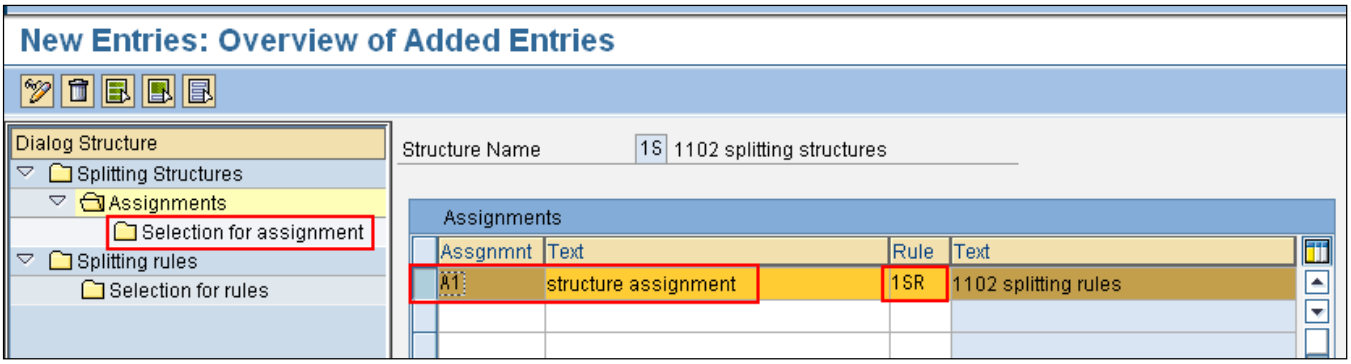
In the above screen once you assign version "0" double click on "Splitting Structures" under Dialog Structure.
So it will display another screen as shown below:

In this screen click on New Entries button.



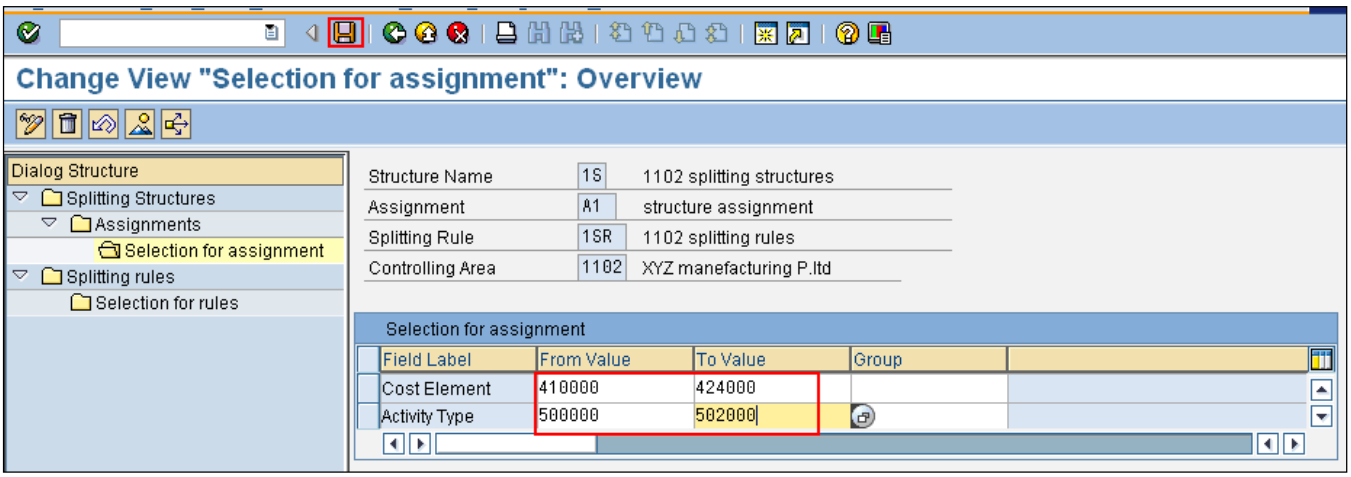
In above screen give new structure name and text and save it.
Select the structure you created and double click on "Assignments" under Dialog Structure.

In this screen click on New Entries button.



In the above screen give new assgnmnt, text and select your rule and pres enter.
Select your assgnmnt as you created above and double click on "Selection for Assignment" under Dialog Structure

In this screen click on New Entries button.



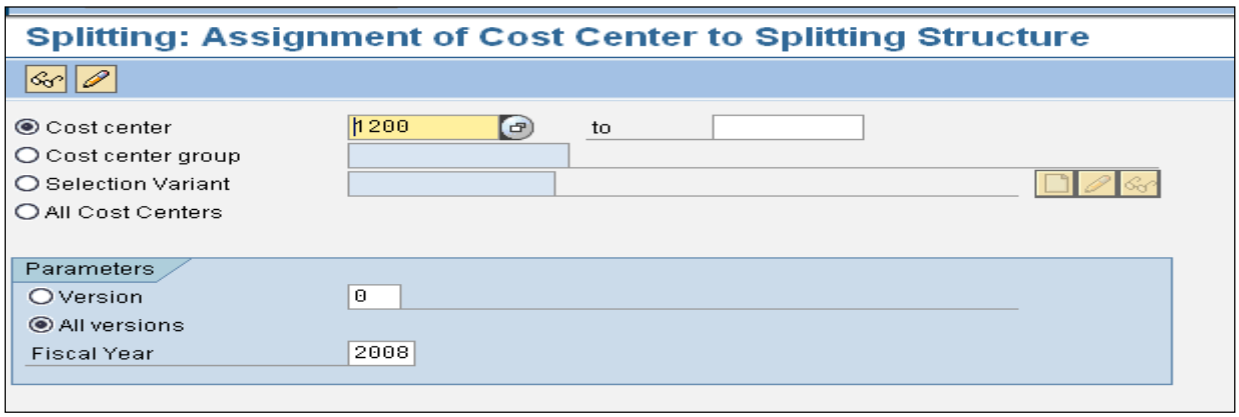
In the above screen assign Cost elements and Activity Types and save the screen.
Once you saved the activity back to easy access screen.

Assign Splitting Structure to Cost Centers

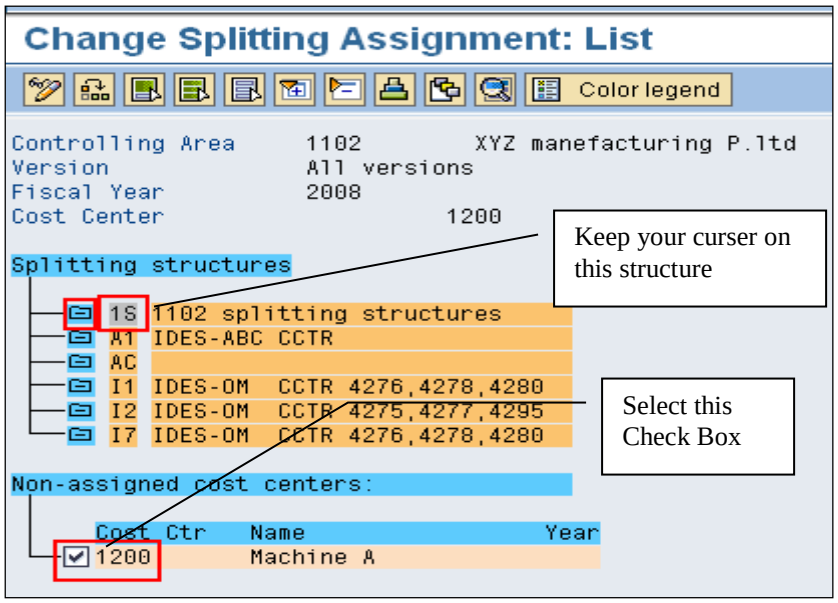
Path: SPRO→ Controlling→ Cost Center Accounting→ Planning→ Allocations→ Activity Allocation→ Splitting→ Assign Splitting Structure to Cost Centers

Transaction Code: OKEW

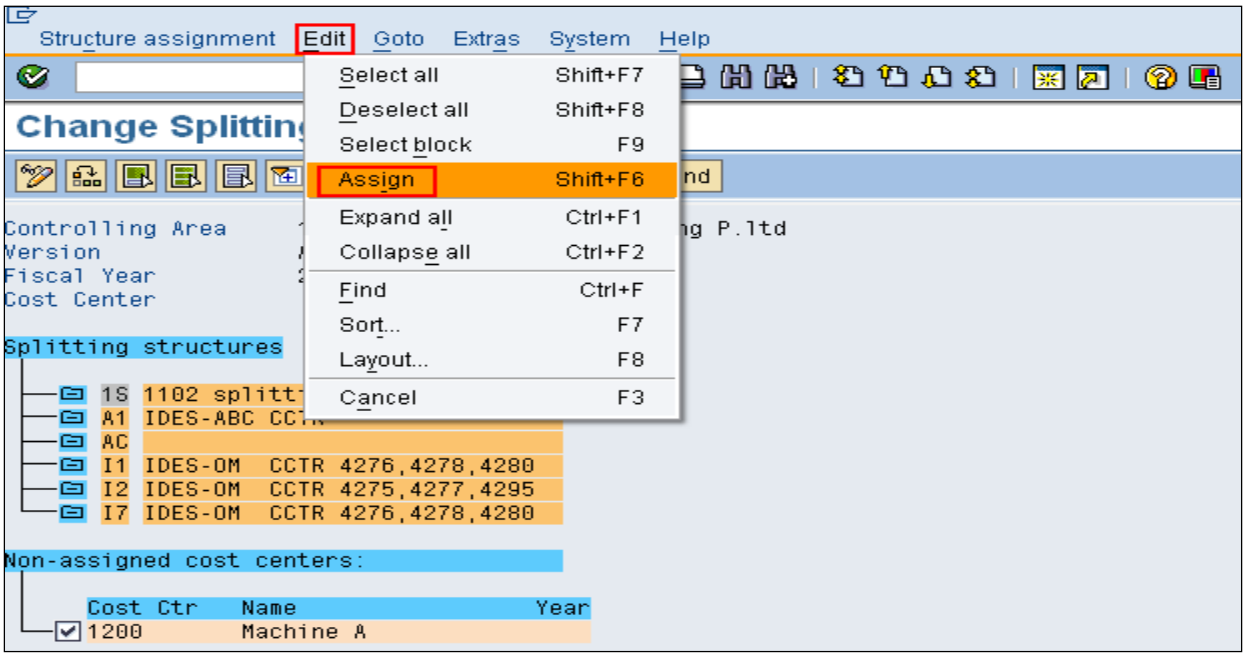
It display the following screen:



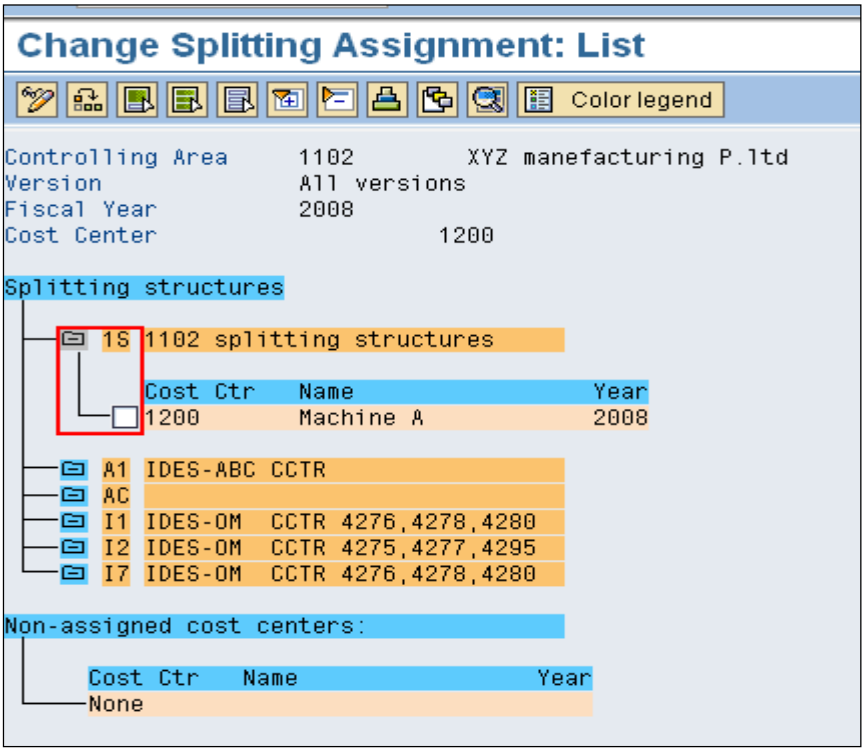
In above screen maintain the parameters and click on change button 
So it will take to another screen as below:



In the above screen select your cost center check box and keep the curser on your splitting Structure
Now following Manu path as follow:



In the above screen go to mane path →Edit→Assign.
Observe the following screen:



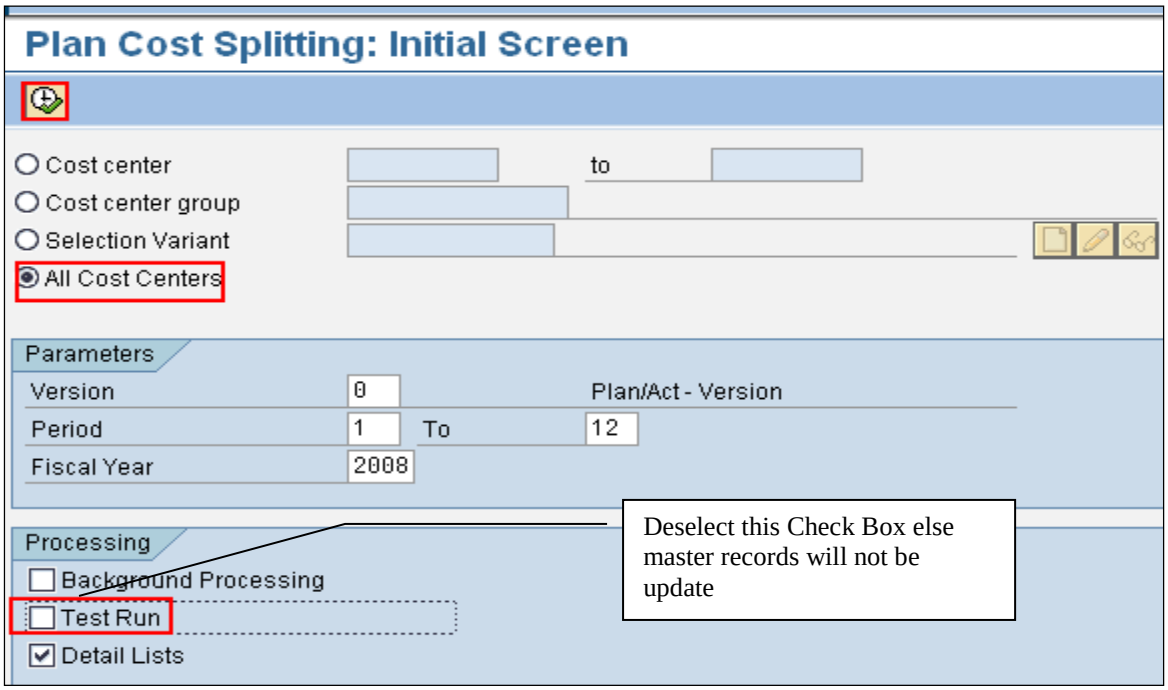
In the above screen you can see your cost center is assigned to your Splitting Structure
Now save the screen and back to easy access.

Execute Splitting Function

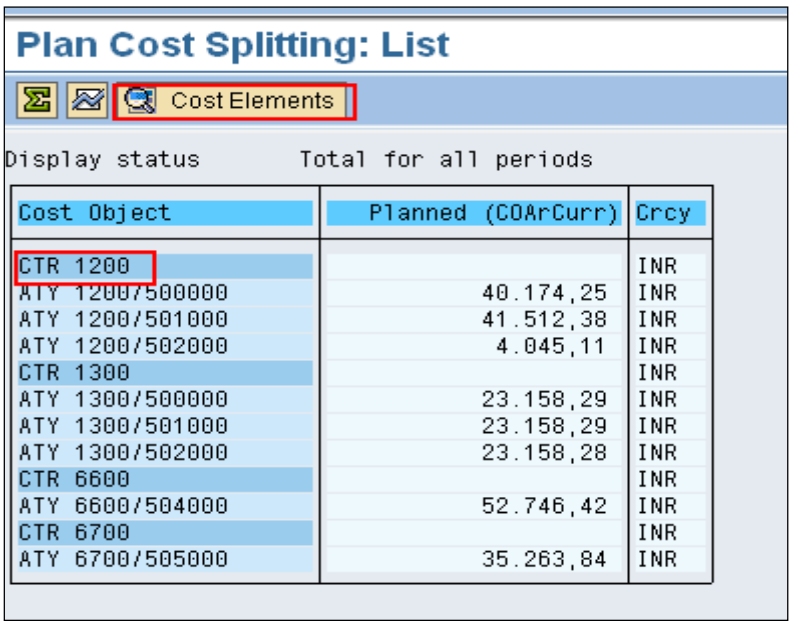
Path: Accounting→Controlling→Cost Center Accounting→Planning→ Allocations → KSS4 - Splitting

Transaction Code: KSS4 – Splitting

It will display the following screen:



Maintain the above parameters and select executive button so it will display the following screen:



Cost Object	Planned (COArCurr)	Crcy
CTR 1200		INR
ATY 1200/500000	40.174,25	INR
ATY 1200/501000	41.512,38	INR
ATY 1200/502000	4.045,11	INR
CTR 1300		INR
ATY 1300/500000	23.158,29	INR
ATY 1300/501000	23.158,29	INR
ATY 1300/502000	23.158,28	INR
CTR 6600		INR
ATY 6600/504000	52.746,42	INR
CTR 6700		INR
ATY 6700/505000	35.263,84	INR

In the above screen keep curser on "CTR 1200" click on  button.

So it will show the following screen:

Plan Cost Splitting: List

isplay status Total for all periods

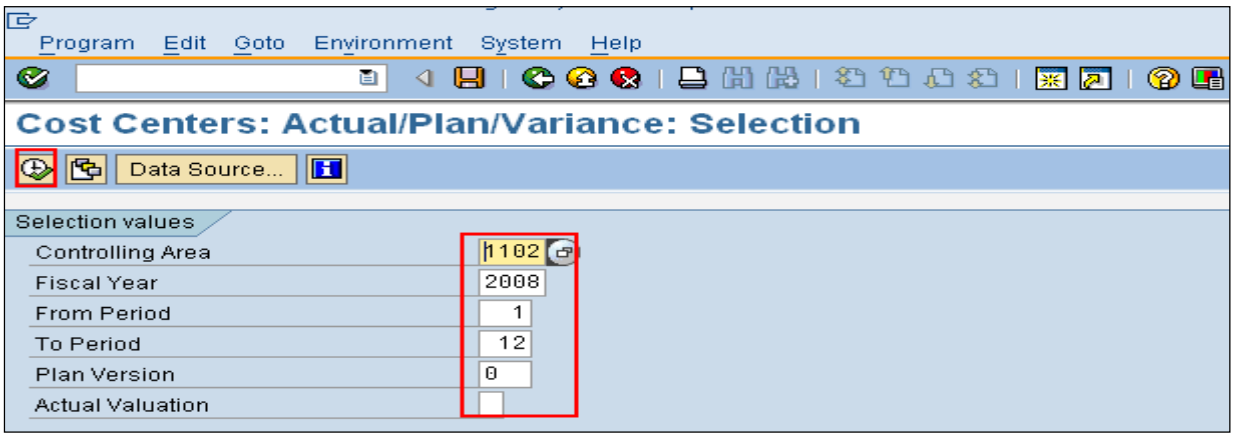
Cost Object	Cost Elem.	Name	Partner object	Resource	Planned (COArCurr)	Crcy
CTR 1200	410000	salery a/c				INR
ATY 1200/500000	410000	salery a/c			31.887,38	INR
ATY 1200/501000	410000	salery a/c			32.950,31	INR
ATY 1200/502000	410000	salery a/c			3.188,75	INR
CTR 1200	417000	testing expencess				INR
ATY 1200/500000	417000	testing expencess			276,24	INR
ATY 1200/501000	417000	testing expencess			285,44	INR
ATY 1200/502000	417000	testing expencess			27,62	INR
CTR 1200	418000	rent & rates a/c				INR
ATY 1200/500000	418000	rent & rates a/c			2.712,43	INR
ATY 1200/501000	418000	rent & rates a/c			2.802,85	INR
ATY 1200/502000	418000	rent & rates a/c			271,24	INR
CTR 1200	419000	canteen a/c				INR
ATY 1200/500000	419000	canteen a/c			3.700,64	INR
ATY 1200/501000	419000	canteen a/c			3.823,98	INR
ATY 1200/502000	419000	canteen a/c			370,06	INR
CTR 1200	420000	medica exp a/c				INR
ATY 1200/500000	420000	medica exp a/c			1.480,28	INR
ATY 1200/501000	420000	medica exp a/c			1.529,62	INR
ATY 1200/502000	420000	medica exp a/c			148,02	INR
CTR 1200	423000	vehicle maintaince				INR
ATY 1200/500000	423000	vehicle maintaince			86,52	INR
ATY 1200/501000	423000	vehicle maintaince			89,42	INR
ATY 1200/502000	423000	vehicle maintaince			8,66	INR
CTR 1200	430000	internal transport				INR
ATY 1200/500000	430000	internal transport			30,76	INR
ATY 1200/501000	430000	internal transport			30,76	INR
ATY 1200/502000	430000	internal transport			30,76	INR
**					85.731,74	INR

Now back to easy access screen.

REPORT ON COST CENTER

Path: Accounting→ Controlling→ Cost Center Accounting→ Information System→ Reports for Cost Center Accounting→ Plan/Actual Comparisons→ S_ALR_87013611 - Cost Centers: Actual/Plan/Variance

It will display the following screen:



Enter the above parameters and click on button.

BUDGETTING COST CENTERS

Cost Center Budget Planning

Cost center budgeting provides a further method of planning in addition to primary cost and secondary cost planning. This tool enables you to carry out a comparison between actual postings and plan budgets. You can thus determine when the budget is exceeded and carry out timely availability checks. You can create budgets

- for a single cost center or
- for cost centers of a cost center group

You can see the budget data in a budget report. The budget report compares plan data , commitment data, and actual data (resulting from actual postings) as well as the allotted and available amounts.

Prerequisites

Before you can plan your budget, you must create a budget profile during Customizing for Cost Center Accounting. Alternatively, you may use an existing profile. You can change the following budget profile settings when you are planning your budget:

- Budgeting time frame
- Decimal places
- Scaling factor
- Distribution Keys
- Fiscal year or period values

Procedure
To execute budget planning, proceed as follows:

Enter a budget profile.

The budget profile parameters specification of:

- The budgeting time period, in the past, or in the future
- The starting year in which budget planning is to begin
- The scaling and decimal places for the display of values in budget planning
- Period planning or fiscal year planning
- Default values for the distribution key.

3. Choose Overview screen to access the overview screen of the annual values. You can then change the budget of your cost center.

1. If you entered a cost center group in the initial screen of budget planning, you can choose *Group structure y/n* function to display or hide the group structure.

   If you choose *Y,* the system displays the top node of the group with the sum of all the planned budgets of the lower-level cost centers.

2. If you have selected period values in the budget profile, you can choose *Period overview* to switch from the list of annual values to the list of period values for a cost center.

   The system distributes the plan annual value to the individual periods according to the distribution key defined in the budget profile. You can change this distribution key in the period screen if required.

   You can only select true distribution keys. True distribution keys break down an annual value into monthly values, so that the sum of the monthly values equals the original annual value.

3. Choose *Period values* in the Annual values overview screen to display the individual period values for each cost center. You can select a given period, or view all the period values of a cost center or cost center group.

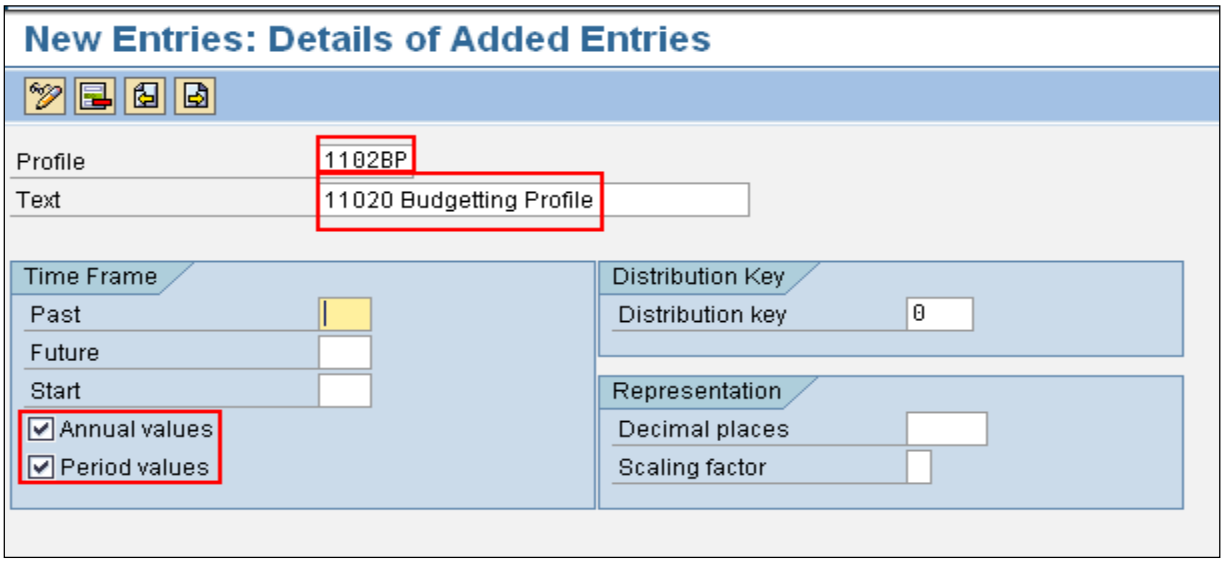
Create Budgeting Profile

Path: SPRO→ Controlling→ Cost Center Accounting→ Budget Management→ Define Budget Planning Profiles.

Transaction Code: OKF1

Click on IMG activity

In this screen click on New Entries.



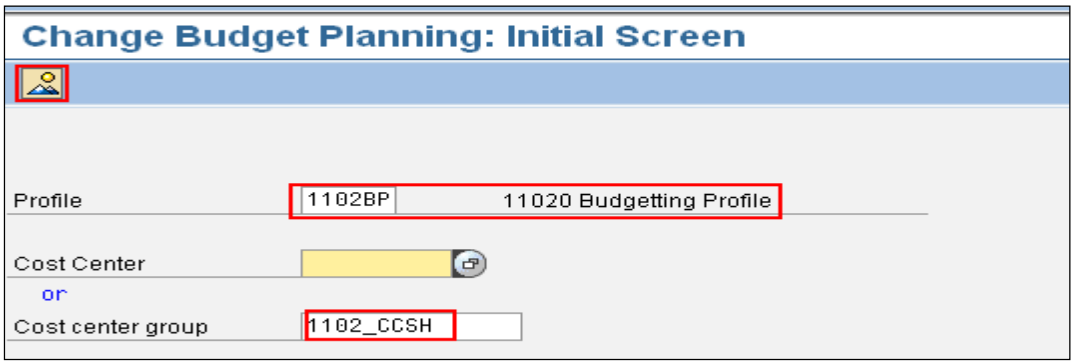
In this above screen give new profile name, text and maintain other parameters.
Then click on save button and back to SPRO screen.

Cost Center Budget

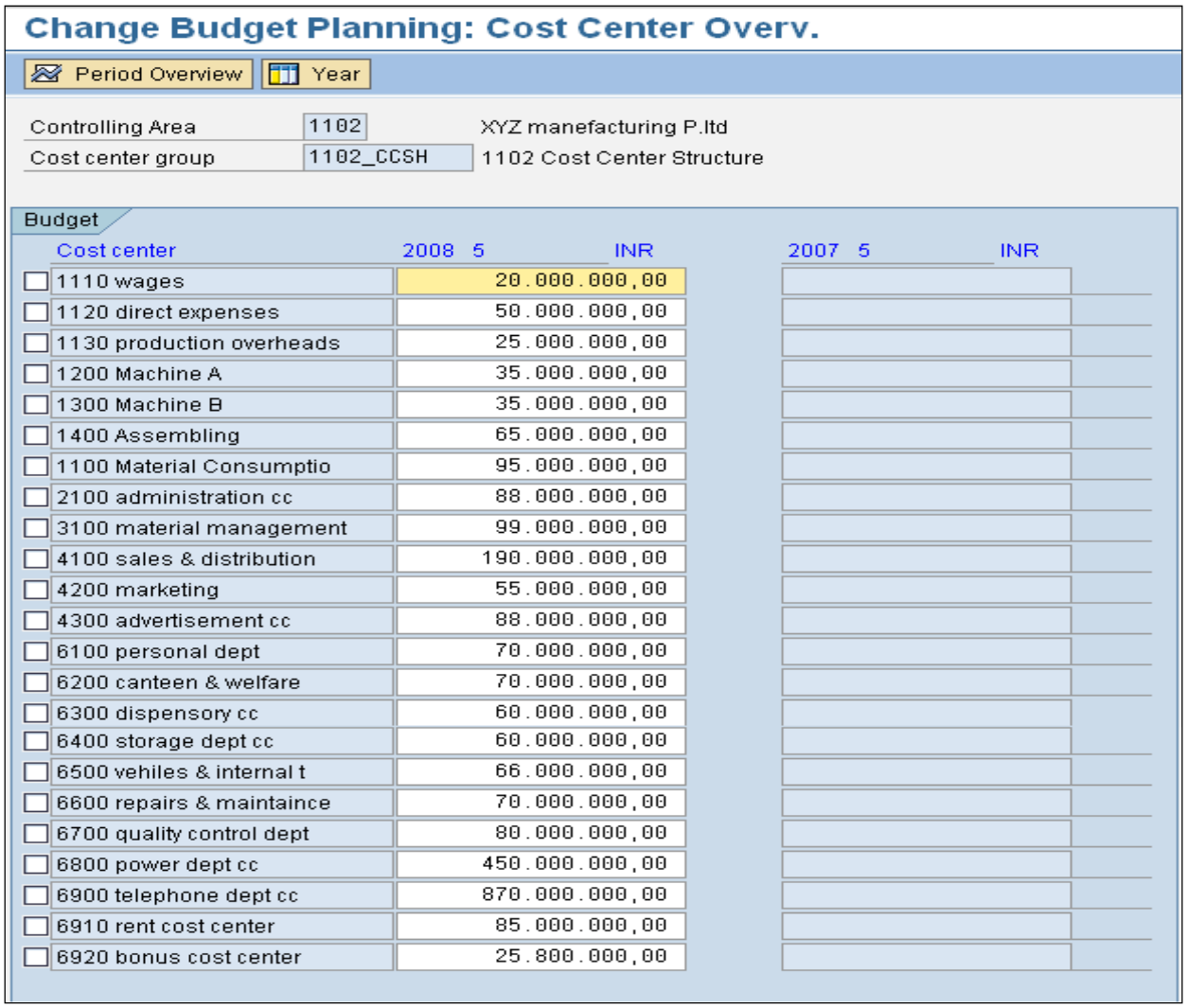
Path: Accounting→ Controlling→ Cost Center Accounting→ Planning→ Cost Center Budgets→ KPZ2 – Change

Transaction Code: KPZ2 – Change

It will display the following screen:



Select your Profile, Cost Center Group and pres enter button or button.
So it will take you to follow screen:



Change Budget Planning: Cost Center Overv.

Period Overview | Year

Controlling Area 1102 XYZ manefacturing P.ltd

Cost center group 1102_CCSH 1102 Cost Center Structure

Budget

Cost center	2008 5	INR	2007 5	INR
1110 wages	20.000.000,00			
1120 direct expenses	50.000.000,00			
1130 production overheads	25.000.000,00			
1200 Machine A	35.000.000,00			
1300 Machine B	35.000.000,00			
1400 Assembling	65.000.000,00			
1100 Material Consumptio	95.000.000,00			
2100 administration cc	88.000.000,00			
3100 material management	99.000.000,00			
4100 sales & distribution	190.000.000,00			
4200 marketing	55.000.000,00			
4300 advertisement cc	88.000.000,00			
6100 personal dept	70.000.000,00			
6200 canteen & welfare	70.000.000,00			
6300 dispensory cc	60.000.000,00			
6400 storage dept cc	60.000.000,00			
6500 vehiles & internal t	66.000.000,00			
6600 repairs & maintaince	70.000.000,00			
6700 quality control dept	80.000.000,00			
6800 power dept cc	450.000.000,00			
6900 telephone dept cc	870.000.000,00			
6910 rent cost center	85.000.000,00			
6920 bonus cost center	25.800.000,00			

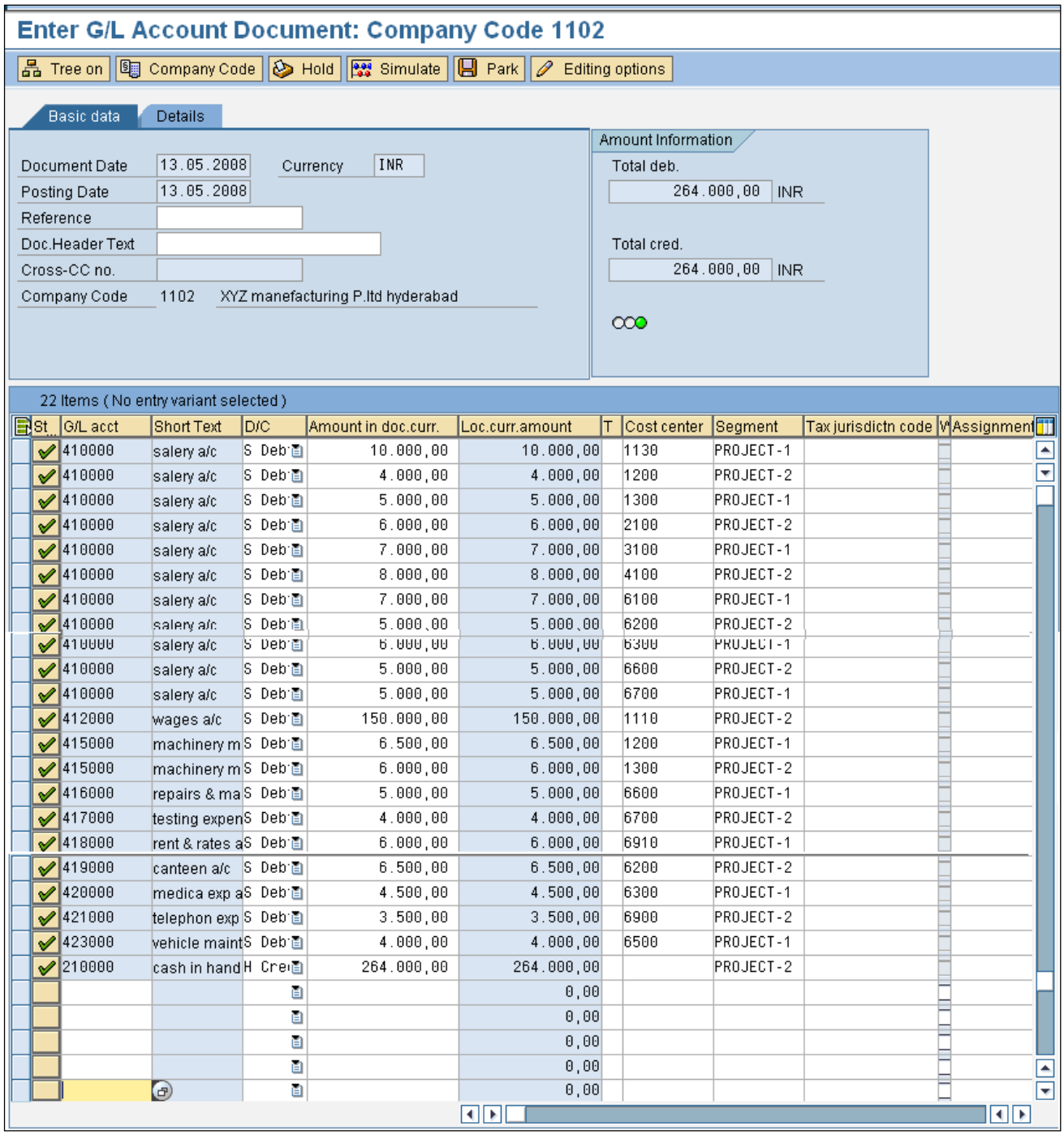
Now save the screen and back to easy access.

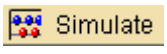
Enter G/L Account Document

Path: Accounting→Financial Accounting→General Ledger→Posting→FB50 - Enter G/L Account Document.

Transaction code: FB50 - Enter G/L Account Document

Enter the following entries:



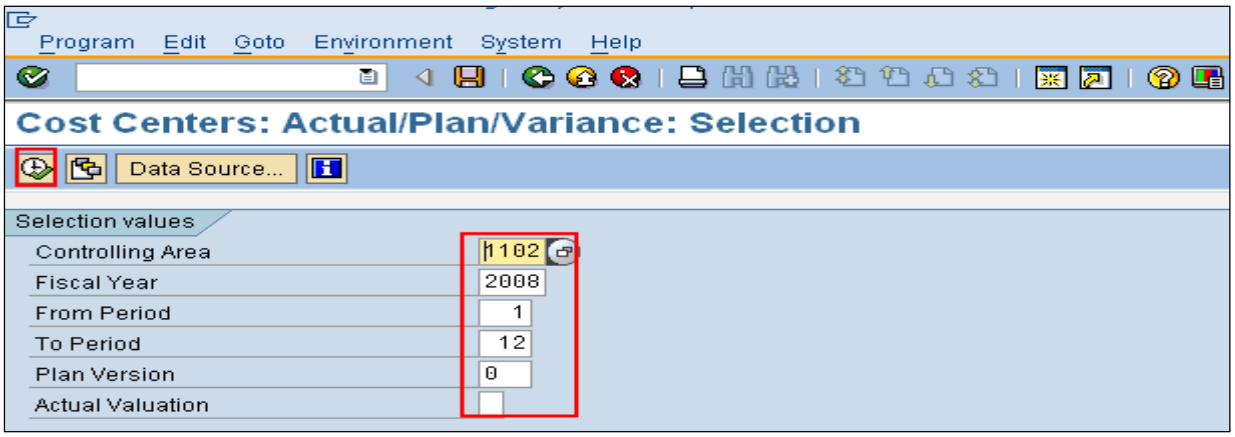
Now click on 

button and save the transaction so it will post the transaction.
When it posted it will posted with an Document number. in above case that document number is "100002"

REPORT ON COST CENTER

Path: Accounting→ Controlling→ Cost Center Accounting→ Information System→ Reports for Cost Center Accounting→ Plan/Actual Comparisons→ S_ALR_87013611 - Cost Centers: Actual/Plan/Variance

It will display the following screen:



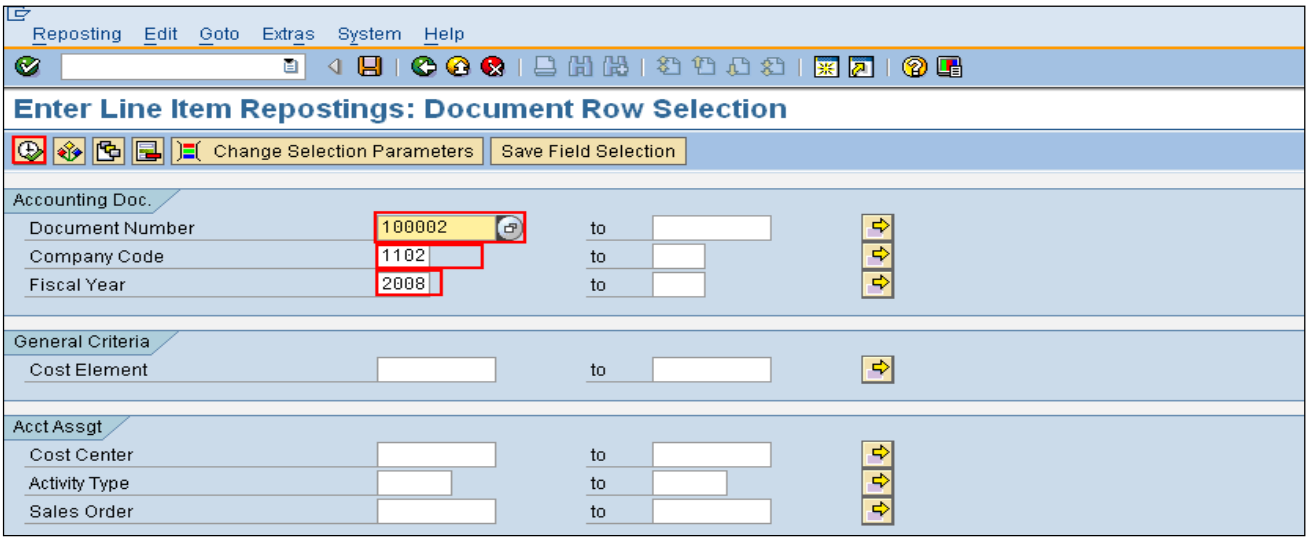
Enter the above parameters and click on  button.

Repost Line Items

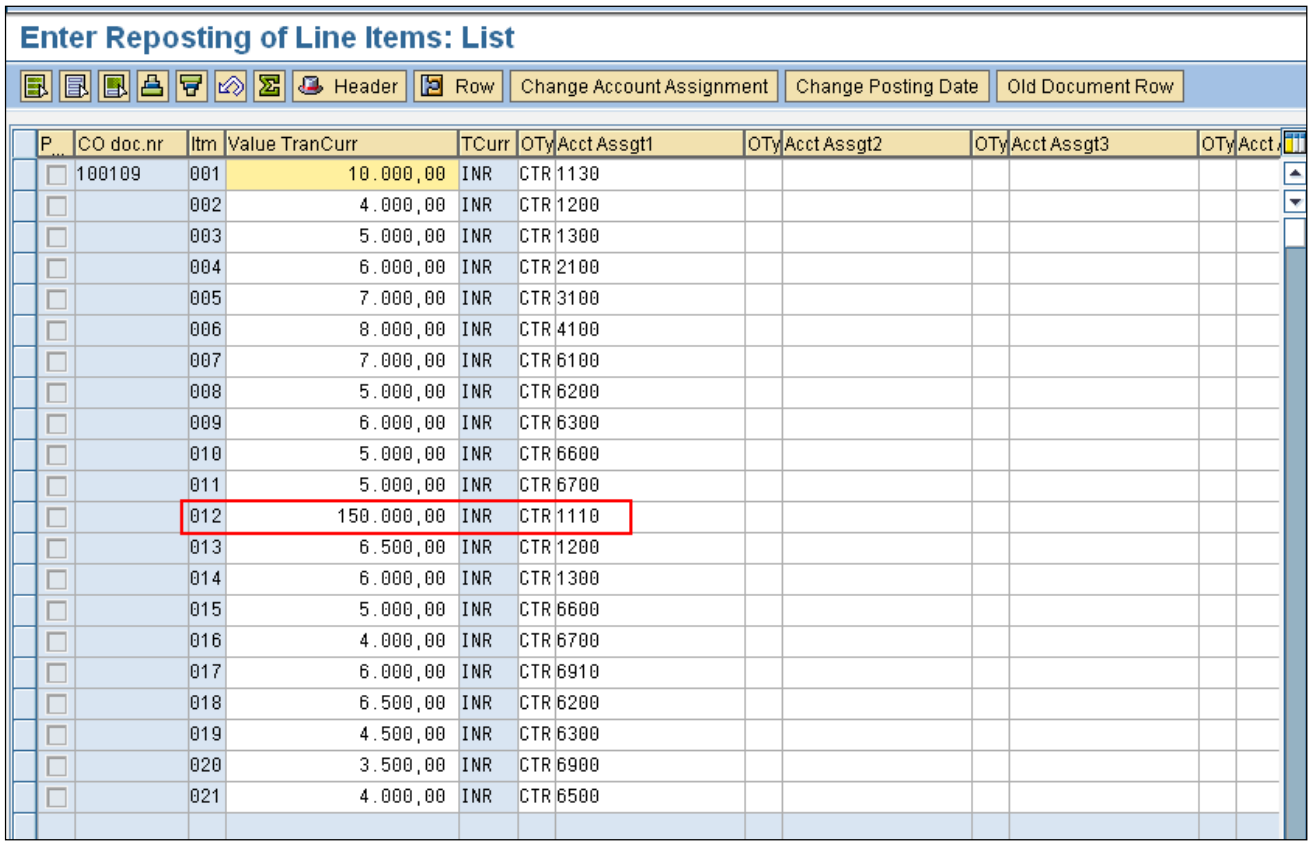
Path: Accounting→Controlling→Cost Center Accounting →Actual Postings→Repost Line Items→KB61 – Enter

Transaction Code: KB61 – Enter

It will display the following screen:

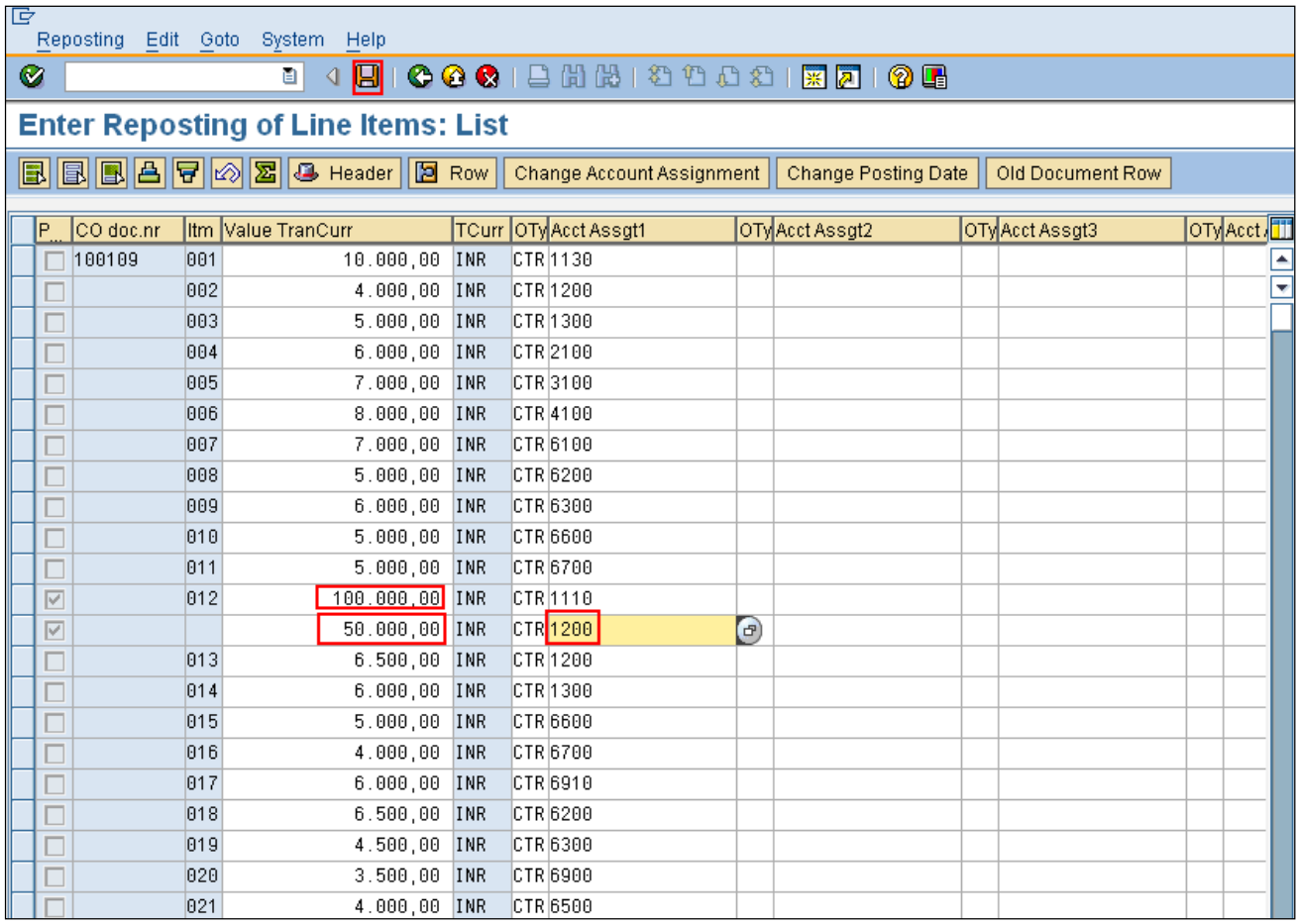


Enter the above parameters and click on executive button.
It will display the following screen:



P...	CO doc.nr	Itm	Value TranCurr	TCurr	OTy	Acct Assgt1	OTy	Acct Assgt2	OTy	Acct Assgt3	OTy	Acct
	100109	001	10.000,00	INR	CTR	1130						
		002	4.000,00	INR	CTR	1200						
		003	5.000,00	INR	CTR	1300						
		004	6.000,00	INR	CTR	2100						
		005	7.000,00	INR	CTR	3100						
		006	8.000,00	INR	CTR	4100						
		007	7.000,00	INR	CTR	6100						
		008	5.000,00	INR	CTR	6200						
		009	6.000,00	INR	CTR	6300						
		010	5.000,00	INR	CTR	6600						
		011	5.000,00	INR	CTR	6700						
		012	150.000,00	INR	CTR	1110						
		013	6.500,00	INR	CTR	1200						
		014	6.000,00	INR	CTR	1300						
		015	5.000,00	INR	CTR	6600						
		016	4.000,00	INR	CTR	6700						
		017	6.000,00	INR	CTR	6910						
		018	6.500,00	INR	CTR	6200						
		019	4.500,00	INR	CTR	6300						
		020	3.500,00	INR	CTR	6900						
		021	4.000,00	INR	CTR	6500						

In the above screen 150000 is the amount posted to 1110 cost center. If we need to repost of that amount to other cost center that means out of 150000 you want to post 50000 to other cost center like 1200 so for that do as follow:



P...	CO doc.nr	Itm	Value TranCurr	TCurr	OTy	Acct Assgt1	OTy	Acct Assgt2	OTy	Acct Assgt3	OTy	Acct A
☐	100109	001	10.000,00	INR	CTR	1130						
☐		002	4.000,00	INR	CTR	1200						
☐		003	5.000,00	INR	CTR	1300						
☐		004	6.000,00	INR	CTR	2100						
☐		005	7.000,00	INR	CTR	3100						
☐		006	8.000,00	INR	CTR	4100						
☐		007	7.000,00	INR	CTR	6100						
☐		008	5.000,00	INR	CTR	6200						
☐		009	6.000,00	INR	CTR	6300						
☐		010	5.000,00	INR	CTR	6600						
☐		011	5.000,00	INR	CTR	6700						
☑		012	100.000,00	INR	CTR	1110						
☑			50.000,00	INR	CTR	1200						
☐		013	6.500,00	INR	CTR	1200						
☐		014	6.000,00	INR	CTR	1300						
☐		015	5.000,00	INR	CTR	6600						
☐		016	4.000,00	INR	CTR	6700						
☐		017	6.000,00	INR	CTR	6910						
☐		018	6.500,00	INR	CTR	6200						
☐		019	4.500,00	INR	CTR	6300						
☐		020	3.500,00	INR	CTR	6900						
☐		021	4.000,00	INR	CTR	6500						

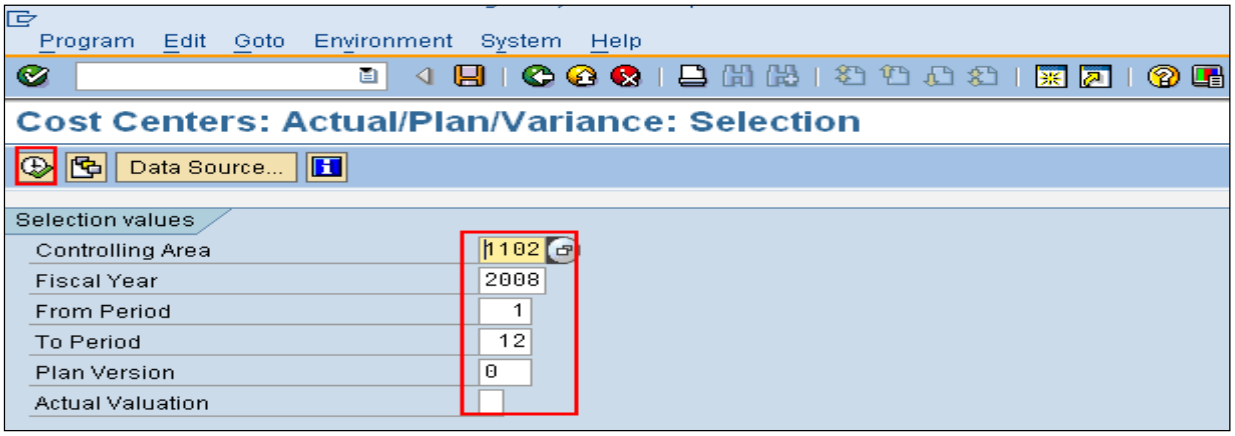
In the above screen select the 150000 amount and delete, after deleting type required amount like above I had given 100000 and pres enter button so it automatically creates another line item with balance 50000 out actual like item of 150000. now change the cost center for other line item as you wish.

Now save the screen so it will post with above changes.

REPORT ON COST CENTER

Path: Accounting→ Controlling→ Cost Center Accounting→ Information System→ Reports for Cost Center Accounting→ Plan/Actual Comparisons→ S_ALR_87013611 - Cost Centers: Actual/Plan/Variance

It will display the following screen:



Enter the above parameters and click on  button.

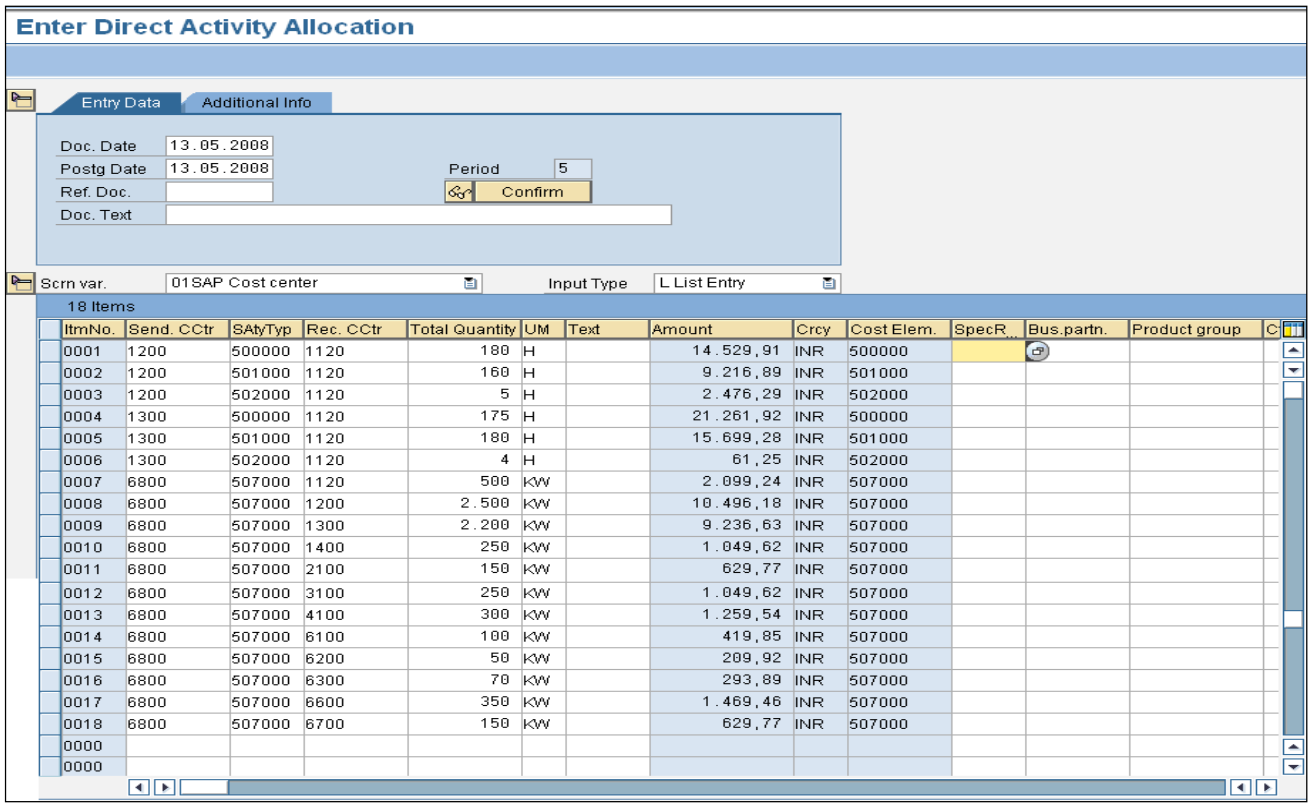
Entering Actual Activities

Direct activity Allocation

Path: Accounting→ Controlling→ Cost Center Accounting→ Actual Postings→ Activity Allocation→ KB21N – Enter

Transcription Code: KB21N – Enter

Enter the transaction it will display the following screen:



ItmNo.	Send. CCtr	SAtyTyp	Rec. CCtr	Total Quantity	UM	Text	Amount	Crcy	Cost Elem.	SpecR...	Bus.partn.	Product group
0001	1200	500000	1120	180	H		14.529,91	INR	500000			
0002	1200	501000	1120	160	H		9.216,89	INR	501000			
0003	1200	502000	1120	5	H		2.476,29	INR	502000			
0004	1300	500000	1120	175	H		21.261,92	INR	500000			
0005	1300	501000	1120	180	H		15.699,28	INR	501000			
0006	1300	502000	1120	4	H		61,25	INR	502000			
0007	6800	507000	1120	500	KW		2.099,24	INR	507000			
0008	6800	507000	1200	2.500	KW		10.496,18	INR	507000			
0009	6800	507000	1300	2.200	KW		9.236,63	INR	507000			
0010	6800	507000	1400	250	KW		1.049,62	INR	507000			
0011	6800	507000	2100	150	KW		629,77	INR	507000			
0012	6800	507000	3100	250	KW		1.049,62	INR	507000			
0013	6800	507000	4100	300	KW		1.259,54	INR	507000			
0014	6800	507000	6100	100	KW		419,85	INR	507000			
0015	6800	507000	6200	50	KW		209,92	INR	507000			
0016	6800	507000	6300	70	KW		293,89	INR	507000			
0017	6800	507000	6600	350	KW		1.469,46	INR	507000			
0018	6800	507000	6700	150	KW		629,77	INR	507000			
0000												
0000												

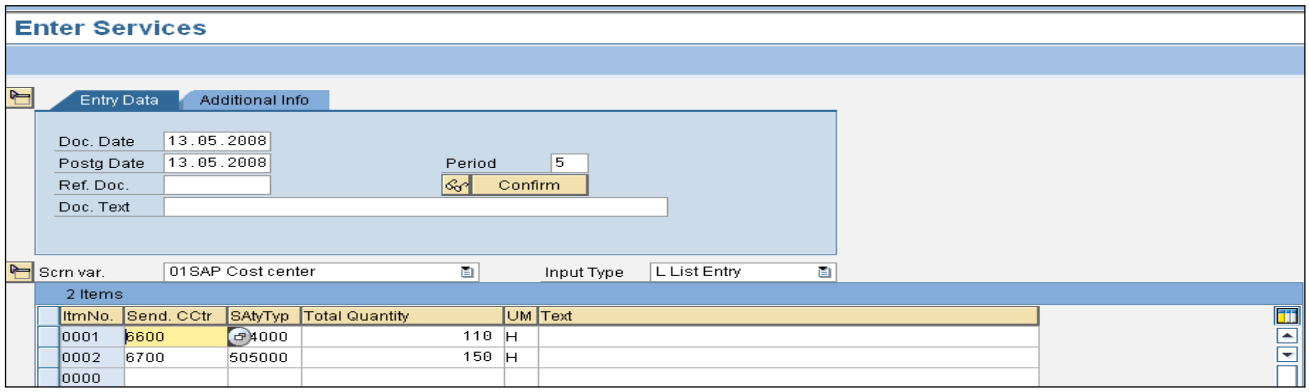
After entering the data save the screen and back to easy access.

Sender Activity

Path: Accounting→ Controlling→ Cost Center Accounting→ Actual Postings→ Sender Activities → KB51N – Enter

Transaction Code: KB51N – Enter

Enter the transaction it will display the following screen:



ItmNo.	Send. CCtr	SAtyTyp	Total Quantity	UM	Text
0001	6600	4000	110	H	
0002	6700	505000	150	H	
0000					

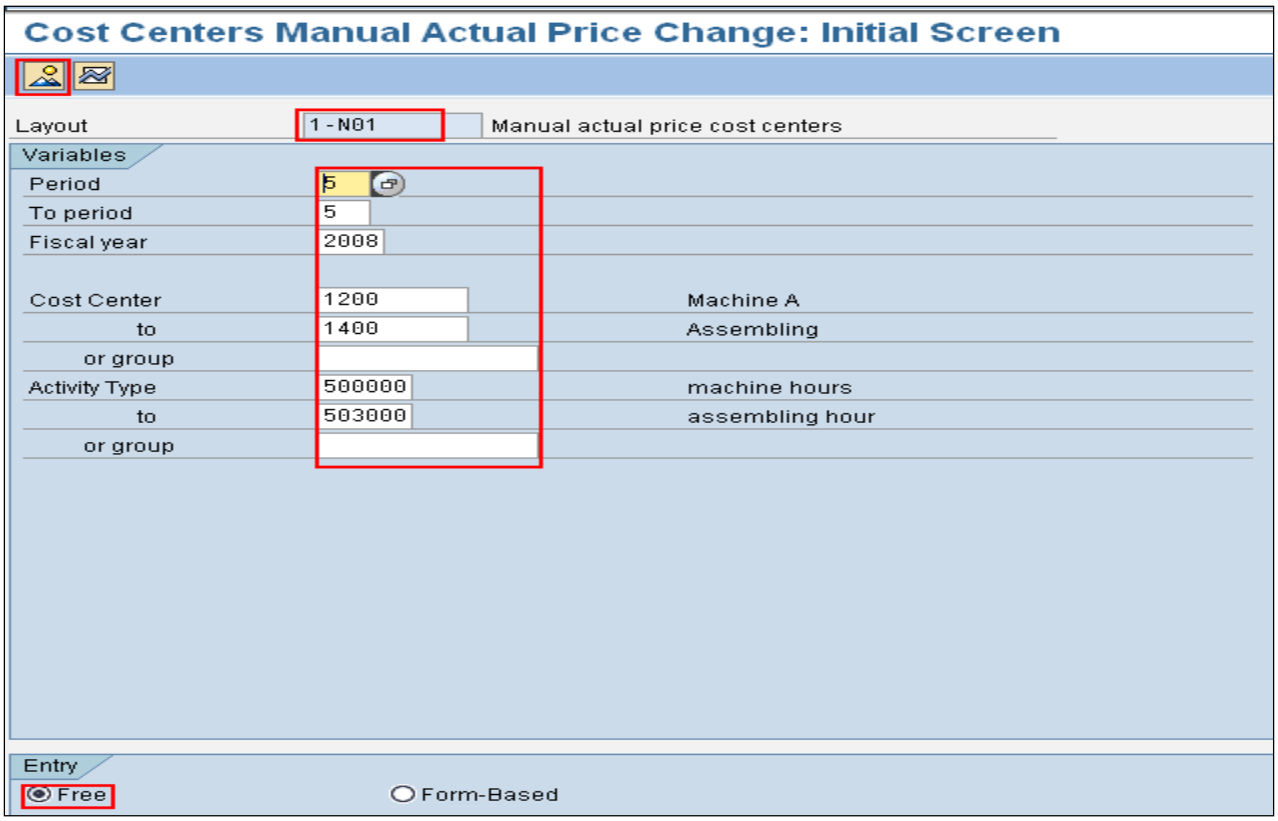
After entering the data save the screen and back to easy access.

Actual Price

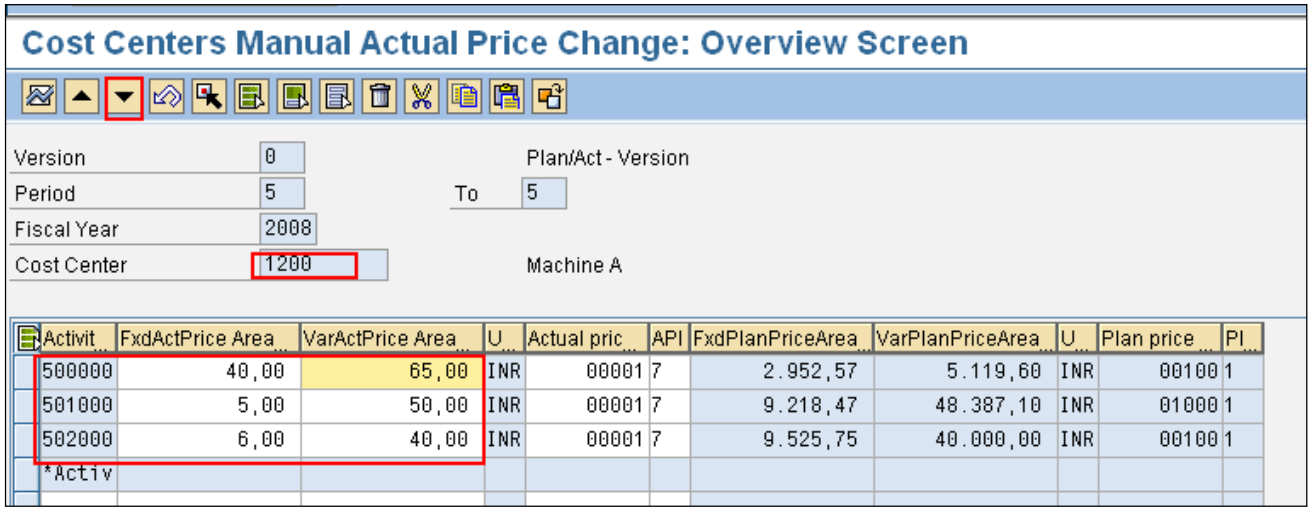
Path: Accounting→ Controlling→ Cost Center Accounting→ Actual Postings→ Actual Price → KBK6 - Enter

Transaction Code: KBK6 – Enter

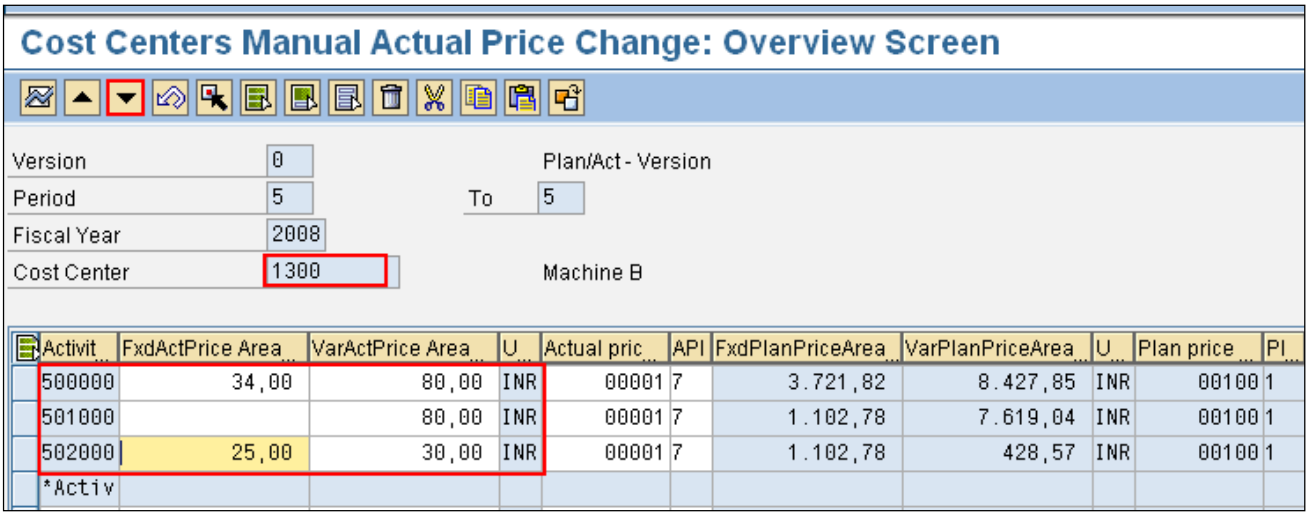
Enter the transaction it will display the following screen:



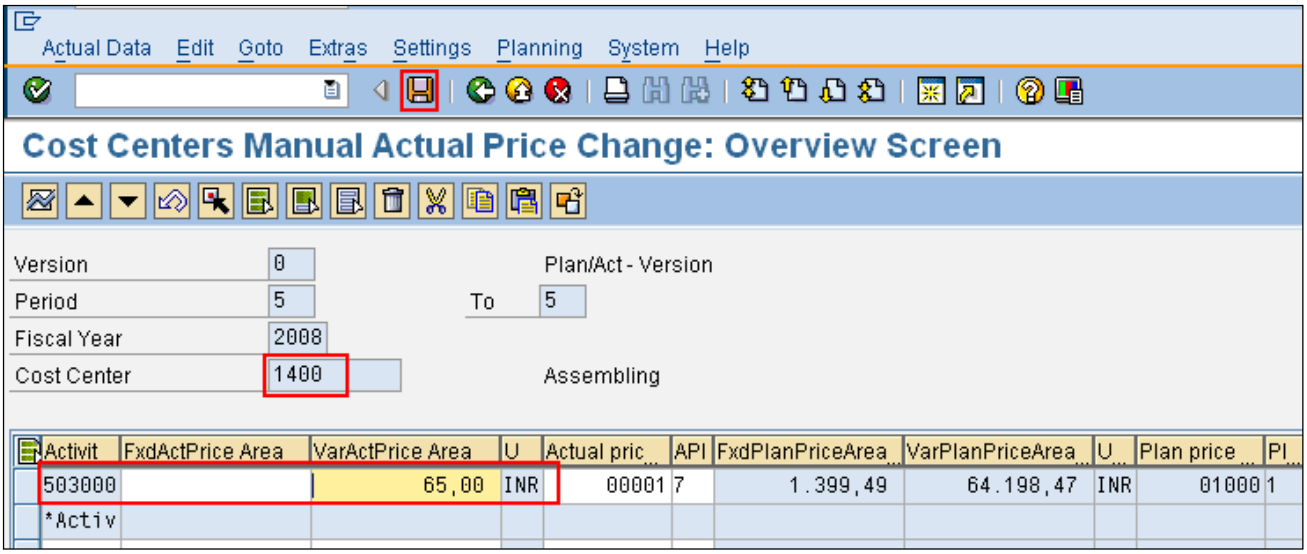
Enter the above parameters and pres on "overview screen" button.
So it will take you to following screen with cost center "1200 – Machine A"



Once you enter the above parameters click on "Next Combination" button so it will display next Cost center "1300 – Machine B" enter required entries as below:



Once you enter the above parameters click on "Next Combination" button so it will display next Cost center "1400 – Assembling" enter required entries as below:



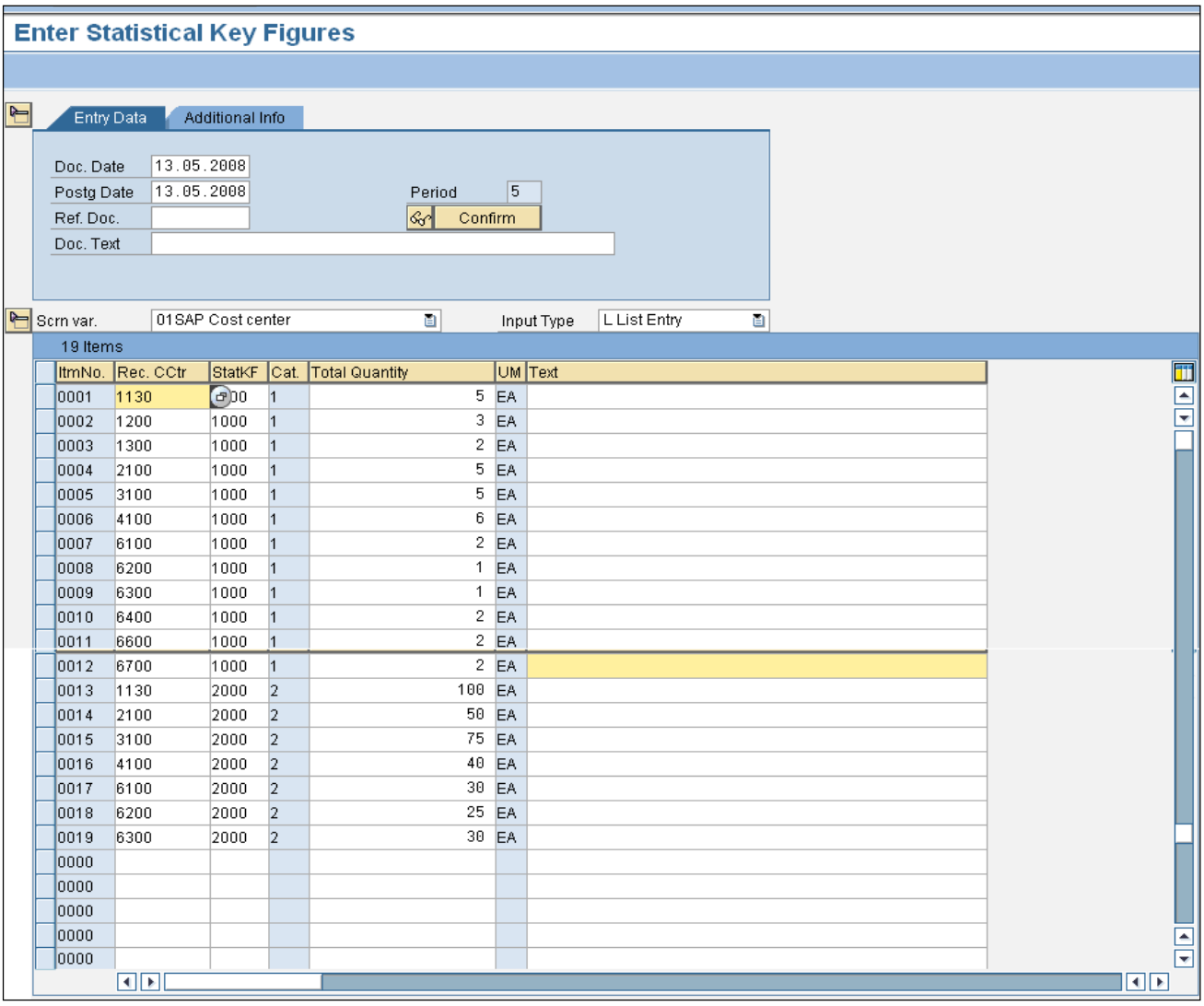
After entering above entries save the activity and back to easy access.

Entering Actual Statistical Key Figures

Path: Accounting→ Controlling→ Cost Center Accounting→ Actual Postings→ Statistical Key Figures → KB31N - Enter

Transaction Code: KB31 – Enter

Enter the transaction it will display the following screen:



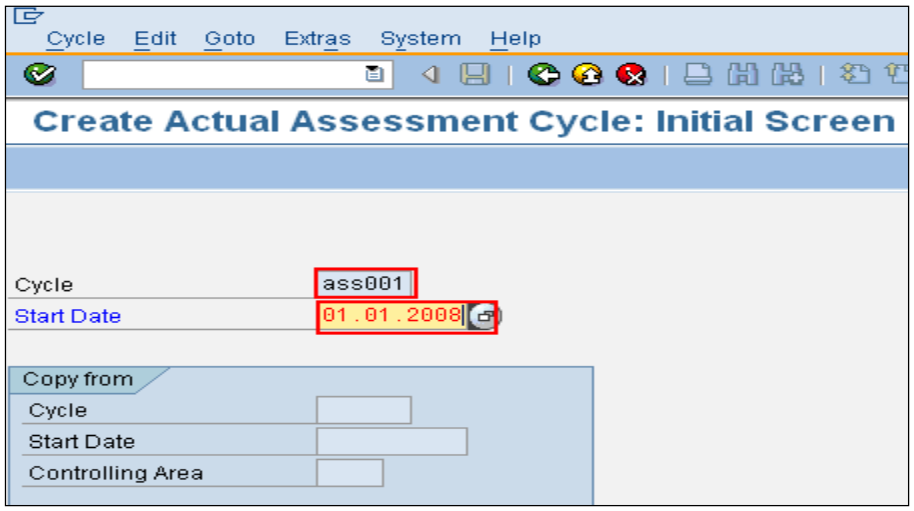
ItmNo.	Rec. CCtr	StatKF	Cat.	Total Quantity	UM	Text
0001	1130	00	1	5	EA	
0002	1200	1000	1	3	EA	
0003	1300	1000	1	2	EA	
0004	2100	1000	1	5	EA	
0005	3100	1000	1	5	EA	
0006	4100	1000	1	6	EA	
0007	6100	1000	1	2	EA	
0008	6200	1000	1	1	EA	
0009	6300	1000	1	1	EA	
0010	6400	1000	1	2	EA	
0011	6600	1000	1	2	EA	
0012	6700	1000	1	2	EA	
0013	1130	2000	2	100	EA	
0014	2100	2000	2	50	EA	
0015	3100	2000	2	75	EA	
0016	4100	2000	2	40	EA	
0017	6100	2000	2	30	EA	
0018	6200	2000	2	25	EA	
0019	6300	2000	2	30	EA	
0000						
0000						
0000						
0000						
0000						

After you enter the above entries save the screen and back to easy access.

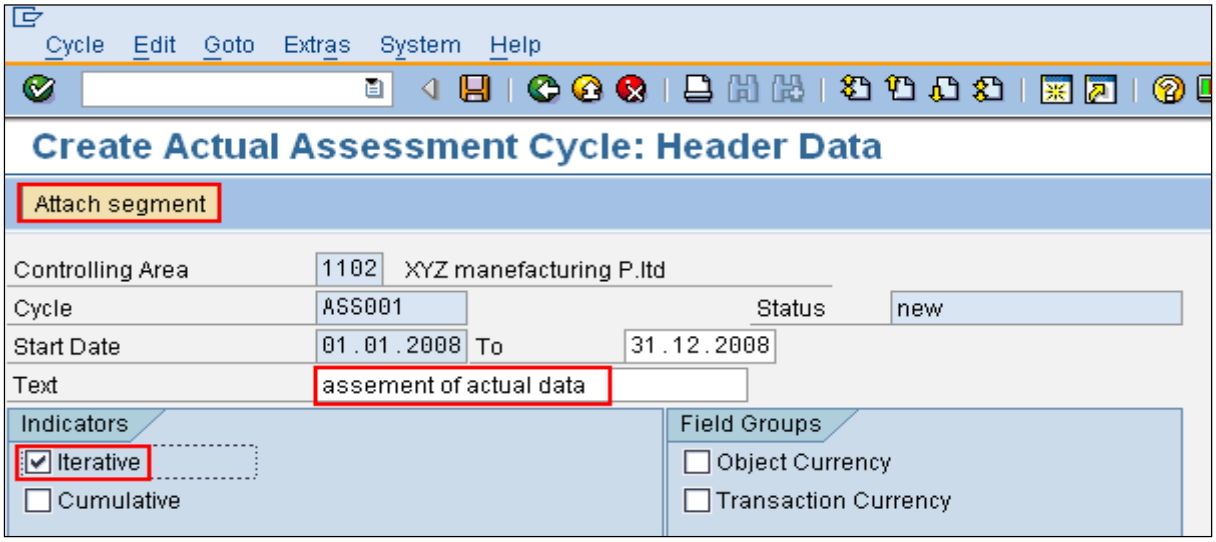
Define Assessment Cycle for Assessment Method

Path: Accounting→ Controlling→ Cost Center Accounting→ Period-End Closing→ Current Settings→ S_ALR_87005742 - Define Assessment

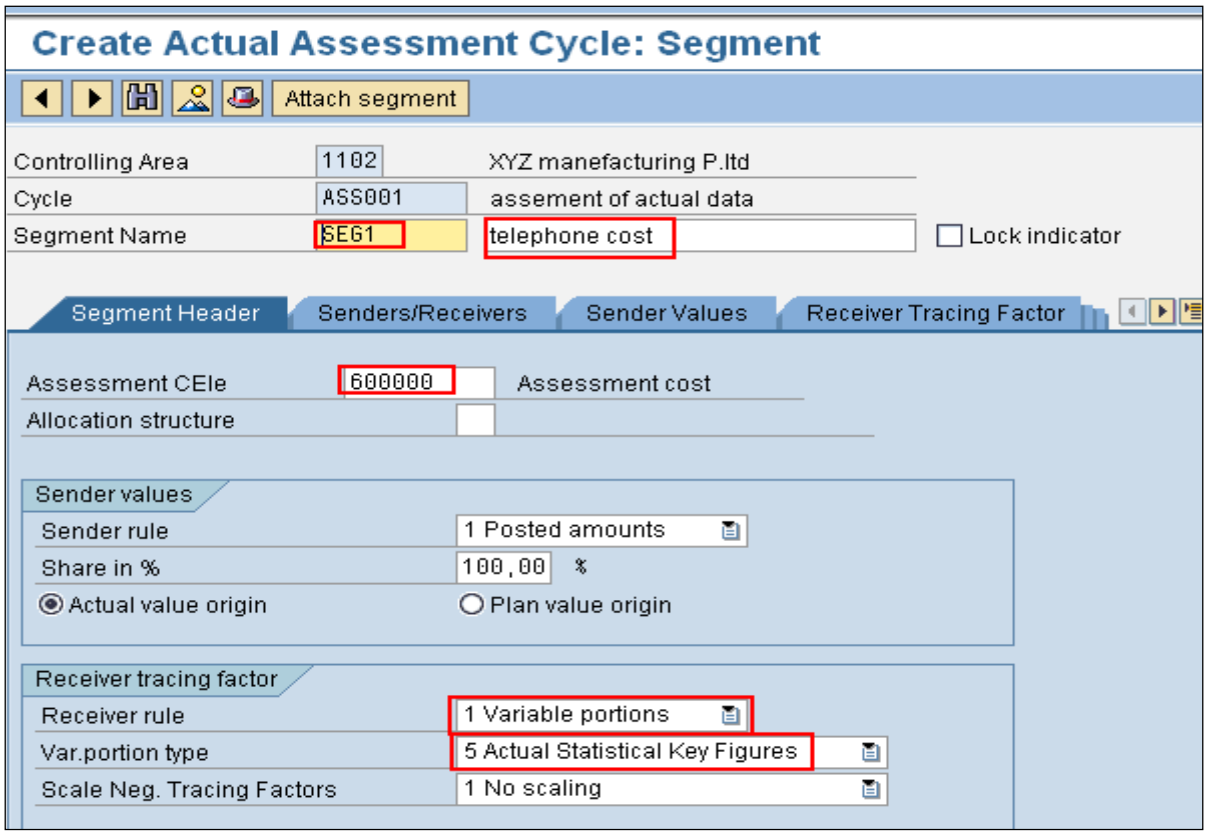
Transaction Code: KSU1



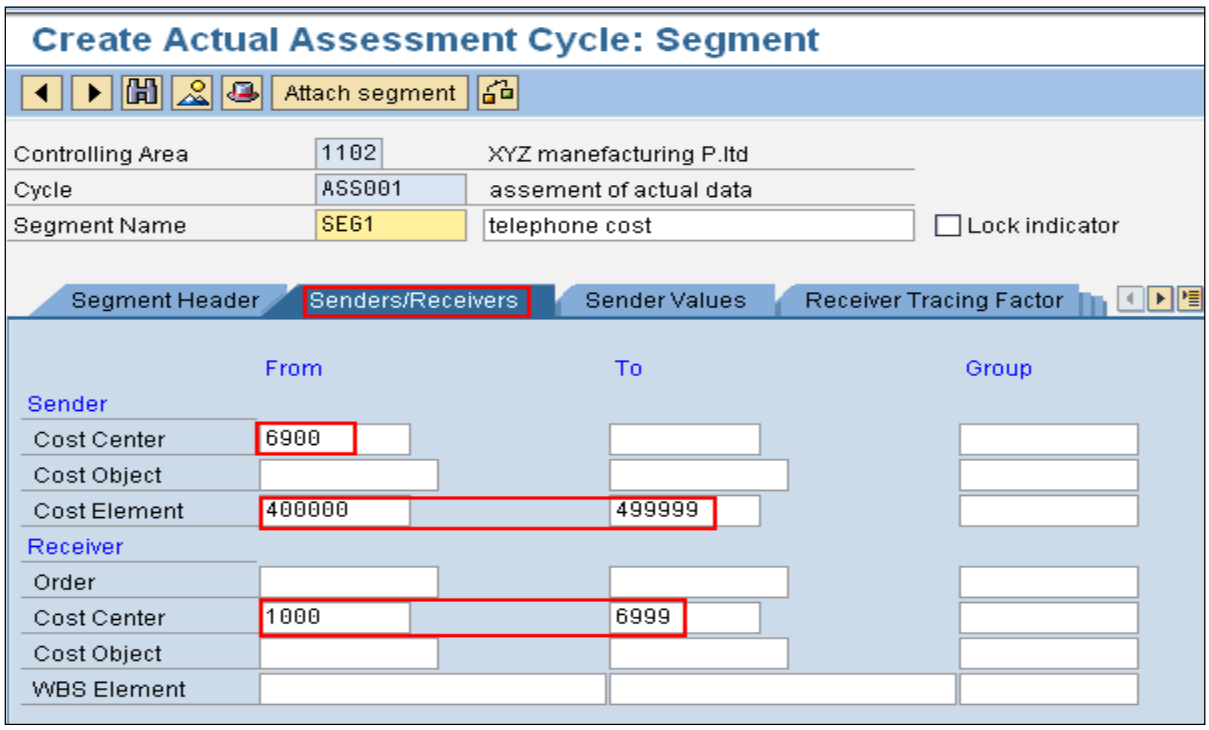
In above enter new Cycle name and start date.
After maintain above parameters pres enter button, so it will take you to following screen:



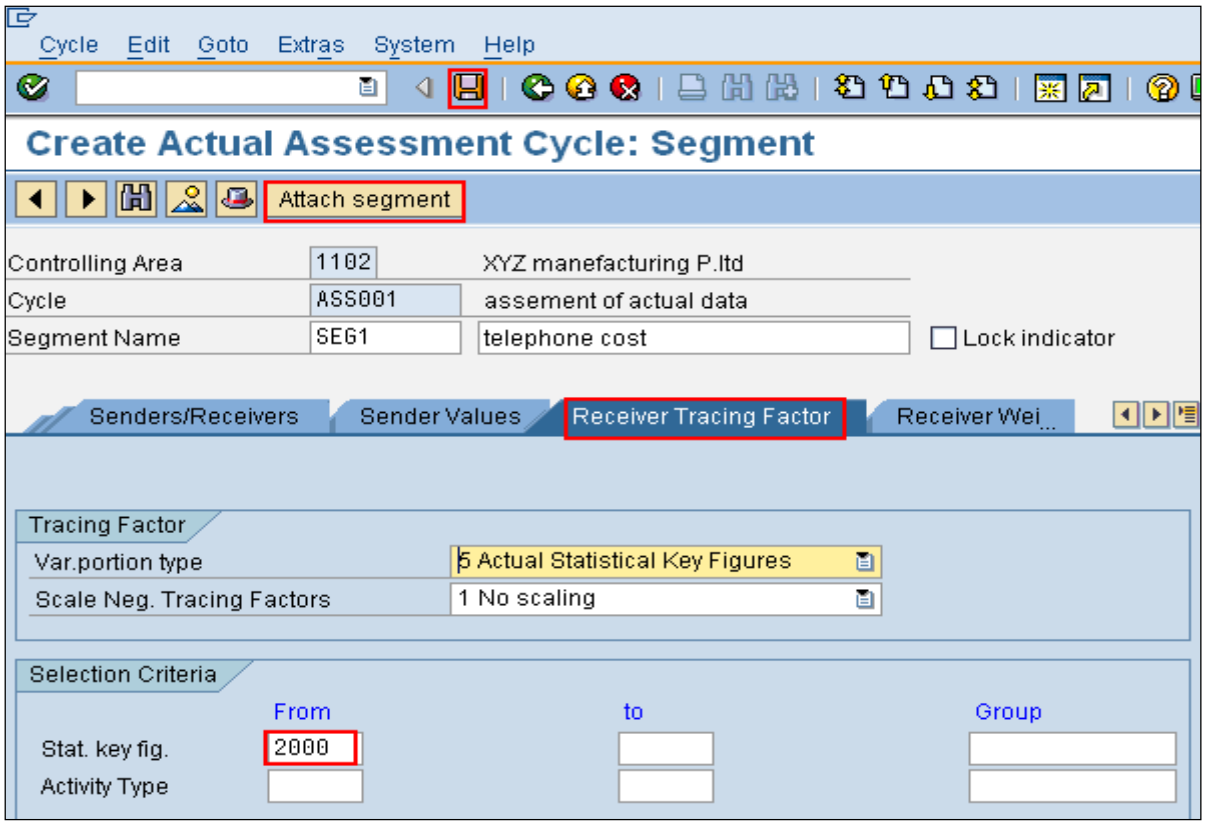
After maintain above parameters pres  button, so it will take you to following screen:



In above screen provide Segment Name, Description and for Receiver Rule "1 Variable Portions" for Var.Portion Type "5 Actual Statistical Key Figures".
And go to Tab "Senders/Receivers"

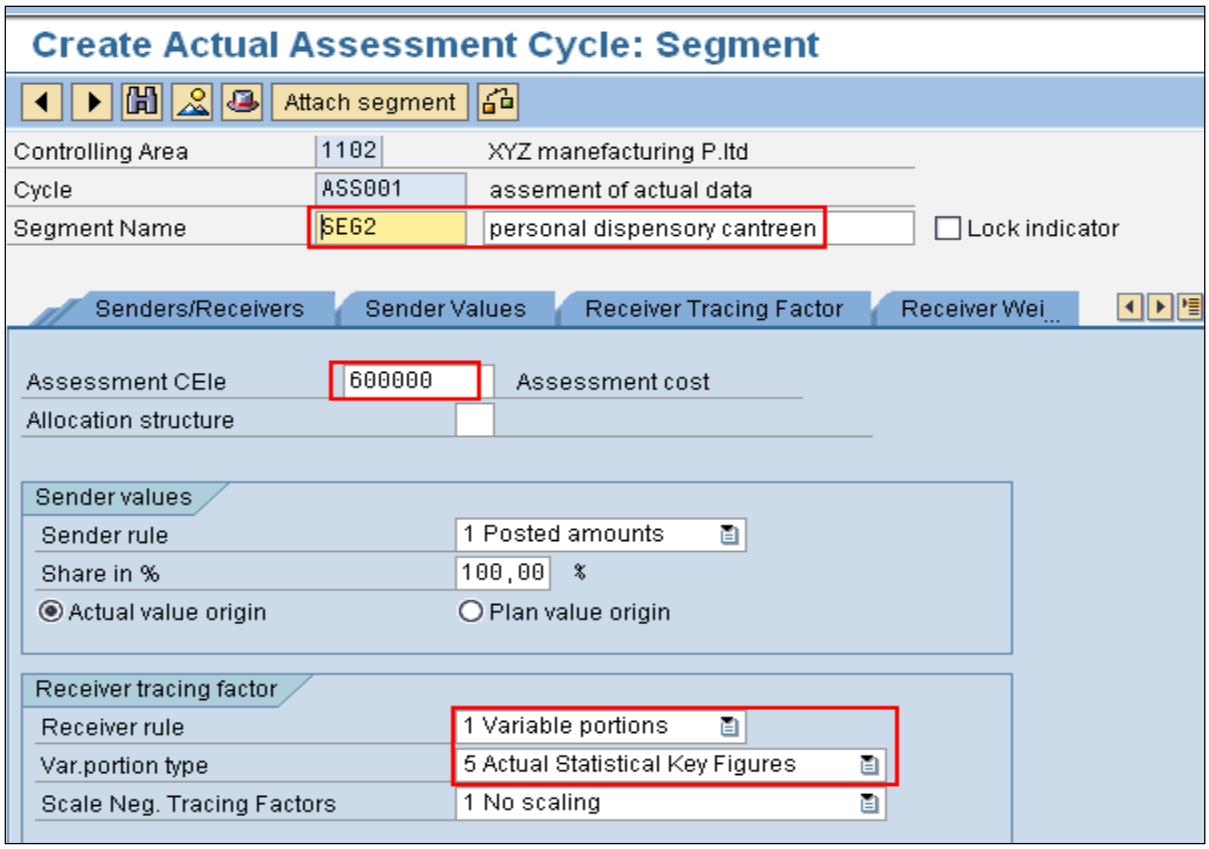


In above screen maintain above parameters for Cost Center, Cost Element and Cost Center under Receiver.
Not go to Tab "Receiver Tracing Factor"

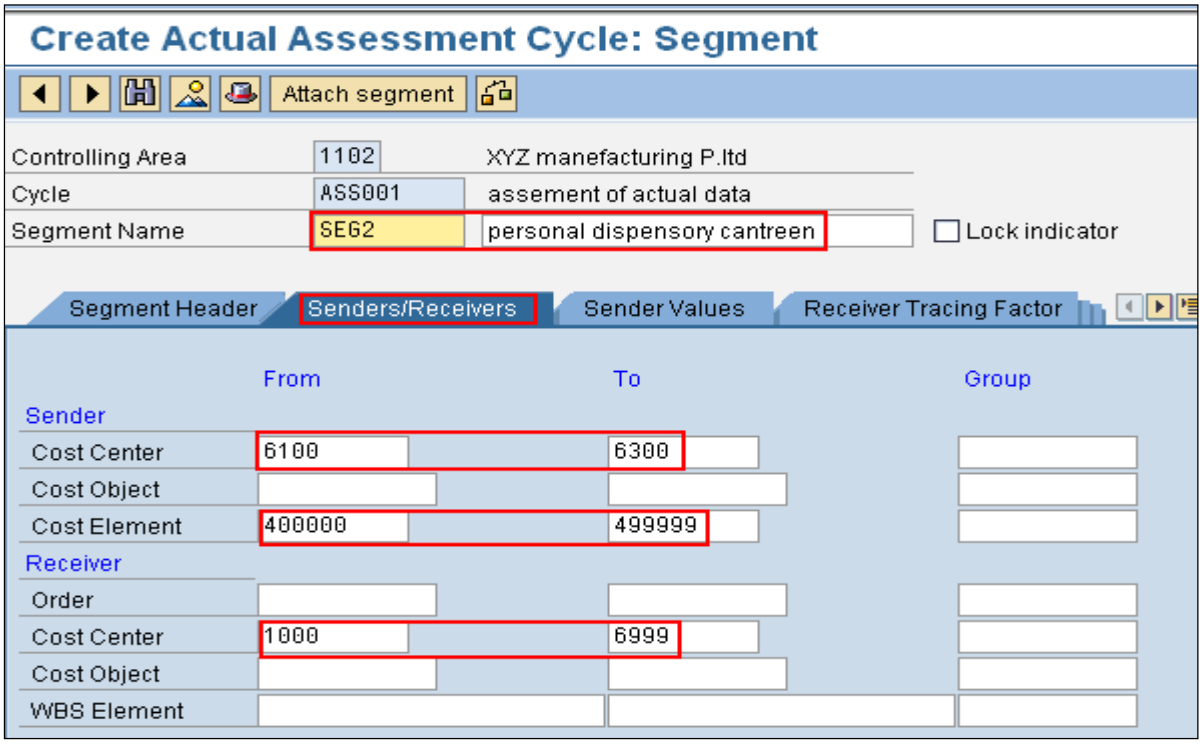


In the above screen for Stat.Key Fig maintain value and click on save button to save the activity.

Now click on Attach segment button to attach another Segment as below:

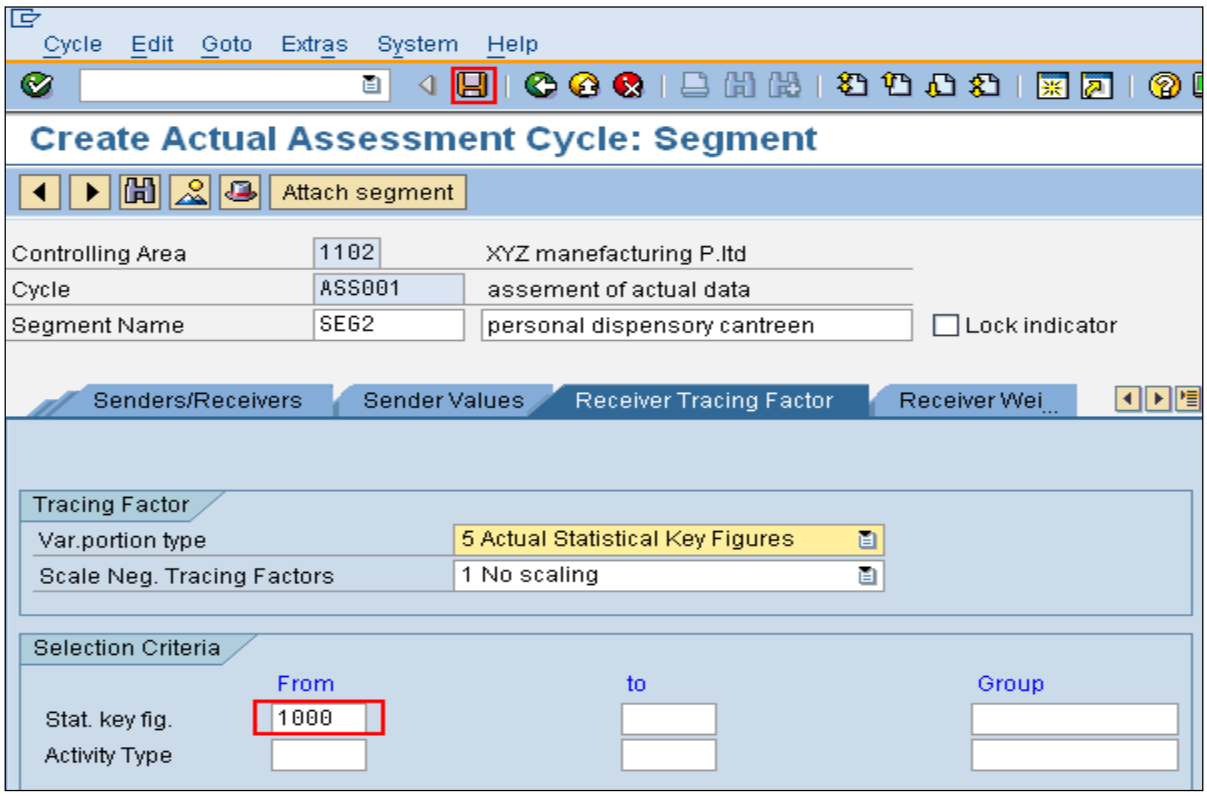


In above screen provide Segment Name, Description and for Receiver Rule "1 Variable Portions" for Var.Portion Type "5 Actual Statistical Key Figures".
And go to Tab "Senders/Receivers"



In above screen maintain above parameters for Cost Center, Cost Element and Cost Center under Receiver.

Not go to Tab "Receiver Tracing Factor"

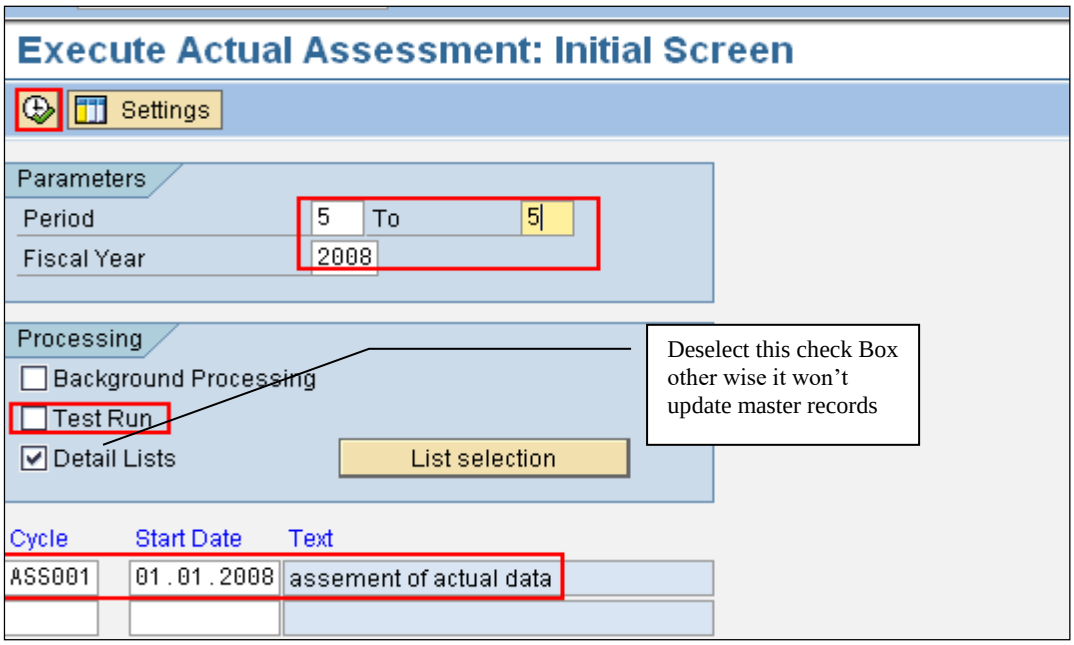


In the above screen for Stat.Key Fig maintain value and click on save button to save the activity.
Now back to easy access screen.

Executive the Above Assessment

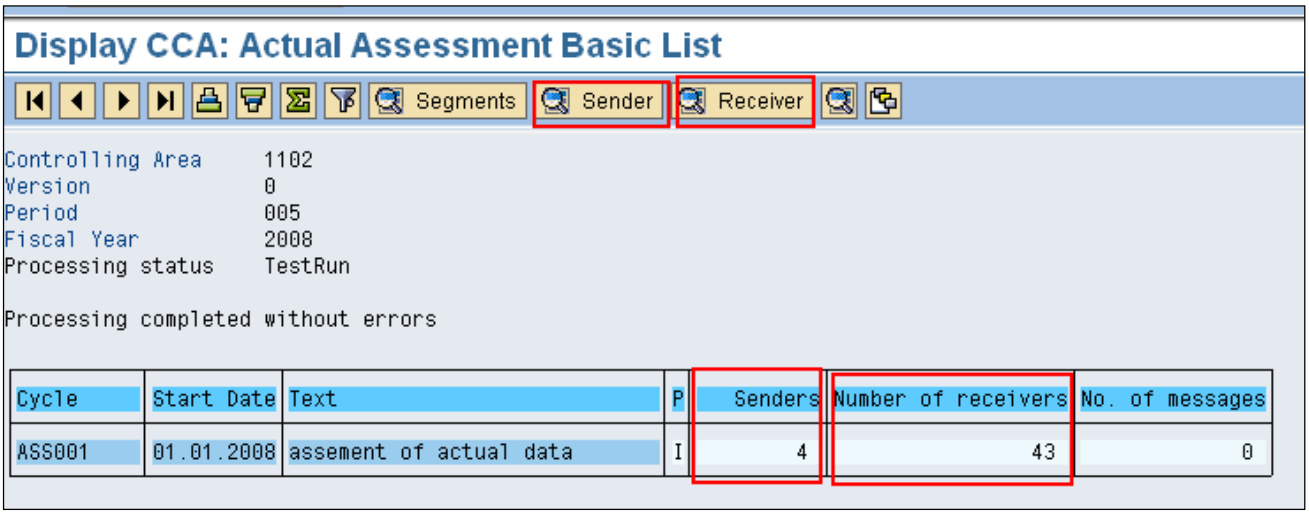
Path: Accounting→ Controlling→ Cost Center Accounting→ Period-End Closing→ Single Functions → Allocations → KSU5 - Assessment

Transaction Code: KSU5

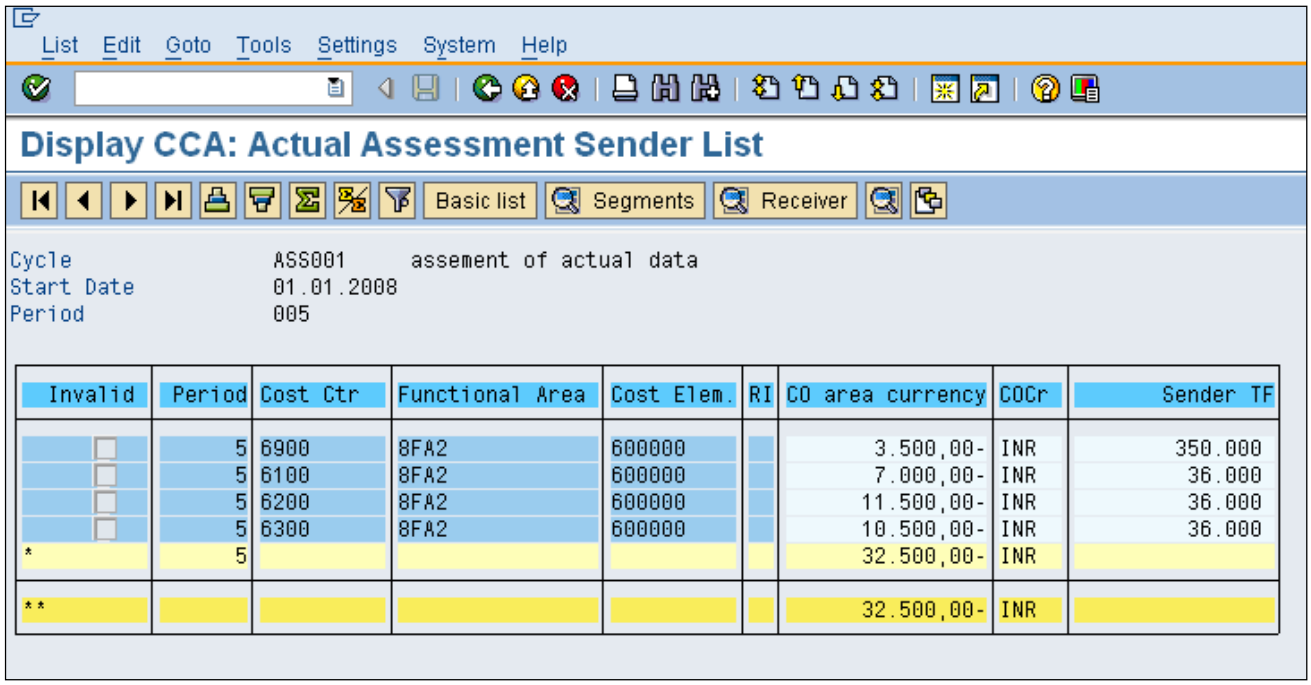


In the above screen assign your assessment cycle which your created in above step, maintain other parameters and executive the section

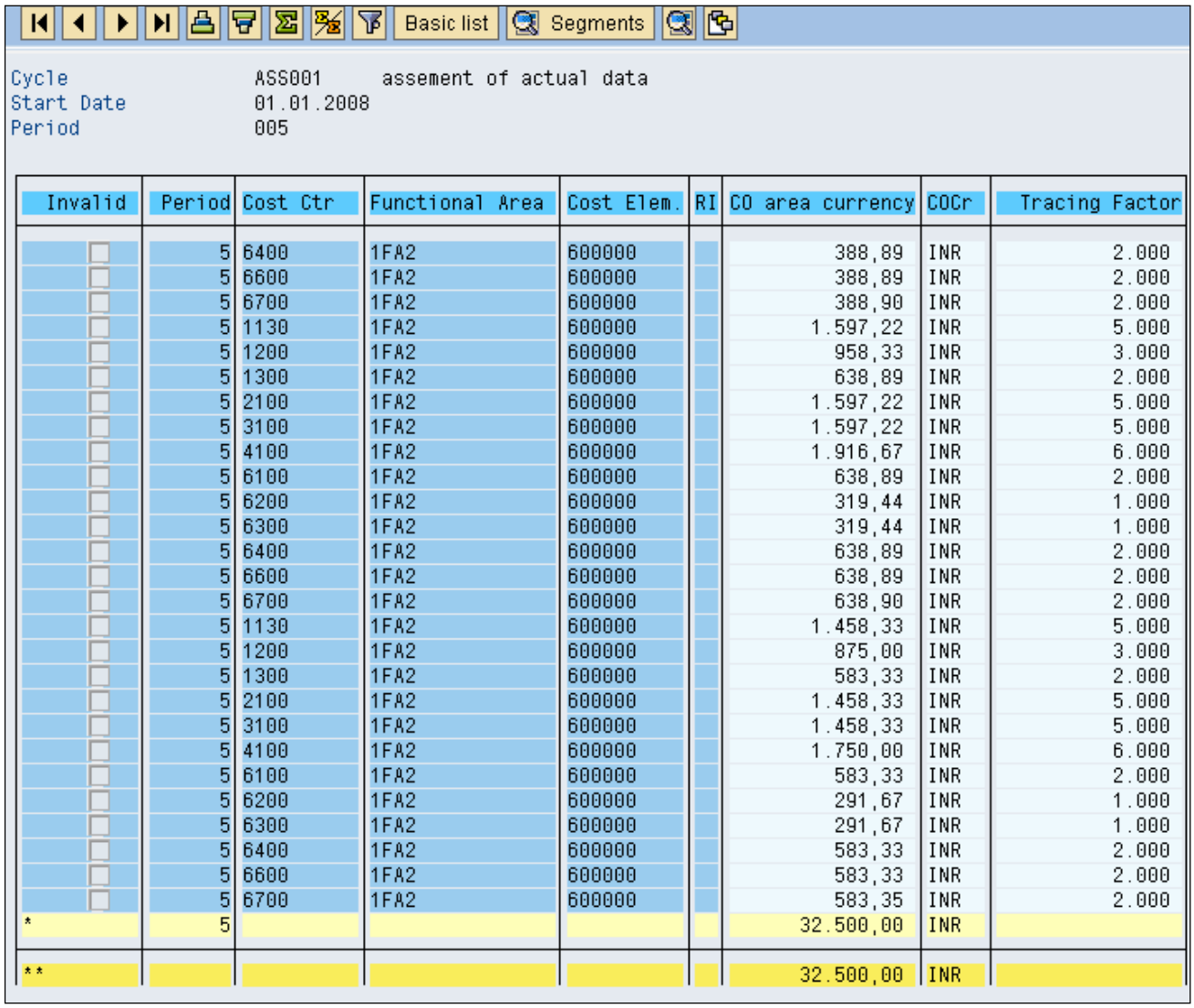
It will display the below screen:.



Now place your curser on Senders and pres on Sender button. So it will display all sender list as follow:



Now back to the screen and place the curser on Number of Receivers and click on Receiver button.
So it will display the following screen:



Basic list | Segments

Cycle ASS001 assement of actual data
Start Date 01.01.2008
Period 005

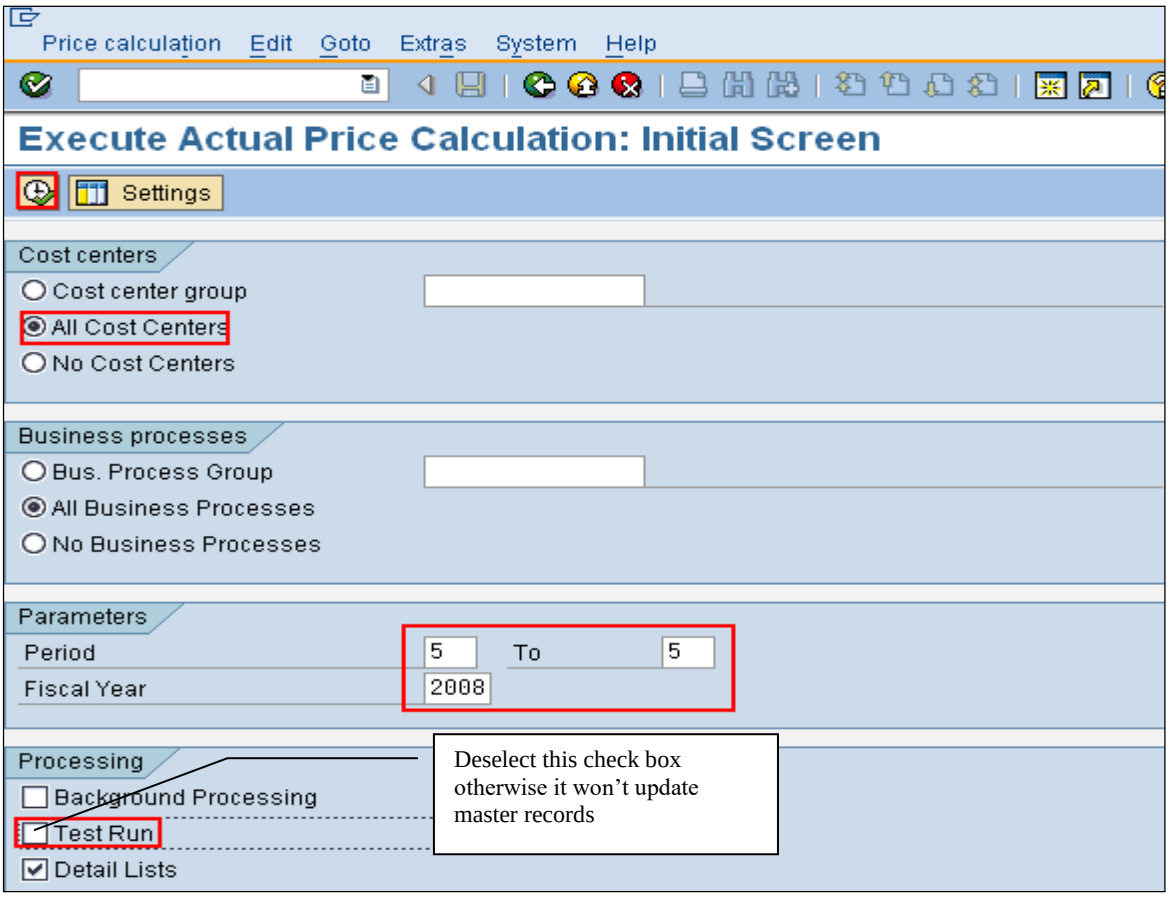
Invalid	Period	Cost Ctr	Functional Area	Cost Elem.	RI	CO area currency	COCr	Tracing Factor
	5	6400	1FA2	600000		388,89	INR	2.000
	5	6600	1FA2	600000		388,89	INR	2.000
	5	6700	1FA2	600000		388,90	INR	2.000
	5	1130	1FA2	600000		1.597,22	INR	5.000
	5	1200	1FA2	600000		958,33	INR	3.000
	5	1300	1FA2	600000		638,89	INR	2.000
	5	2100	1FA2	600000		1.597,22	INR	5.000
	5	3100	1FA2	600000		1.597,22	INR	5.000
	5	4100	1FA2	600000		1.916,67	INR	6.000
	5	6100	1FA2	600000		638,89	INR	2.000
	5	6200	1FA2	600000		319,44	INR	1.000
	5	6300	1FA2	600000		319,44	INR	1.000
	5	6400	1FA2	600000		638,89	INR	2.000
	5	6600	1FA2	600000		638,89	INR	2.000
	5	6700	1FA2	600000		638,90	INR	2.000
	5	1130	1FA2	600000		1.458,33	INR	5.000
	5	1200	1FA2	600000		875,00	INR	3.000
	5	1300	1FA2	600000		583,33	INR	2.000
	5	2100	1FA2	600000		1.458,33	INR	5.000
	5	3100	1FA2	600000		1.458,33	INR	5.000
	5	4100	1FA2	600000		1.750,00	INR	6.000
	5	6100	1FA2	600000		583,33	INR	2.000
	5	6200	1FA2	600000		291,67	INR	1.000
	5	6300	1FA2	600000		291,67	INR	1.000
	5	6400	1FA2	600000		583,33	INR	2.000
	5	6600	1FA2	600000		583,33	INR	2.000
	5	6700	1FA2	600000		583,35	INR	2.000
*	5					32.500,00	INR	
**						32.500,00	INR	

Actual Price Calculations

Path: Accounting→Controlling→Cost Center Accounting→Period-End Closing→Single Functions→KSII - Price Calculation

Transaction Code: KSII - Price Calculation

Enter into the above path or transaction code so it will display the below screen:



Maintain the above parameters and click on execute button 

It will display the following screen:

Price Calculation Results - Actual

Activity Analysis | Choose | Save

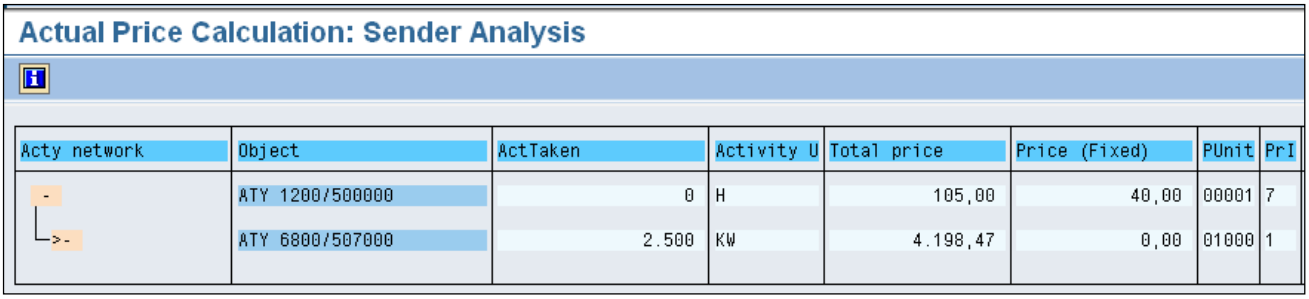
Controlling Area	1102 XYZ manefacturing P.ltd
Version	0 Plan/Act - Version
Fiscal Year	2008
Period	005
Actual price calc.	3 Cumulative price
Currency	INR Indian Rupee
Exchange Rate Type	M Standard translation at average rate
Value Date	01.01.2008
Processing status	UpdateRun

Document number from 100300

OTy	Object	Name	AUn	Activity Quantity	Total price	Price (Fixed)	PUnit
ATY	1 Object 0000	Machine A	H	180	105,00	40,00	1
ATY	1200/501000	Machine A	H	160	55,00	5,00	1
ATY	1200/502000	Machine A	H	5	46,00	6,00	1
ATY	1300/500000	Machine B	H	175	114,00	34,00	1
ATY	1300/501000	Machine B	H	180	80,00	0,00	1
ATY	1300/502000	Machine B	H	4	55,00	25,00	1
ATY	1400/503000	Assembling	H	0	65,00	0,00	1
ATY	6600/504000	repairs & maintaince	H	110	11.891,43	6.884,36	100
ATY	6700/505000	quality control dept	H	150	7.493,95	4.707,33	100
ATY	6800/507000	power dept cc	KW	6.870	4.198,47	0,00	1000

Put the curser on either of the Object's in above table and click on 

button so it will display clear calculation as follow:



Acty network	Object	ActTaken	Activity U	Total price	Price (Fixed)	PUnit	PrI
-	ATY 1200/500000	0	H	105,00	40,00	00001	7
>-	ATY 6800/507000	2.500	KW	4.198,47	0,00	01000	1

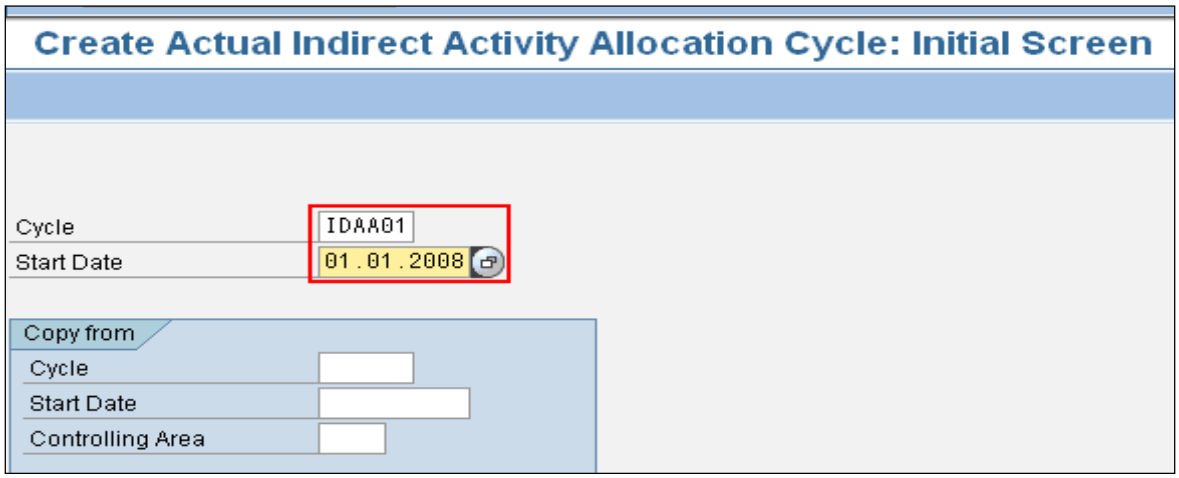
Now back to the easy access screen.

Indirect Activity Allocation

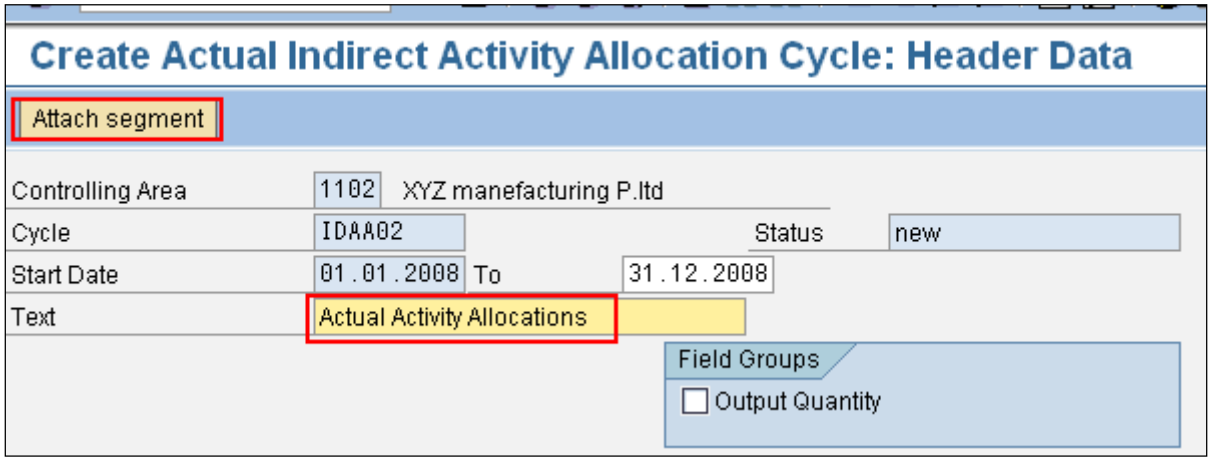
Path: Accounting→Controlling→Cost Center Accounting→Period-End Closing→ Current Settings→ S_ALR_87005792 - Define Indirect Activity Allocation

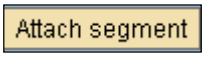
Transaction Code: S_ALR_87005792 - Define Indirect Activity Allocation

Enter into the above path or transaction code so it will display the below screen:

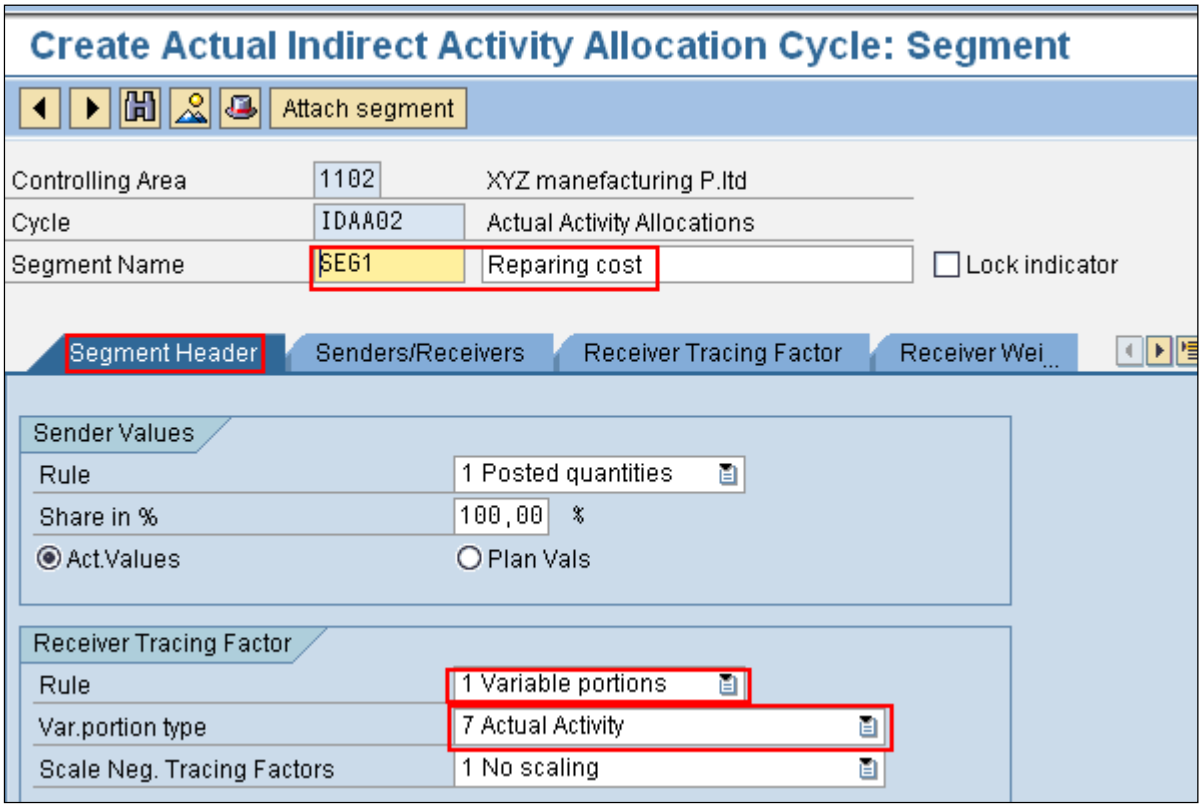


In the above screen give new Cycle name, Start date and click enter button so it will take you to following screen:

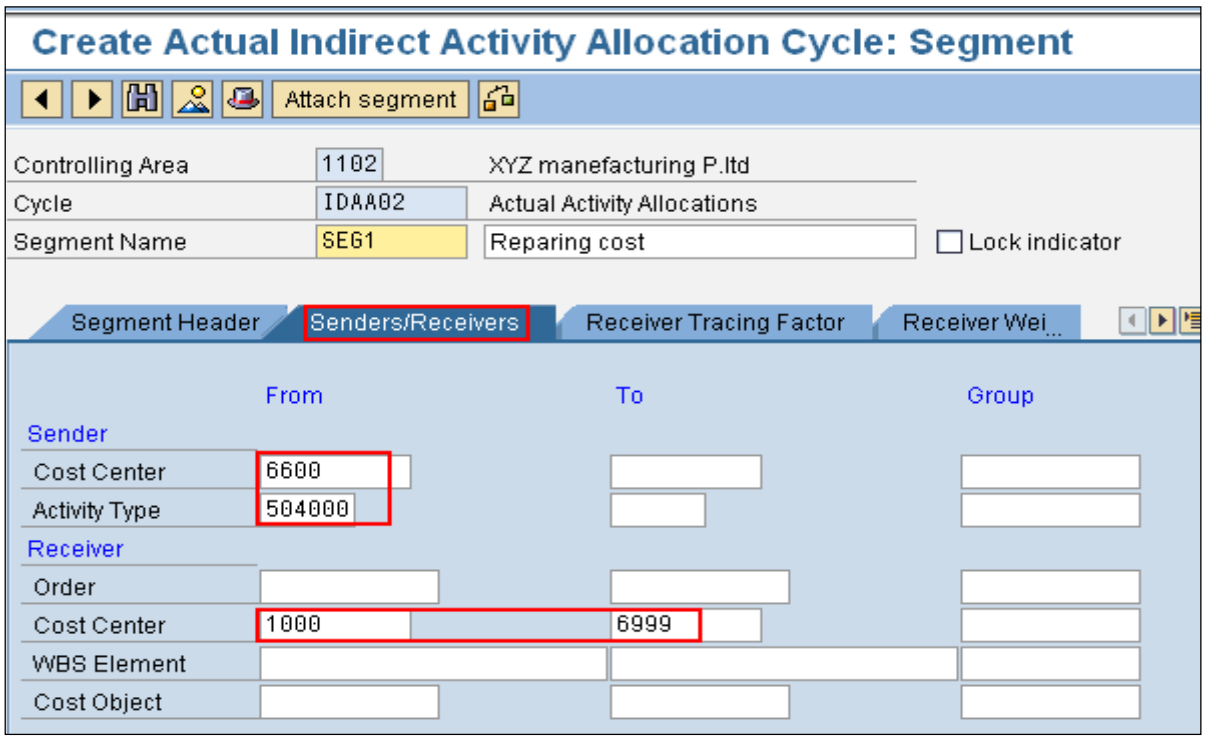


In the above screen maintain text and click on 

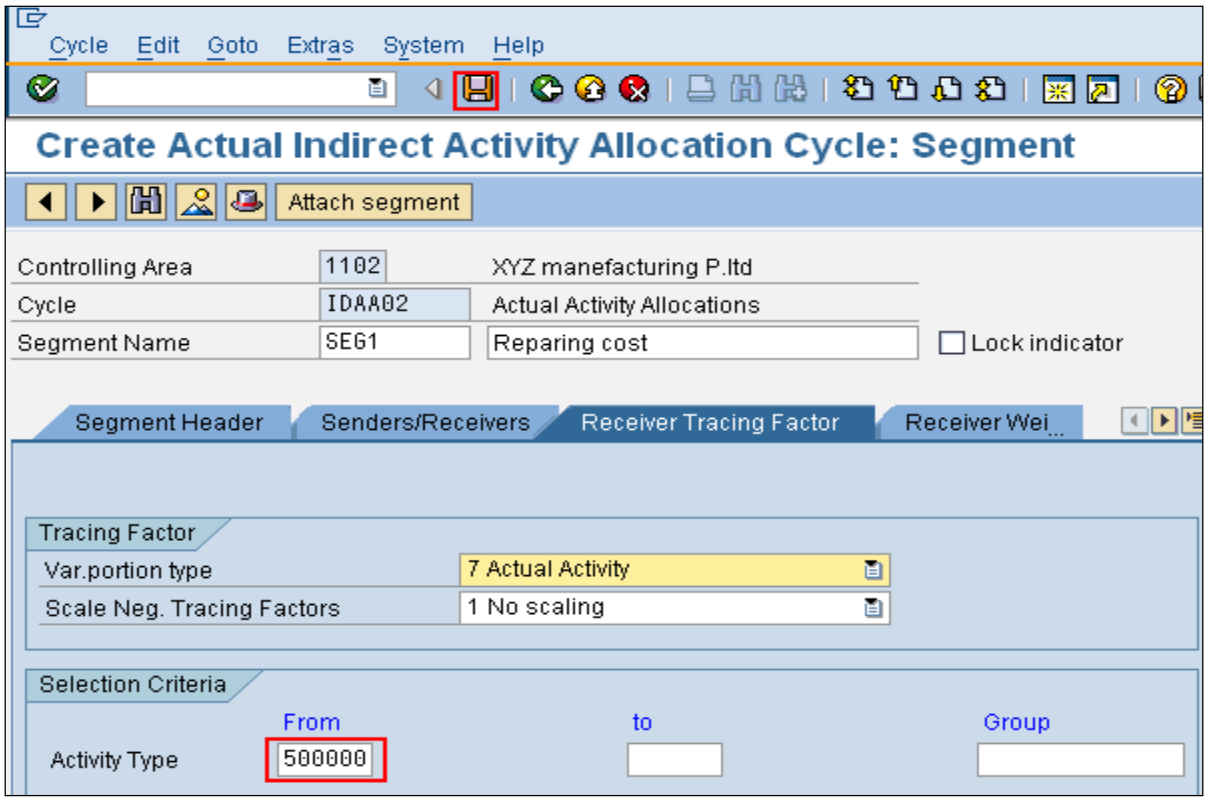
button so it display the below screen:



In the above screen first maintain Segment name and Description, under Tab "Segment Header" as Rule "1 Variable Portions" and as Var.Portion Type "7 Actual Activity".
Now click on Tab "Sender/Receivers", so it will display the following screen:



In the above screen maintain the Cost center, Activity Type under Sender and under Receiver maintain cost Center and click on Tab "Receiver Tracing Factor" so it will display the following screen:



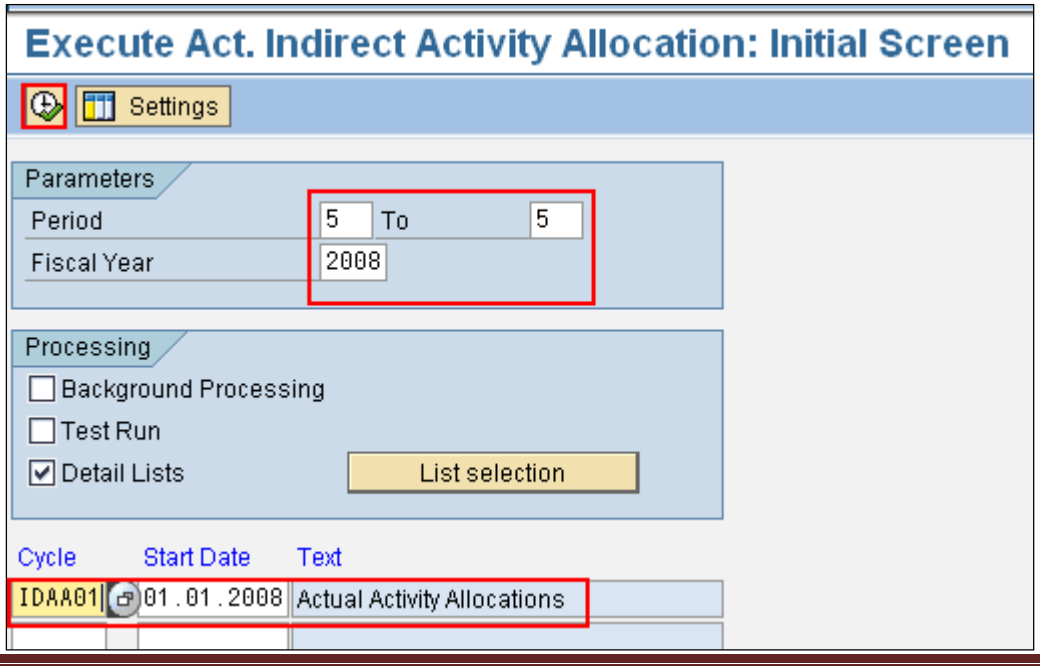
In the above screen maintain only Activity Type.
Save the screen and back to easy access screen.

Executive the above allocation

Path: Accounting→Controlling→Cost Center Accounting→Period-End Closing→ Single Functions → Allocations → KSC5 - Indirect Activity Allocation

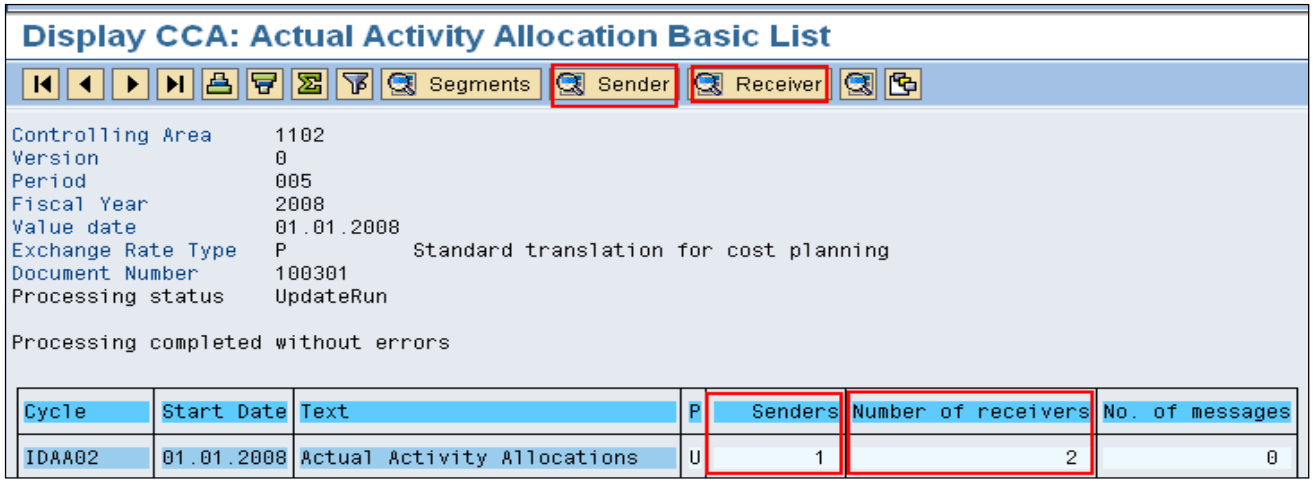
Transaction Code: KSC5 - Indirect Activity Allocation

Enter into the above path or transaction code so it will display the below screen:

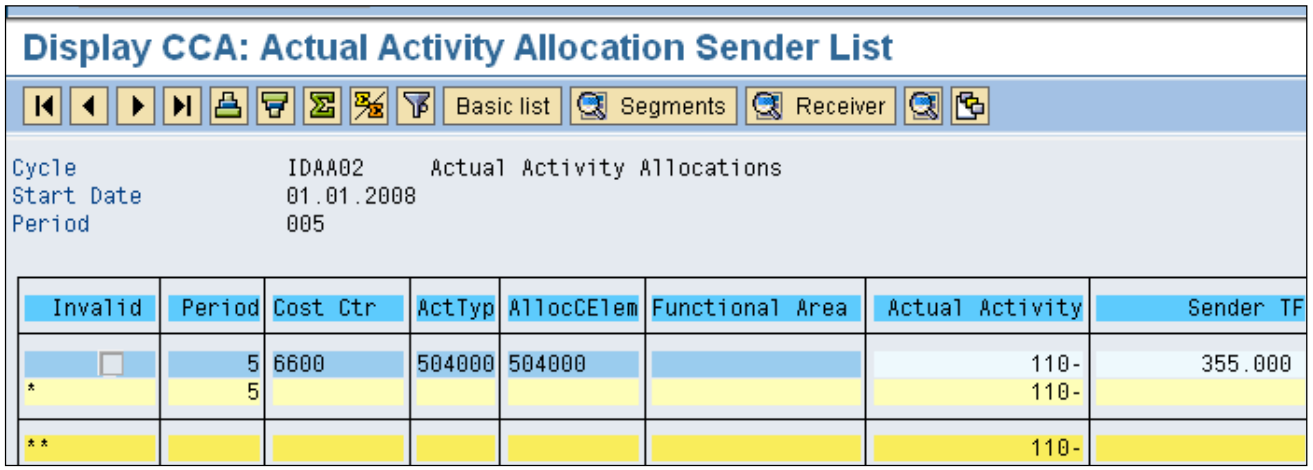


In the above screen under Cycle assign above cycle name and maintain the above parameters.

Now click on button so it will display the following screen:

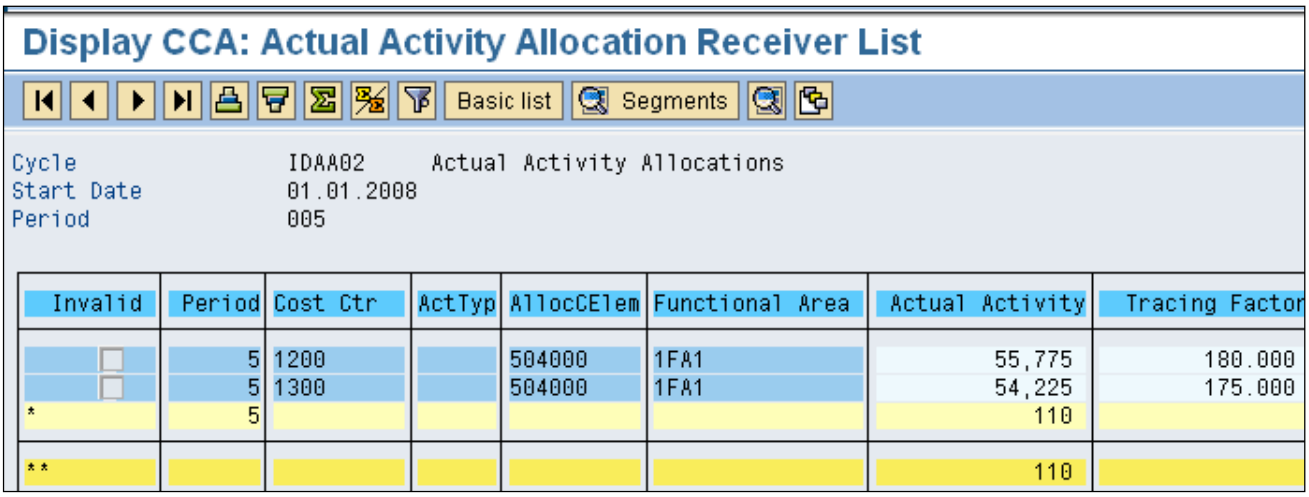


In the above screen place the curser on senders and click on Sender button so it will display the following screen:



In the above screen you can absover the sender details now back to previous screen.

Now place the curser on Number of receivers and click on Receiver so it will display the screen as below:



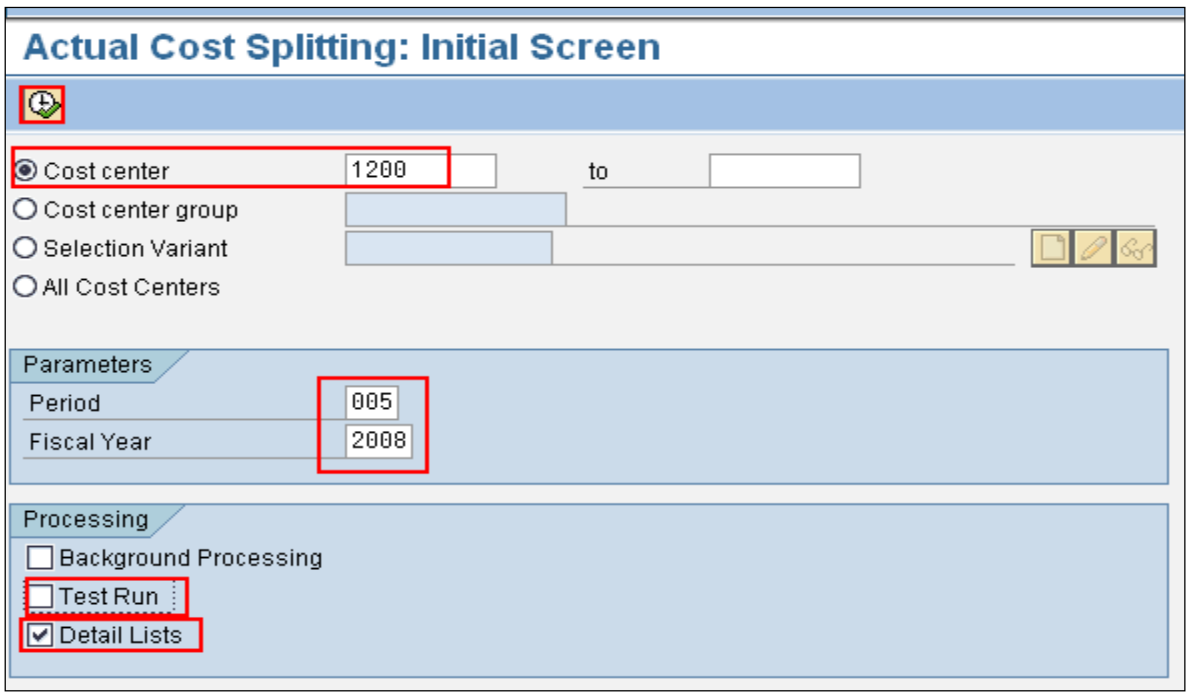
In the above screen you can find the no of recovers an amount received now back to easy access screen.

Splitting Cost

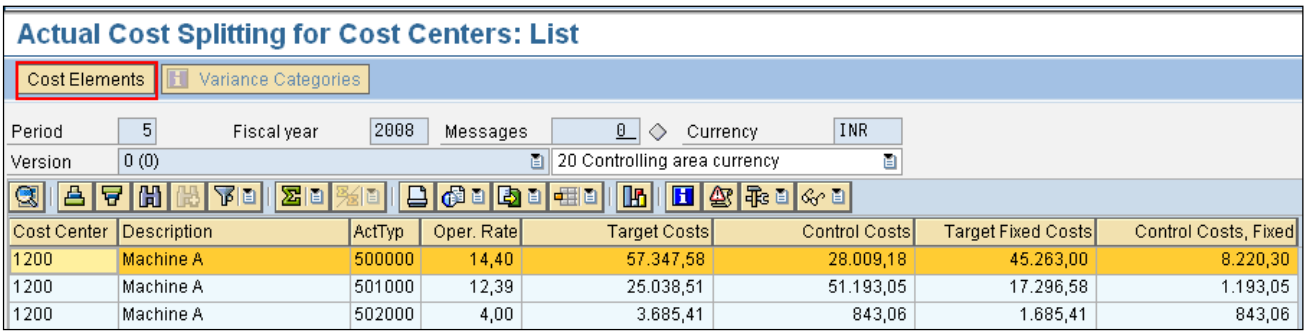
Path: Accounting→Controlling→Cost Center Accounting→Period-End Closing→ Single Functions → KSS2 – Splitting

Transaction Code: KSS2 - Splitting

Enter into the above path or transaction code so it will display the below screen:



In the above screen maintain cost center and other parameters and click on  button so it will display the following screen:



Actual Cost Splitting for Cost Centers: List

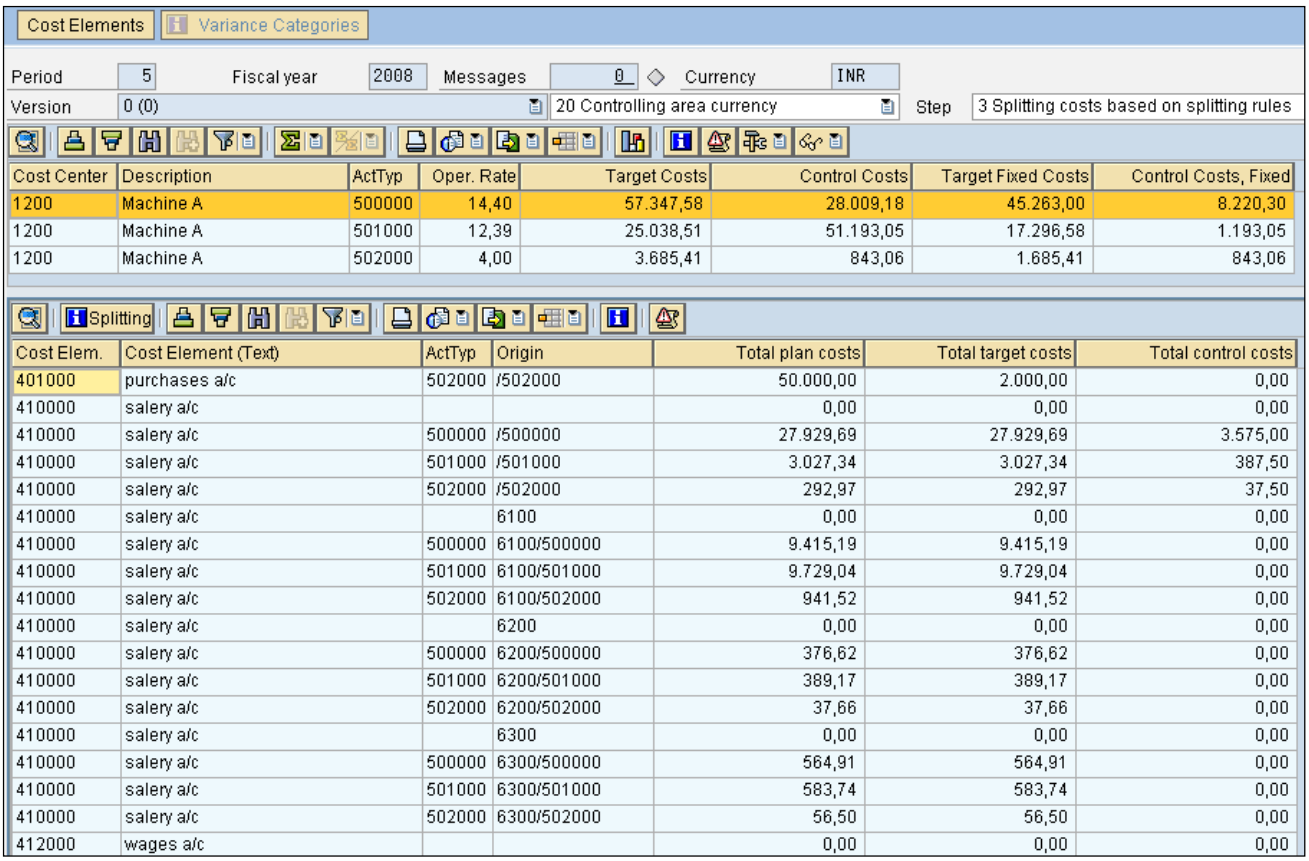
Cost Elements | Variance Categories

Period 5 Fiscal year 2008 Messages 0 Currency INR

Version 0 (0) 20 Controlling area currency

Cost Center	Description	ActTyp	Oper. Rate	Target Costs	Control Costs	Target Fixed Costs	Control Costs, Fixed
1200	Machine A	500000	14,40	57.347,58	28.009,18	45.263,00	8.220,30
1200	Machine A	501000	12,39	25.038,51	51.193,05	17.296,58	1.193,05
1200	Machine A	502000	4,00	3.685,41	843,06	1.685,41	843,06

In the above screen place the curse on cost center line item and click on Cost Elements so it will display the following detail list:



Cost Elements | Variance Categories

Period 5 Fiscal year 2008 Messages 0 Currency INR

Version 0 (0) 20 Controlling area currency Step 3 Splitting costs based on splitting rules

Cost Center	Description	ActTyp	Oper. Rate	Target Costs	Control Costs	Target Fixed Costs	Control Costs, Fixed
1200	Machine A	500000	14,40	57.347,58	28.009,18	45.263,00	8.220,30
1200	Machine A	501000	12,39	25.038,51	51.193,05	17.296,58	1.193,05
1200	Machine A	502000	4,00	3.685,41	843,06	1.685,41	843,06

Splitting

Cost Elem.	Cost Element (Text)	ActTyp	Origin	Total plan costs	Total target costs	Total control costs
401000	purchases a/c	502000	/502000	50.000,00	2.000,00	0,00
410000	salery a/c			0,00	0,00	0,00
410000	salery a/c	500000	/500000	27.929,69	27.929,69	3.575,00
410000	salery a/c	501000	/501000	3.027,34	3.027,34	387,50
410000	salery a/c	502000	/502000	292,97	292,97	37,50
410000	salery a/c		6100	0,00	0,00	0,00
410000	salery a/c	500000	6100/500000	9.415,19	9.415,19	0,00
410000	salery a/c	501000	6100/501000	9.729,04	9.729,04	0,00
410000	salery a/c	502000	6100/502000	941,52	941,52	0,00
410000	salery a/c		6200	0,00	0,00	0,00
410000	salery a/c	500000	6200/500000	376,62	376,62	0,00
410000	salery a/c	501000	6200/501000	389,17	389,17	0,00
410000	salery a/c	502000	6200/502000	37,66	37,66	0,00
410000	salery a/c		6300	0,00	0,00	0,00
410000	salery a/c	500000	6300/500000	564,91	564,91	0,00
410000	salery a/c	501000	6300/501000	583,74	583,74	0,00
410000	salery a/c	502000	6300/502000	56,50	56,50	0,00
412000	wages a/c			0,00	0,00	0,00

Back to easy access screen.

NOTE 1: Formula for Operation Ratio:

$$\frac{\text{Actual Activity}}{\text{Plan Activity}} \times 100$$

NOTE 2: Formula for Target Cost:

Target Fixed Cost = Plan Fixed Cost

Target Variable Cost = Planed Variable Cost X Operating Rate

Target Cost is used to compare with the actual cost for variance analysis.

COMMITMENT MANAGEMENT

Step 1: Maintain Financial Management area
(This activity we already did when we configure Enterprise Structure so look in that material)
Step 2: Assign Financial Management area to company code
(This activity we already did when we configure Enterprise Structure so look in that material)

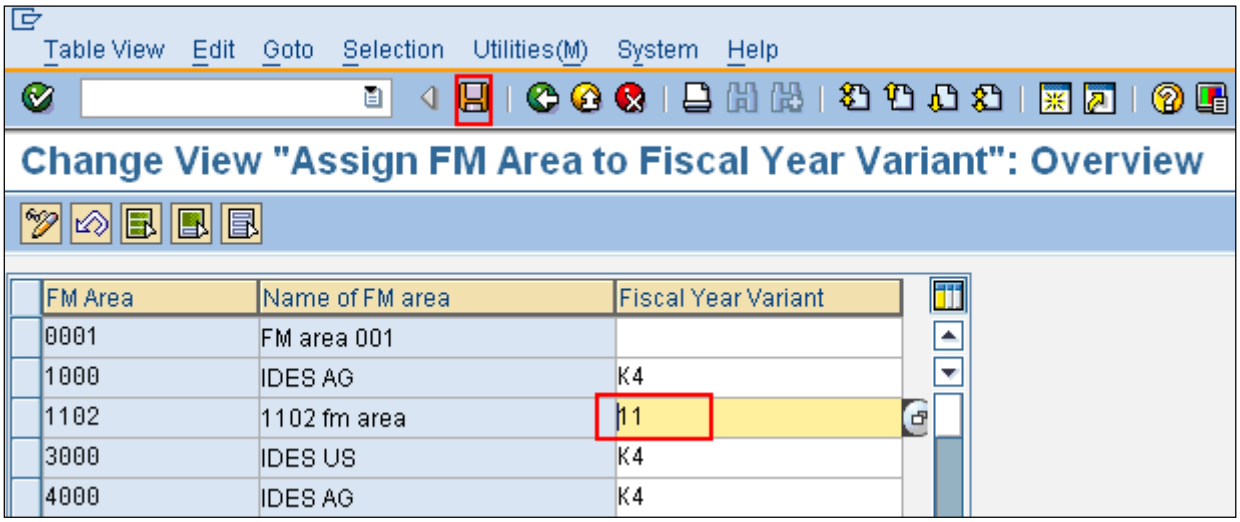
Step 3: Assign Fiscal Year Variant to Financial Management (FM) area:

Path: SPRO→Public Sector Management→Funds Management Government→Basic Settings→Fiscal Year Variant→Assign Fiscal Year Variant to FM Area

Transaction code: OF32

Database Table: FM01

Enter into the above path or transaction code so it will display the below screen:



In the above screen against to your FM area we have to assign our Fiscal Year Variant which we already created in finance.

Now click on (SAVE) button to save the activity and back to SPRO screen.

STEP 4: Assign Field Status Variant To Company Code

Path: SPRO→ Controlling → Cost Center Accounting → Commitments and Funds Commitments → Field Control for Funds Commitment → Assign field status variant to company code

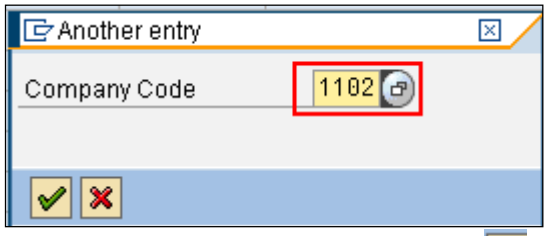
Transaction code: FMUV

Database Table: T001

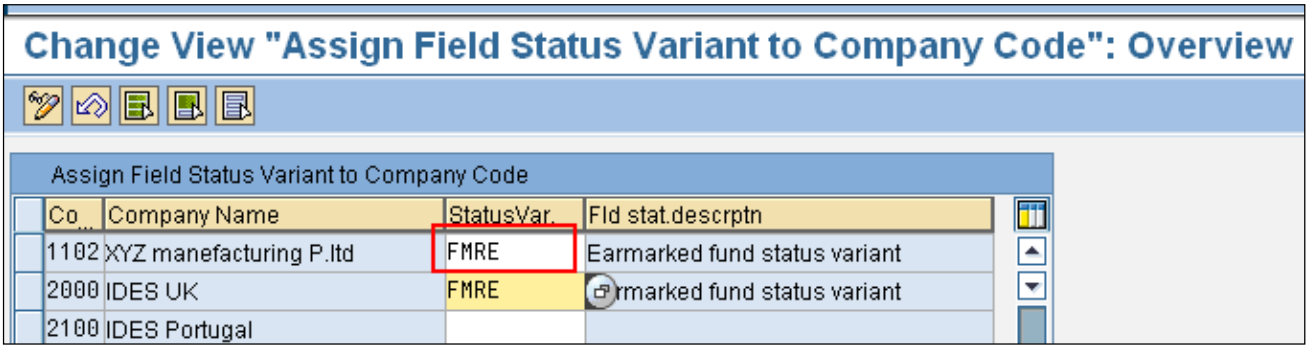
Enter into the above path or transaction code so it will display the below screen:

Click on 

button so it will display the below screen:



In the above screen enter your company code and click enter button or click on  button.
So your company code will appear at the top of screen as below:



In the above screen against to your company code on clicking of F4 function assigh "FMRE" that is "Earmarked fund Status Variant" assign.

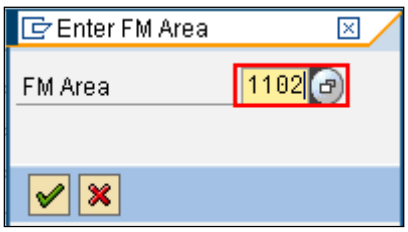
Now click on  (SAVE) button to save the activity and back to SPRO screen.

Step 5: <u>Create Commitment Item</u>

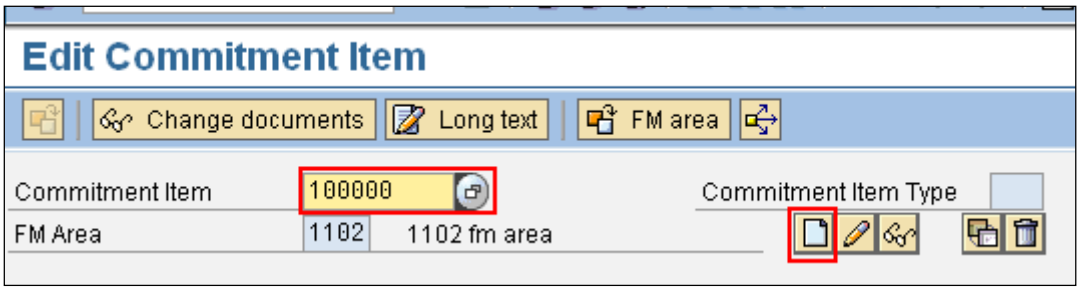
Path: Accounting→ Public Sector Management→ Funds Management→ Master Data→ Account Assignment Elements→ Commitment Item→ FMCIA - Individual Processing

Transaction code: FMCIA - Individual Processing

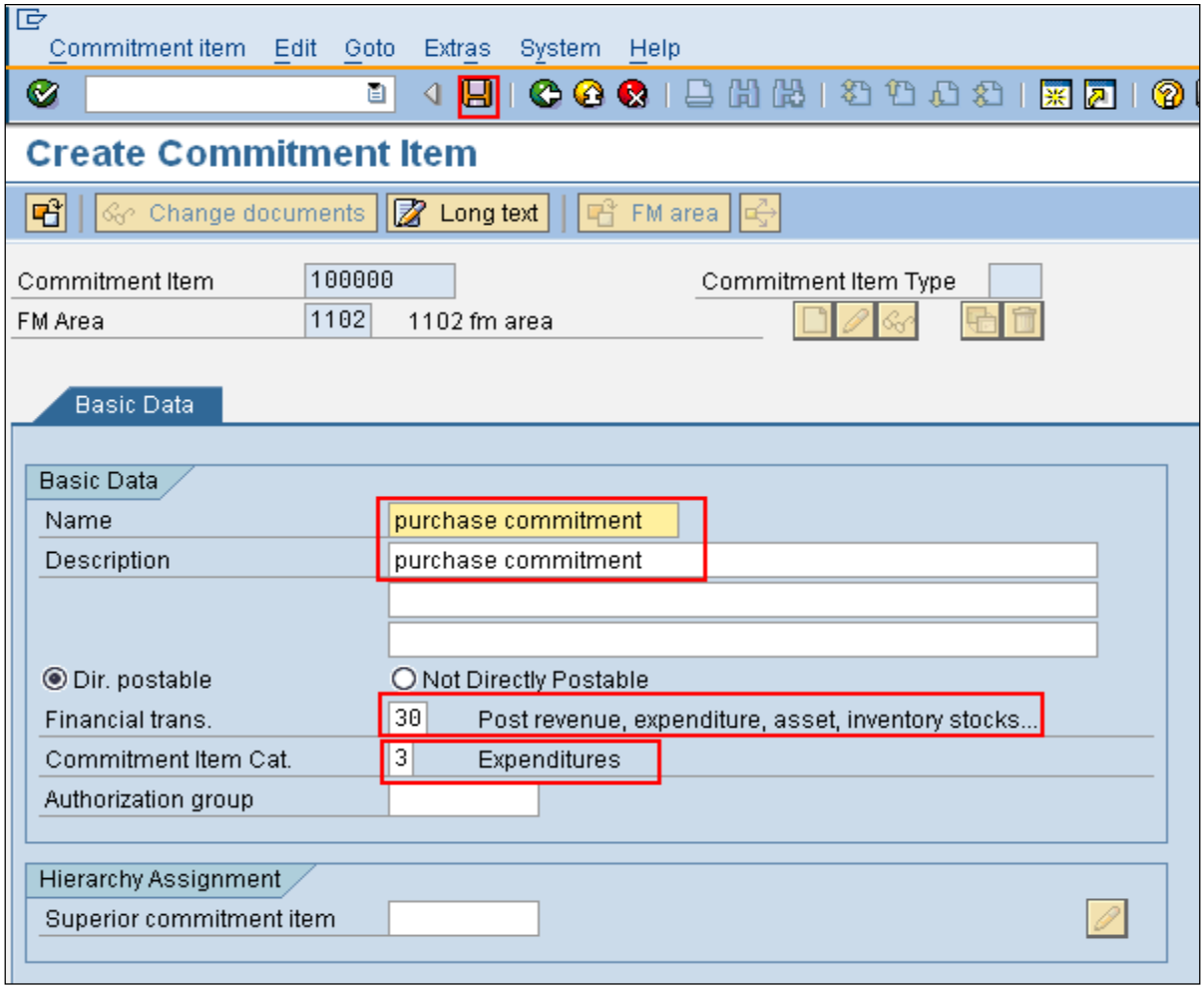
Enter into the above path or transaction code so it will display the below screen:



In the above window enter your FM area and pres enter button.
So it will display the following screen:



In the above screen enter Commitment item and click on (Create) button.
It will activate other below fields as below:



In the above screen enter name, Description of Commitment and Financial Trans as "30" , Commitment item cat as "3" Because this commitment I am creating for "Purchase account".

Like above you can create any number of commitment items as client required. Each commitment item should assign to a relevant GL Account as below step.

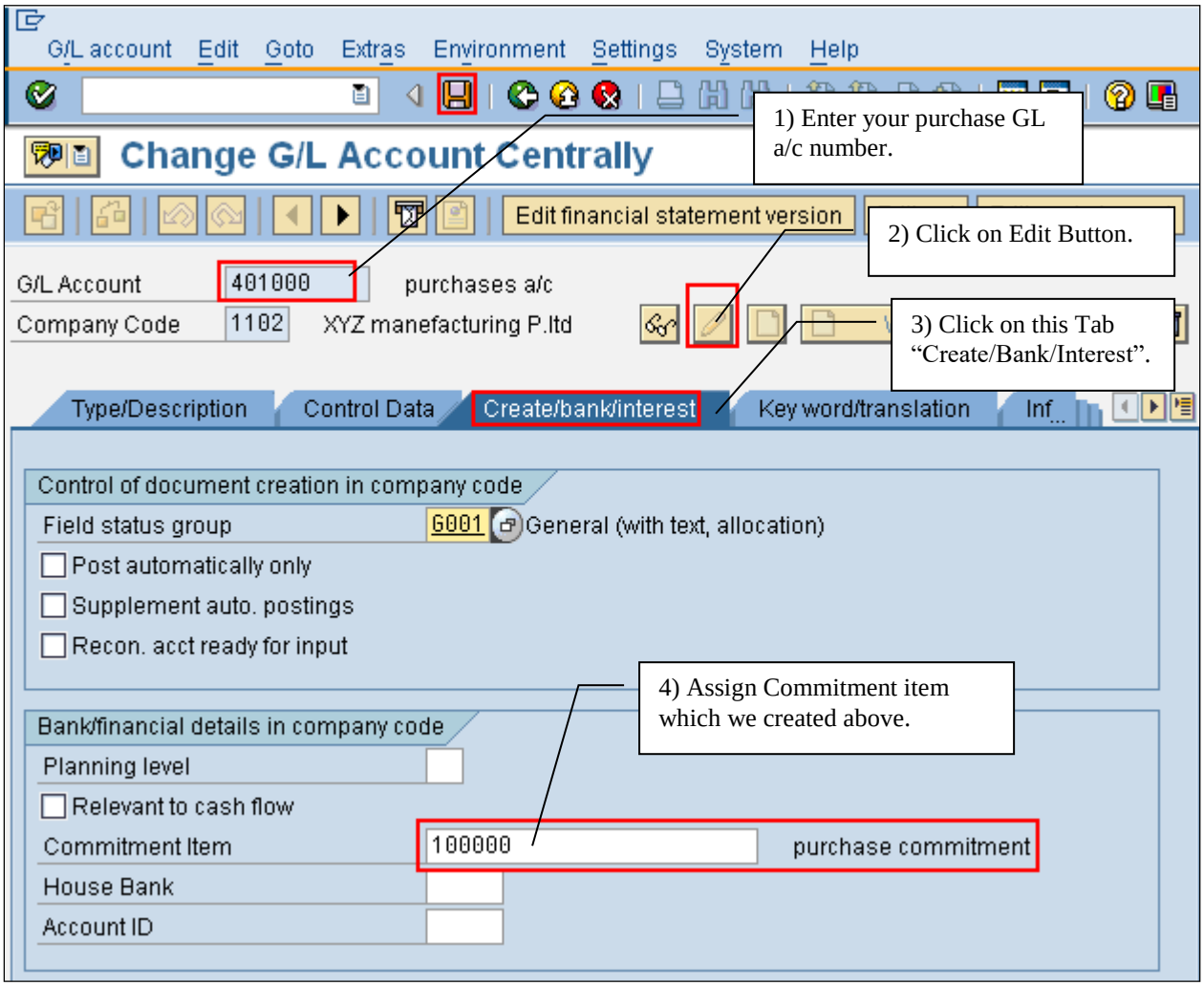
Now save the activity and back to easy access screen.

Step 6: <u>Assign Commitment Item to GL Account</u>

Path: Accounting→ Financial Accounting → General Ledger → Master Records → G/L Accounts → Individual Processing → FS00 - Centrally

Transaction code: FS00 - Centrally

Enter into the above path or transaction code so it will display the below screen:



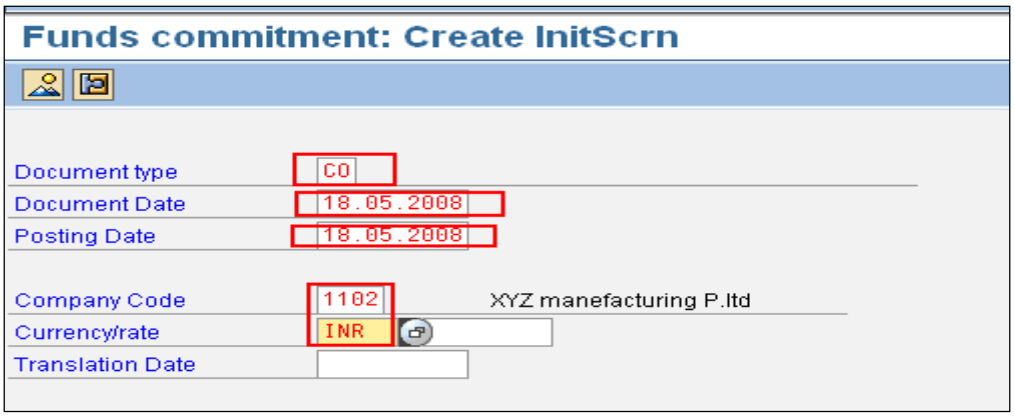
In the above screen enter your GL Account number and click on edit button. Now go to "Create/Bank/Interest" tab under "Bank/financial details in company code" assign your commitment item to "Commitment Item" field.
After maintain all above parameters save the GL Account and back to Easy access screen.

Step 7: <u>Enter Value to Commitment Item</u>

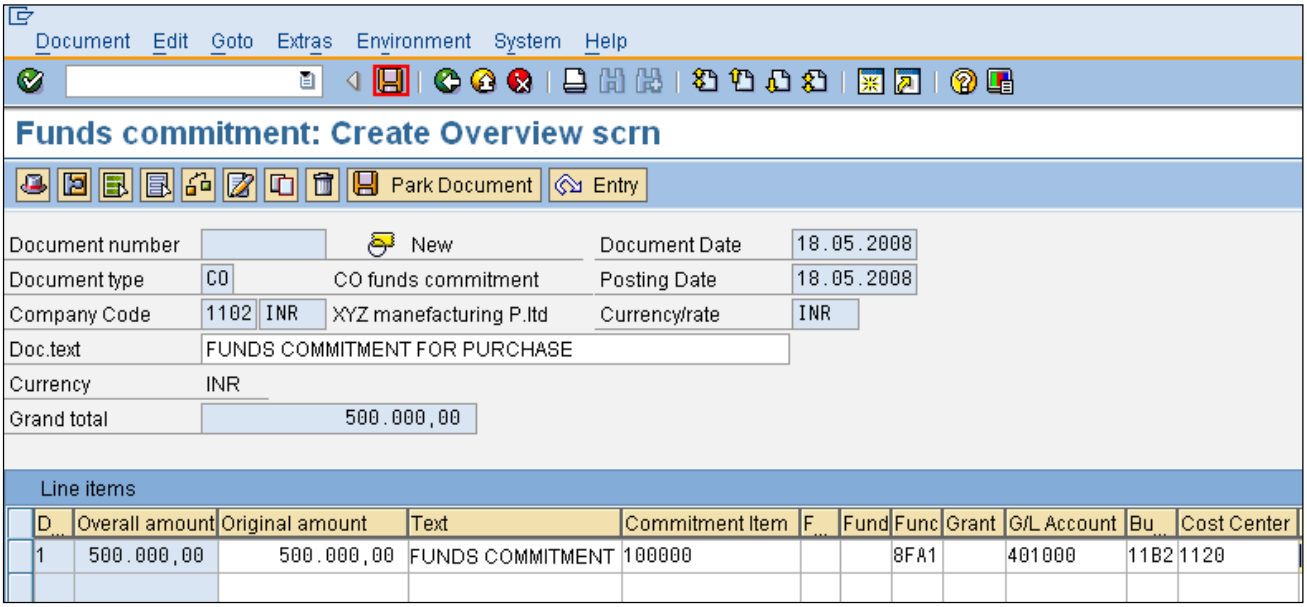
Path: Accounting→ Controlling → Cost Center Accounting → Actual Postings → Funds Commitment → FMZ1 - Create

Transaction code: FMZ1 - Create

Enter into the above path or transaction code so it will display the below screen:



Maintain the above parameters and click on enter button so it will display the following screen as below;



In the above screen maintain Original amount and commitment item as we create above step and assign G/L Account, Cot center.

Save the activity and back to ease access screen.

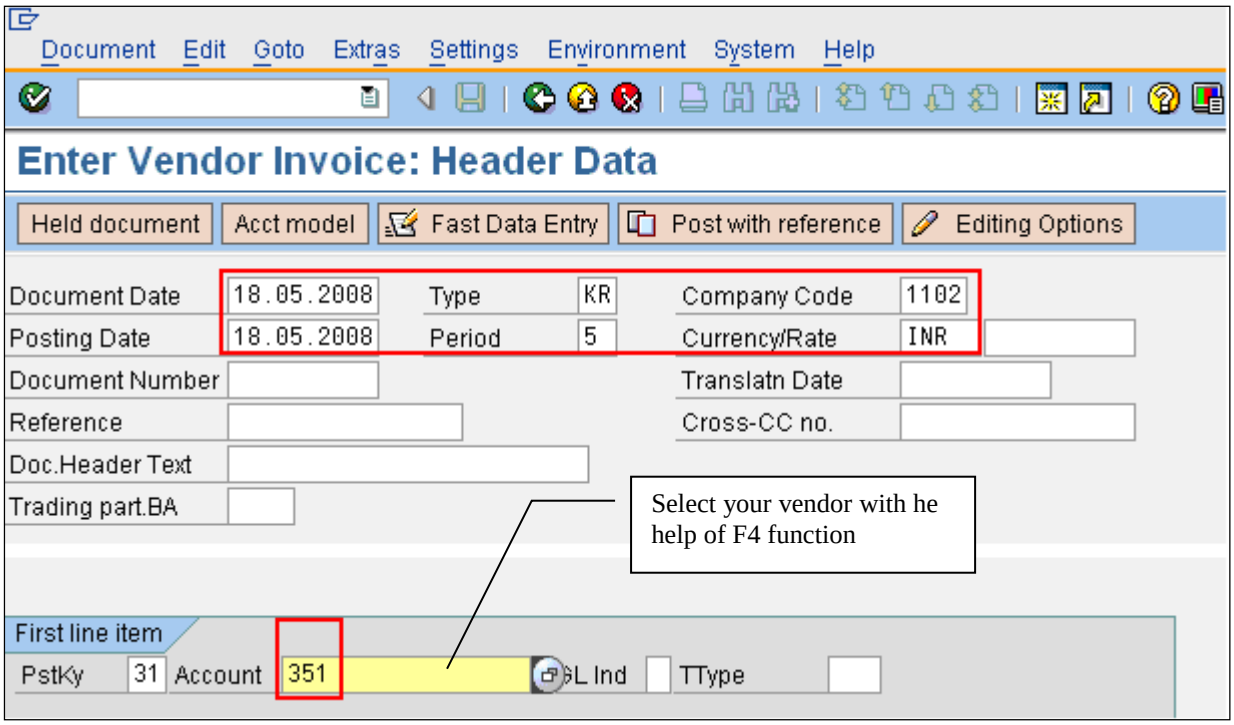
NOTE: In field Status Variant keep optional to 1. Commitment Item,2.Earmarked Funds.

Posting vendor invoice (Purchase invoice)

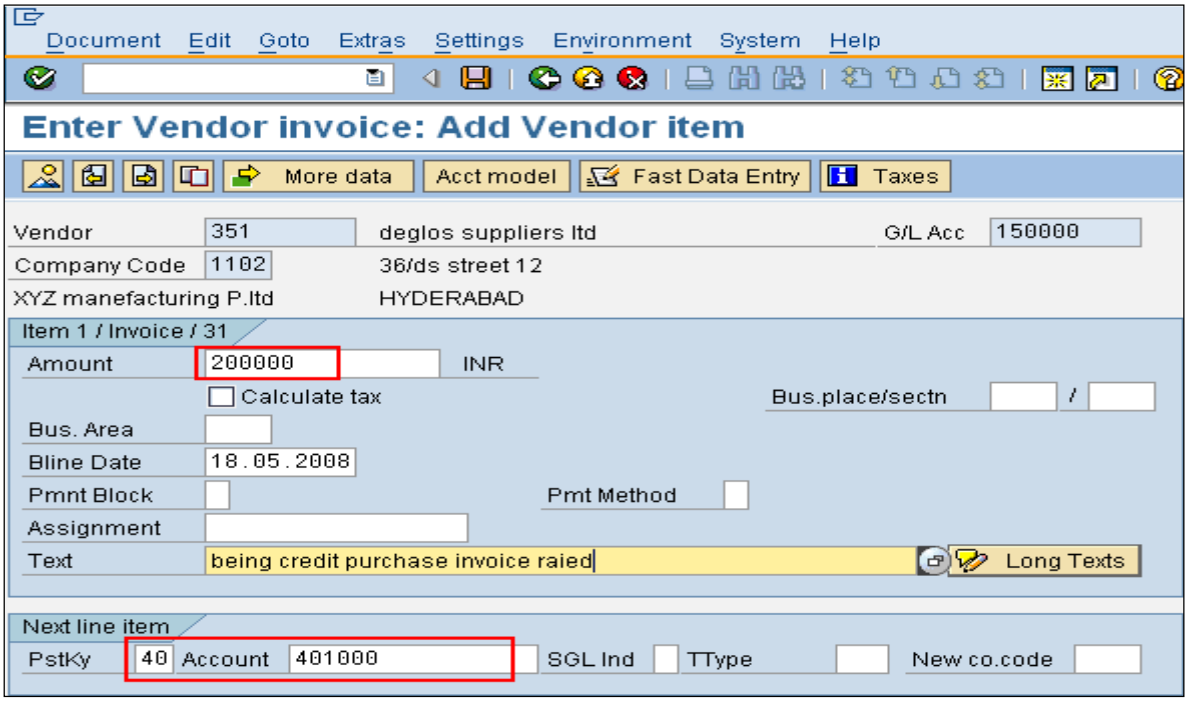
Path: Accounting→ Financial Accounting→ Accounts Payable→ Document Entry→ F-43 - Invoice – General

Transaction code: F-43

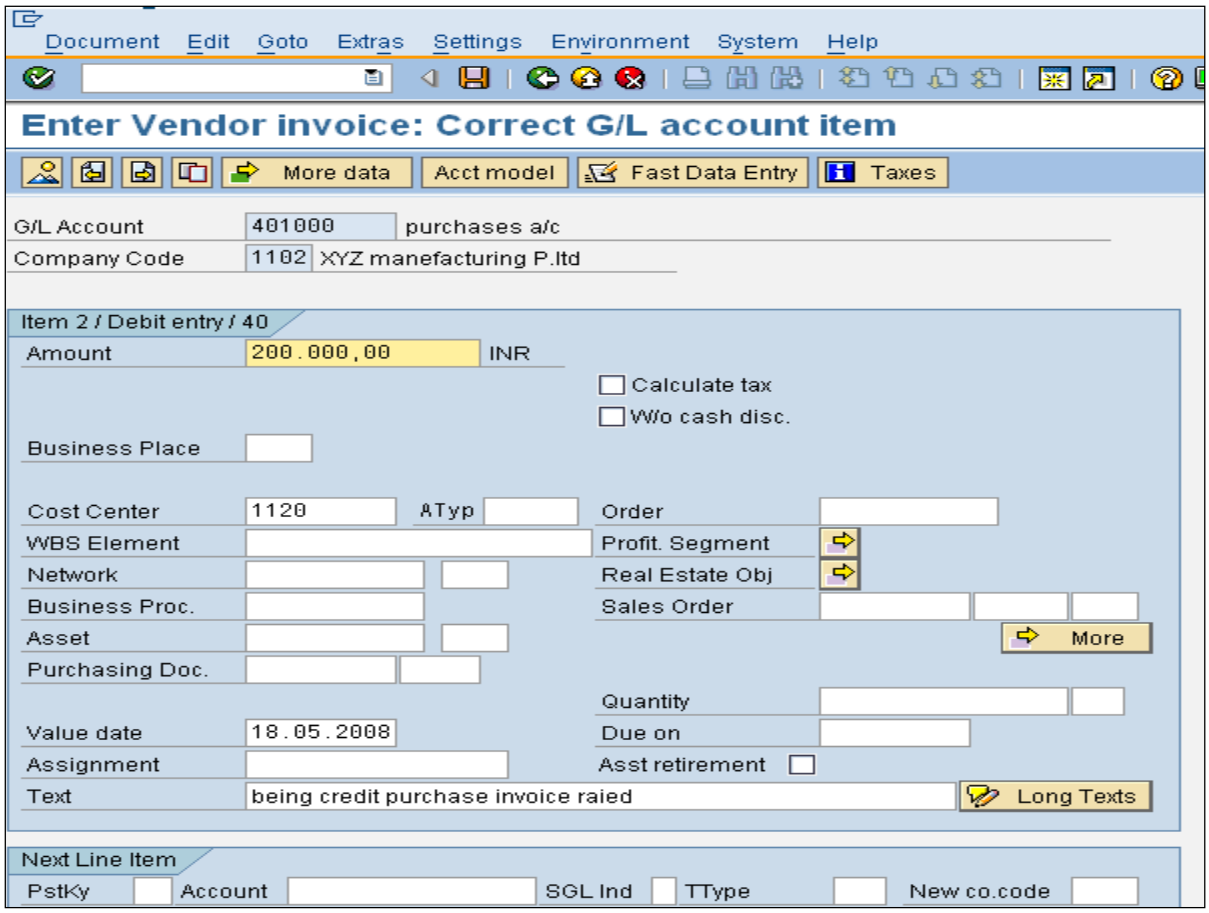
Enter into the above path or transaction code so it will display the below screen:

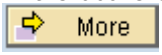


In the above screen enter The Document Date, Posting Date, Company Code, Currency/Rate and Account(Vendor no). After entering above parameters click Enter button so it will display the following screen:

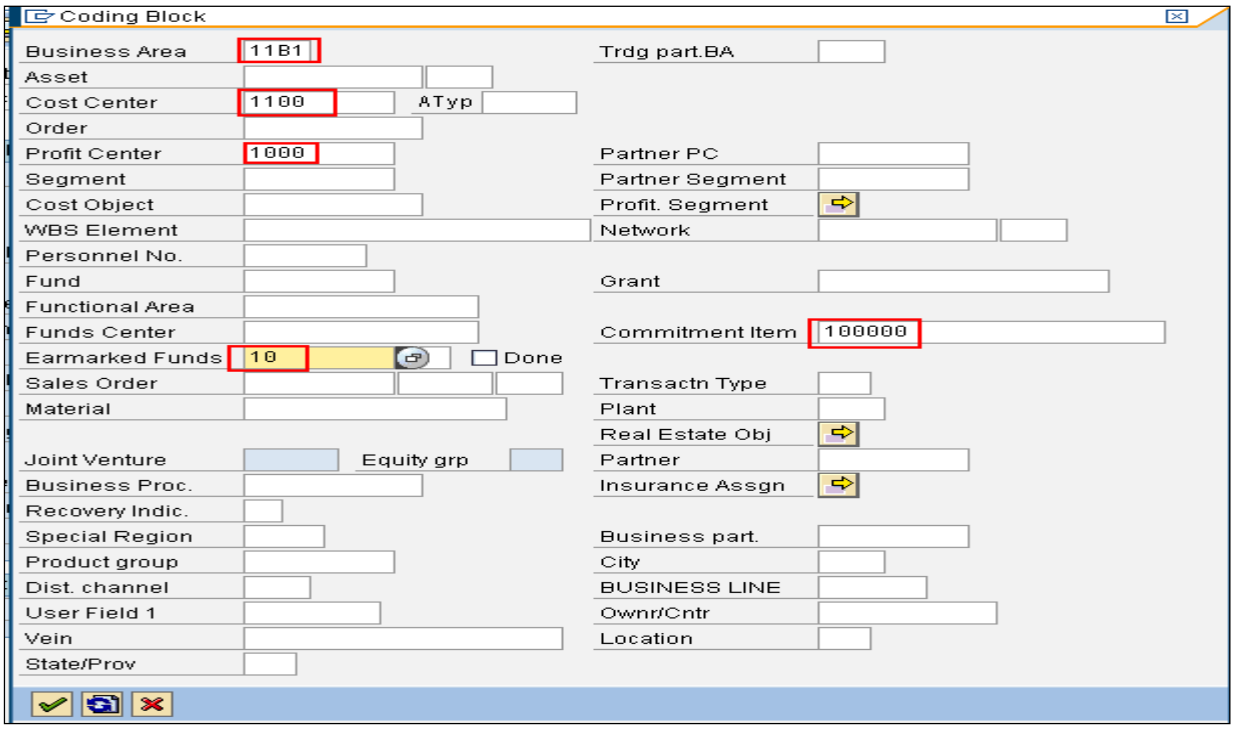


In the above screen enter invoice amount in Amount Coolum, enter Text, Pstky (Posting key that is GL Debit) and Account that is G/L Account of Purchases.
After entering above parameters click Enter button so it will display the following screen:



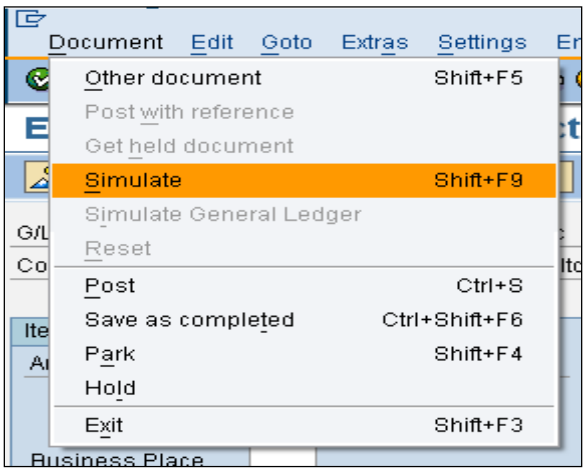
In the above screen in amount column enter " * " symbol and in text column enter " + " symbol and click on  button .

So it will display the following screen:

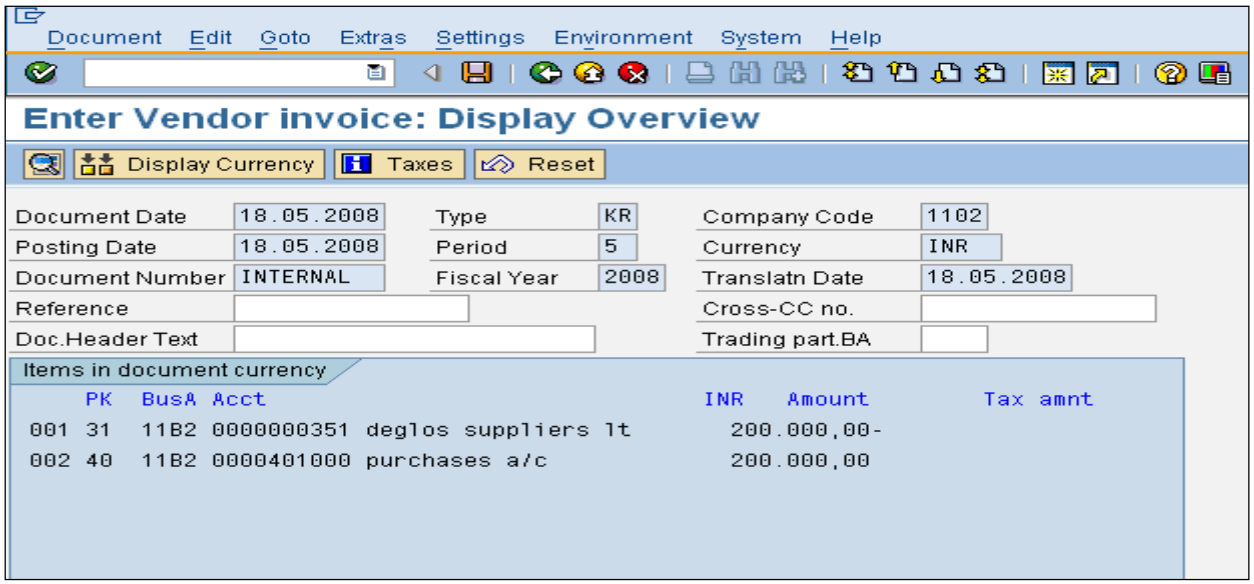


In above screen select your Business area, Cost Center, Profit Center, Earmarked Funds and pres enter button.

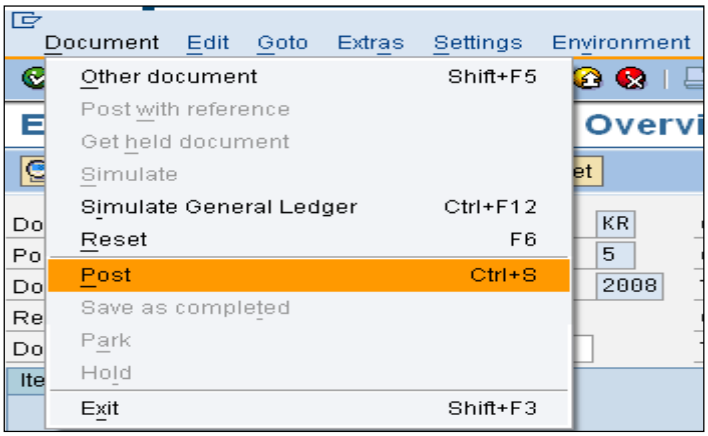
Now in the same screen go to Manu bar " Document – Simulate" as it shows below:



With is activity it will simulate the entry and shows as follow:



To post the entry go to Manu bar "Document - Post" as it shows below:



So it will post automatically to database, and issue a document number.

INTERNAL ORDERS

INTERNAL ORDER

Internal orders are used to plan, collect, analyze and monitor the cost of a specific job of cost. This can be used for collection of cost of revenue information for:

1. Overhead Cost Analysis
2. Investment Cost
3. Product Cost
4. Result Data to Know Profit or Loss.

Internal order may be settled either internally or externally. Internal orders are classified by internal order types. Internal order types are categorized by internal order categories. An internal order type provides the following default parameters to the orders:

1. Budget Profile
2. Settlement Profile
3. Planning Profile
4. Object Class
5. Functional area to be updated
6. Release Status
7. Control indicators for revenue postings
8. Commitment item & integrated Planning data
9. Field selection
10. Number Intervals

Internal orders are normally used to plan, collect, and settle the costs of internal jobs and tasks. The SAP system enables you to monitor your internal orders throughout their entire life-cycle; from initial creation, through the planning and posting of all the actual costs, to the final settlement and archiving:

Order management within a company usually differentiates between sales-oriented orders, and internal orders. Sales-oriented orders (production or sales orders) are intended mainly for the logistical control of input factors and sales activities. Internal orders are categorized as either:

- Orders used only for monitoring objects in Cost Accounting (such as, advertising or trade fair orders)
- Productive orders that are value-added, that is, orders that can be capitalized (such as in-house construction of an assembly line).

Internal order management is the most detailed operational level of cost and activity accounting. It can be used for:

- **Cost monitoring**, for example, where costs need to be looked at from object-related aspects, unlike in Cost Element Accounting or Cost Center Accounting
- **Assisting decision-making**, when you need to decide between in-house production and external procurement

An enterprise's internal orders can be used for different controlling purposes. For more information, see Classified by Controlling Objectives.

Features

- You can use master data to assign certain characteristics to your internal orders, which enables you to control which business transactions can be used with the internal order.
- Internal order planning enables you to roughly estimate the costs of a job before the order starts and to make an exact calculation at a later date. You can choose between various planning approaches to compare the effectiveness of different methods.
- You can assign and manage budgets for internal orders.
- You apply the actual costs incurred by a job to your internal orders using actual postings. In Financial Accounting, you can assign primary cost postings (such as the procurement of external activities and external deliveries) directly to internal orders.

- In period-end closing you can use various different allocation methods (for example, overhead costing) to allocate costs between different areas of Cost Accounting.

  Order settlement enables you to transfer the costs incurred by an order to the appropriate receivers.

- The information system for internal orders enables you to track planned and assigned costs on your orders in each stage of the order life-cycle.
- You can archive internal orders that you no longer require. See Archiving.

An internal order is used to monitor parts of the costs, and under certain circumstances, the revenues of the organization.

You can create an internal order to monitor the costs of a time-restricted job or the costs (and revenues, if required) for the production of activities. Internal orders can also be used for the long-term monitoring of costs.

- Overhead cost orders are used for the time-restricted monitoring of overhead costs (that are incurred when you execute a job) or for the long-term monitoring of parts of the overhead costs.

- Investment orders let you monitor investment costs that can be capitalized and settled to fixed assets.

- Accrual orders enable you to monitor period-related accrual calculation between expenses posted in Financial Accounting and the costing-based costs debited in Cost Accounting.

- Orders with revenues let you monitor costs and revenues that are incurred for activities for external partners, or for internal activities that do not form part of the core business for your organization.

- You can use model orders as a reference, when creating new internal orders.

You can find further information on the internal order types mentioned above, in Orders Classified by Content.

Defining Internal Order Types

An order type includes the following administrative information for orders:

- Is the classification active?

- Is Commitments Management active?

- Are revenue postings are allowed (an order with revenues can only be settled to a G/L account or a business segment)?
- Is the plan integration with Cost Center Accounting and Activity-Based Costing active?

- How is the status management being used?
- Which order layout should the master data display determine?

- What are the residence times for order archiving?

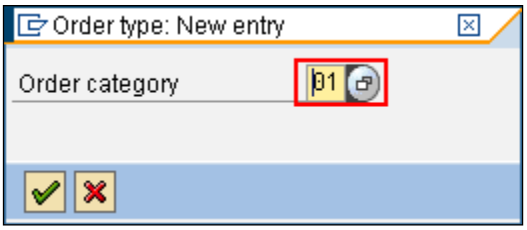
The system also uses the order type to determine default values for the various master data fields and to define given attributes for the assigned orders.

Path: SPRO→Controlling→Internal Orders→Order Master Data→Define Order Types

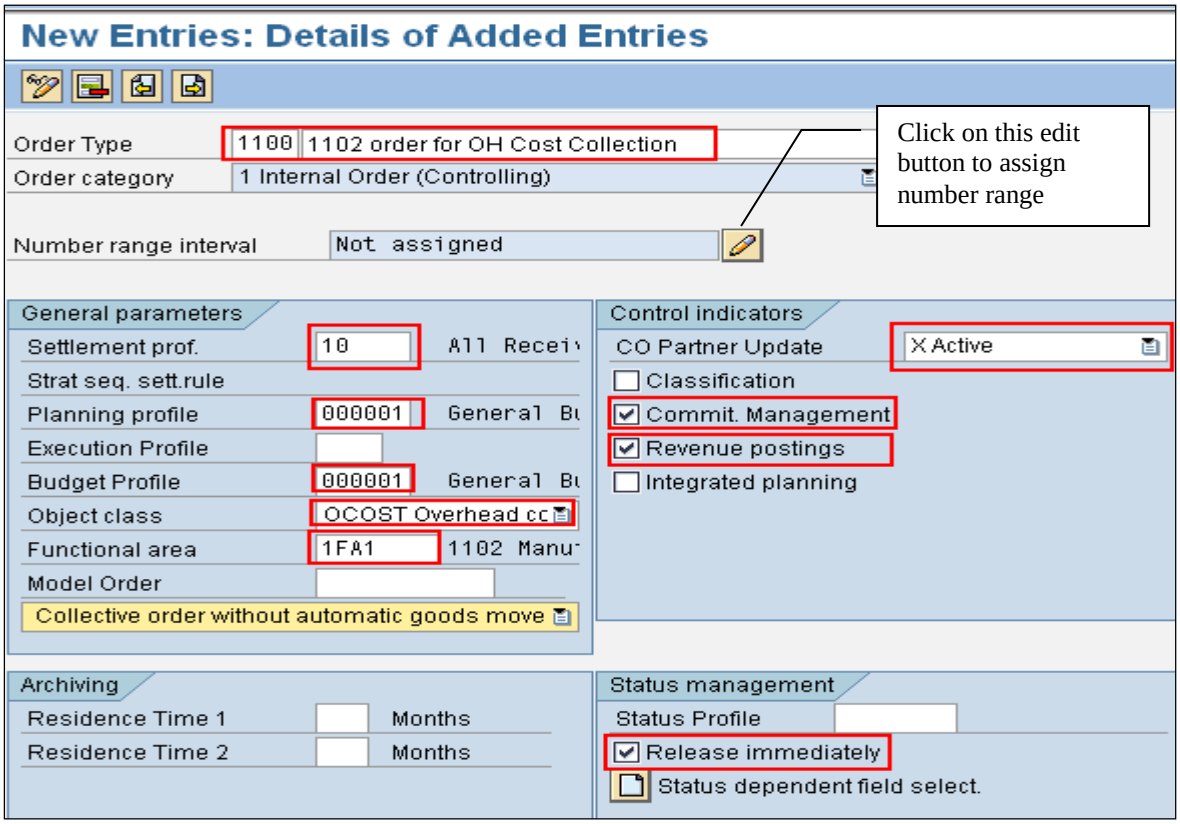
Transaction code: OKT2

Database Table: TFAWC, TFAWY, T003O, T003P, TKO01

With above path or Transaction code you will be entering to screen there click on New Entries so it will display the following window:



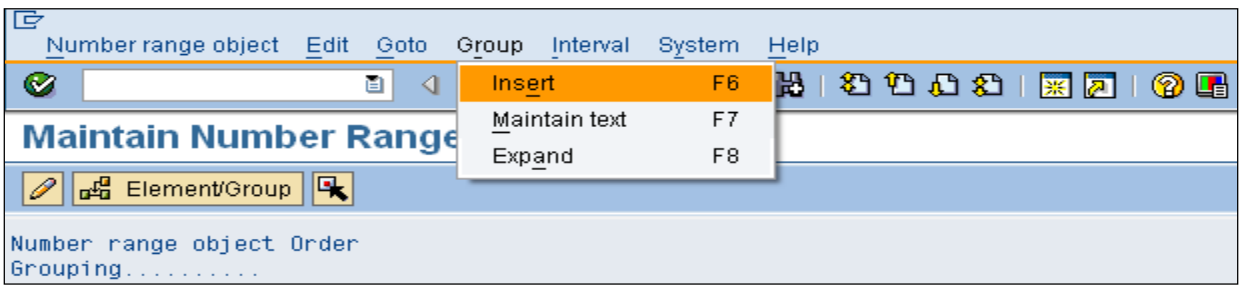
In the above small window enter "01" as Order Category and pres enter button.
So it will display the below screen:



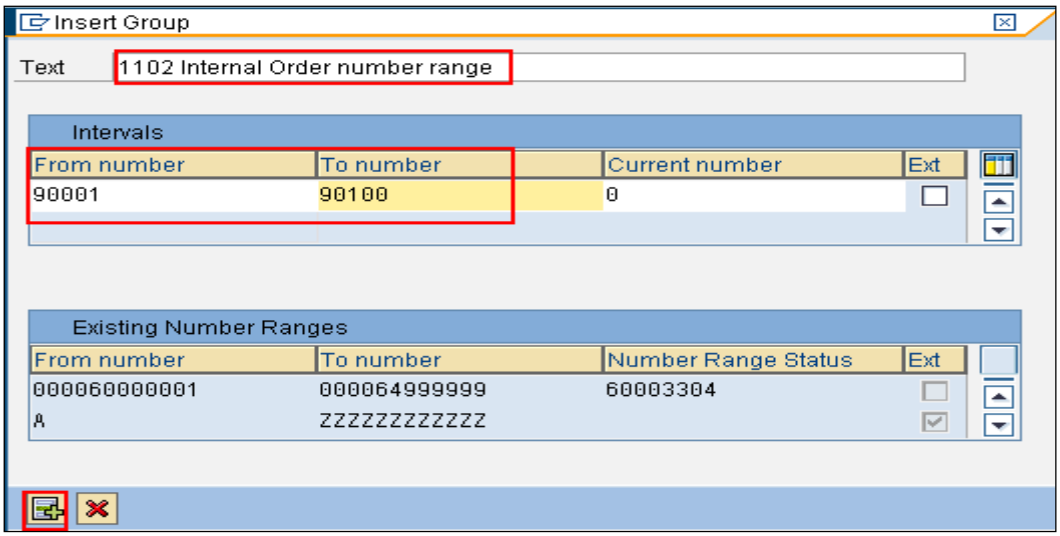
In the above screen maintain all above parameters.

In the next step u have to maintain number ranges so click on "Number range Interval Edit button  "

So it will take you to another screen as below:

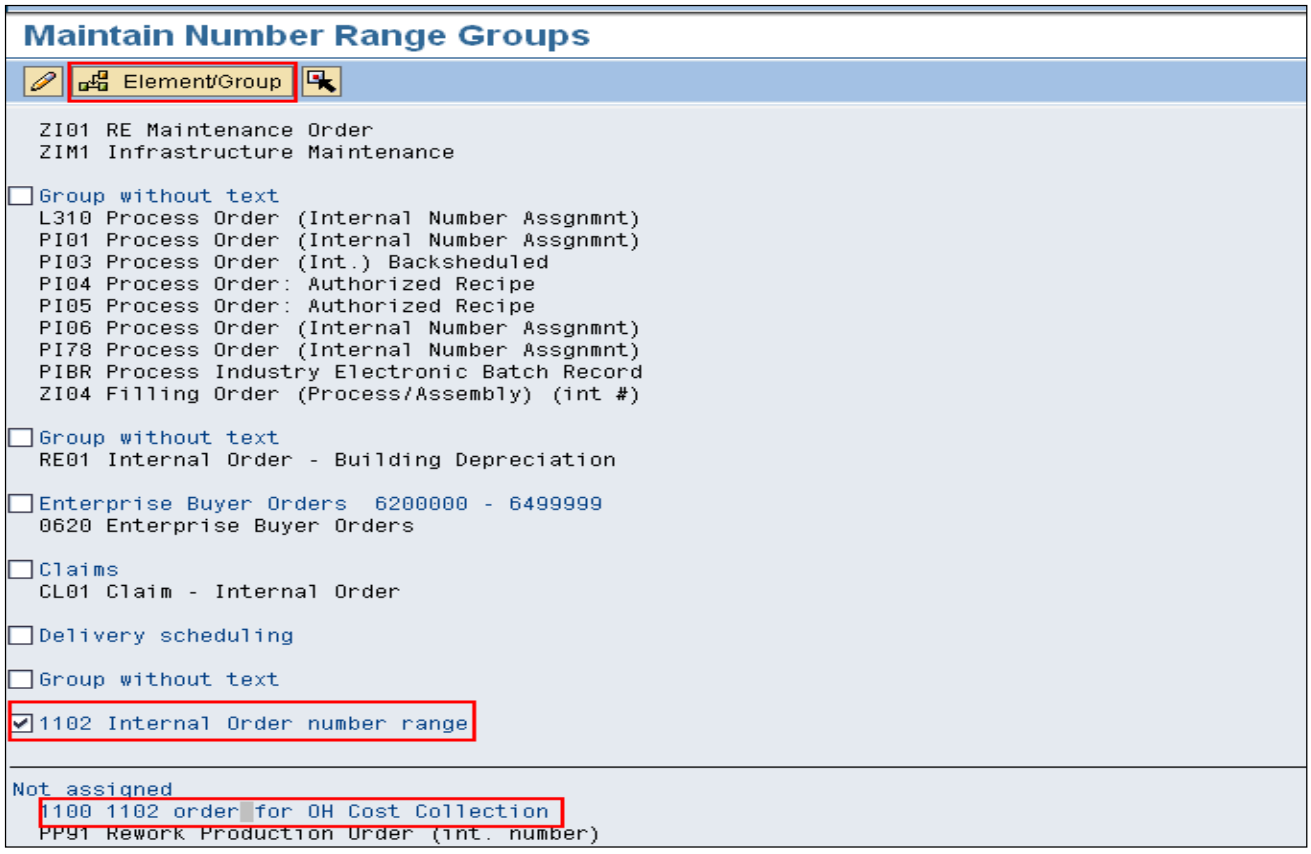


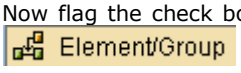
In the above screen go to Manu bar "Group – Insert " so it will display the following window:

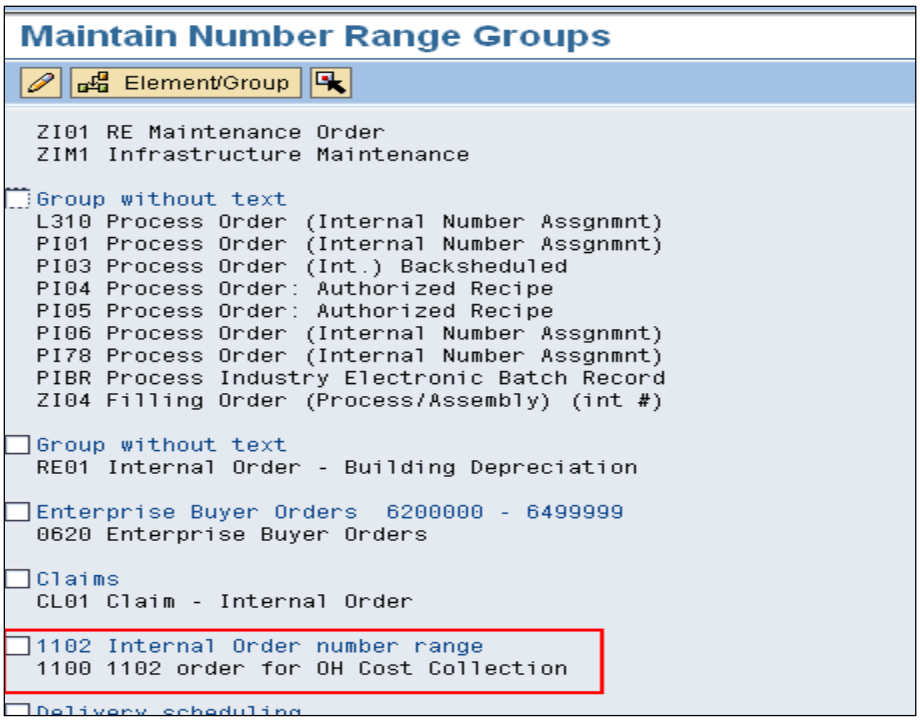


In the above screen maintain text, from number and to number.

Now click on enter button or click on  (insert) button.
So your number range will appear at he end of screen below screen



In the above screen you can watch your Internal Order number range. Now flag the check box and double click your internal order type which appears under the "Not Assigned" and click on  button. So your Internal Order Type will assign to your number range as below:



As the above screen showes your internal order type is assigned to your number range.

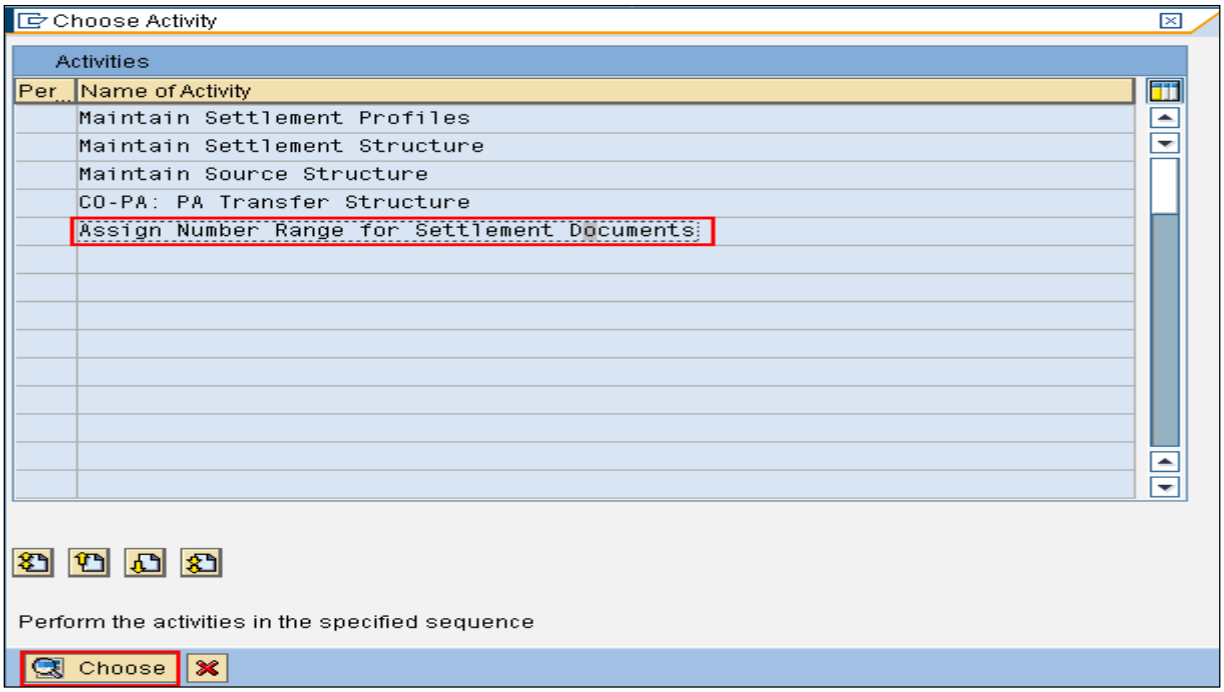
Now save the screen and back to SPRO screen.

Maintain Settlement

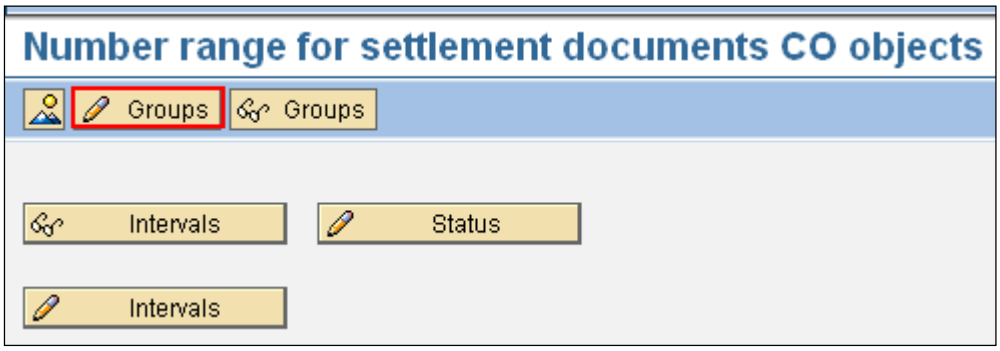
Path: SPRO→Controlling→Internal Orders→ Planning → Maintain Settlement

Transaction code: KOA1

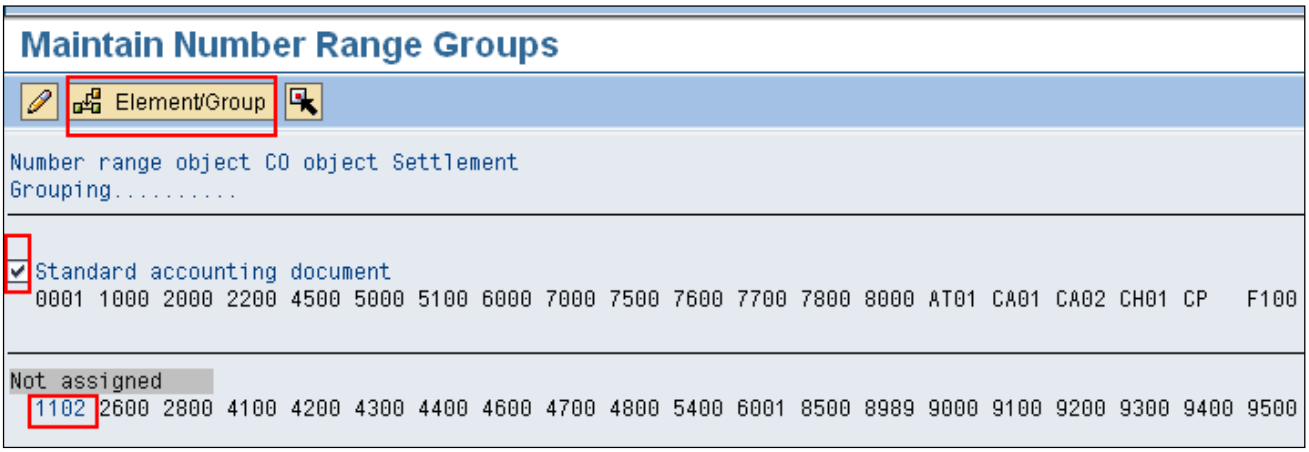
Click on above transaction, so it will display the following screen:



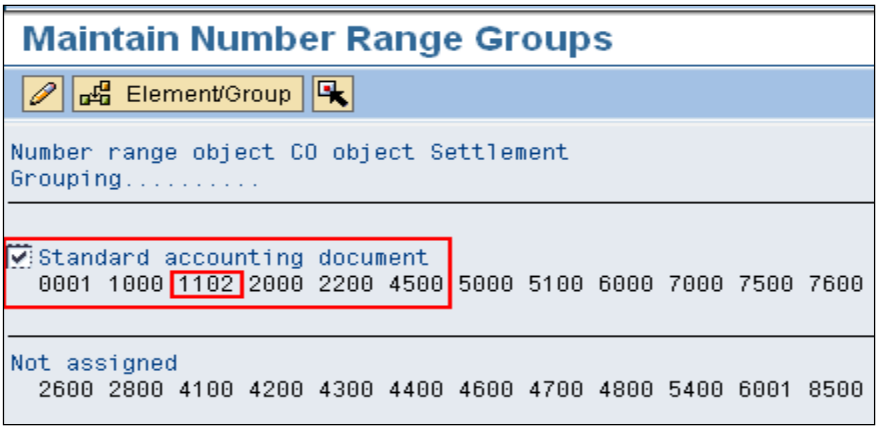
In the above screen double click on "Assign Number Range for Settlement Documents"



In the above screen click on Groups button.
So it will display below screen:



In the above screen flat the check box "Standard accounting document". Select and double click on your controlling area under "Not assigned". Now click on Element/Group button so your controlling area will automatically assigned to number range as follow:



Now save the activity and back to SPRO screen.

Define Tolerance Limits for Availability Control

Availability Control: The real time checking of the availability of funds, in order to identify possible budget under runs or overruns when funds are being committed.

Overhead Cost Orders (CO-OM-OPA): An internal active funds controlling system that can identify possible budget under runs or overruns when funds are being committed in respect of transactions assigned to projects.

Availability control can help you recognize possible budget overruns in time and can automatically trigger different actions.

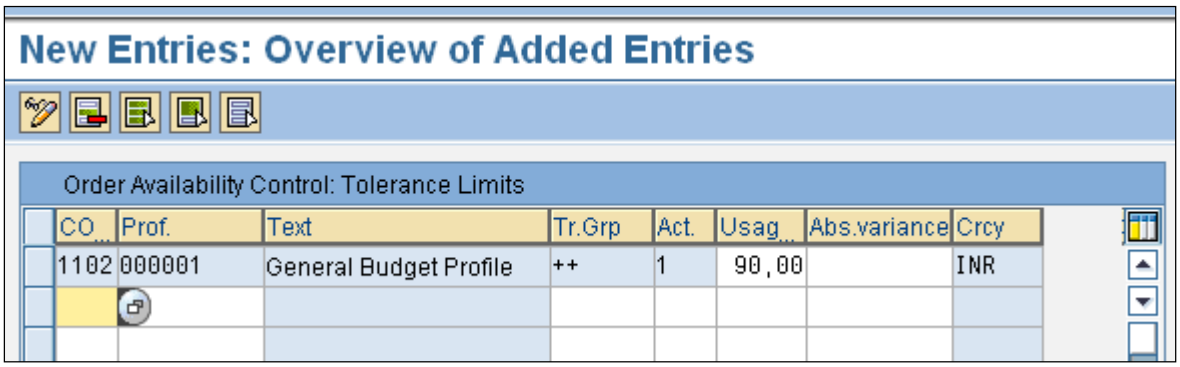
You configure availability control for each budget profile. You can define one or more tolerance limits for the different activity groups within a budget profile. When these tolerances are reached, you can have the system trigger specific actions (warning, warning with Mail, error message).

Path: SPRO→Controlling→Internal Orders→ Budgeting and Availability Control→ Define Tolerance Limits for Availability Control

Transaction code: OKOC

Database Table: TBPFD

Click on above transaction, so it will display a screen click on New Entries.
So it display the below screen:



In the above screen maintain the parameters and save the screen and back to SPRO screen.

Define Internal Order

Order Layout in the Standard

In the standard system, the order master data is structured as follows:

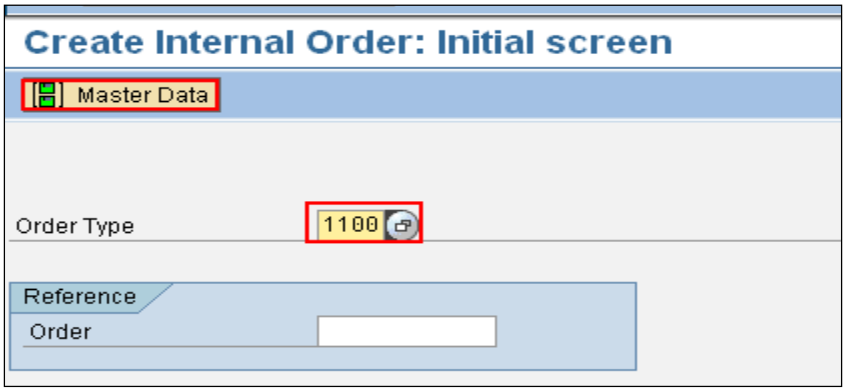
Tab page	Group box	Notes
Assignments	*Assignments*	You can maintain the organizational assignments for your order *(for example, Company code, Business area)* To specify user authorizations using the *Responsible Cost Center* For example, you can give a user authorization for all internal orders that have a given responsible cost center.
Control	*Status*	A status documents the current processing status of an internal order. It **informs** you that a particular status has been reached (for example, "Order released"), and **determines** which business transactions you can use. The SAP system differentiates between system and user statuses: • **System statuses** are set by the system and inform you that a given function has been performed on the internal order. For example, if you release an internal order for actual postings, the system automatically sets the appropriate system status. • A **User status** is a status that you define to supplement existing system statuses. You define user statuses in

		Customizing, in a status profile, and then enter this in the corresponding order type. The system and user statuses currently active for an order are displayed on the *Control Data* screen. Before executing a business transaction for an internal order, ensure that at least one active status allows it, and that none of the active statuses prohibits it.
	Control	This is where you maintain the general control parameters • *Currency* • Statistical key figure • Whether integrated planning is active When you set the indicator for internal orders or projects, note that a project cannot be plan integrated and statistical at the same time. The system also displays, for example, whether: • Revenue postings are allowed • Commitments management is active
Period-end closing	*Period-end closing*	This is where you maintain, for example: • Parameters for costing (*Results analysis key*) • Parameters for overhead costing (*Costing sheet* and *overhead key)* • Parameters for interest calculation (*Interest calculation sheet*)
	Settlement to one Receiver	This is where you maintain the parameters for order settlement to one receiver (*Settlement cost element* and receiving *Cost center* or receiving *G/L account*). To settle more than one receiver, choose *Settlement rule.* The settlement rule consists of one or more distribution rules, which define the distribution for the costs incurred on the order to the various receivers. You can find more information on this subject under:
General data	*General data*	In this sub screen you maintain general data, such as *Applicant* and *Responsible person* for the order. This data is for information purposes only and is not checked by the system.
Investments	*Investment management*	This is where you maintain all the parameters required for capital investment orders (for example, *Investment profile, Scale, Investment reason*)
	Assignment to investment program / Appropriation request	This is where you assign the order to one or more investment program items.
	Simulation data for depreciation	This is where you maintain the data for asset depreciation of the investment order (for example *Asset class).*
	Joint venture	This is where you maintain all the additional parameters you need to use the *Joint Venture* component. The system only displays this group box when you activate the component.

Path: Accounting→Controlling→Internal Orders→Master Data→Special Functions→Order→KO01 – Create

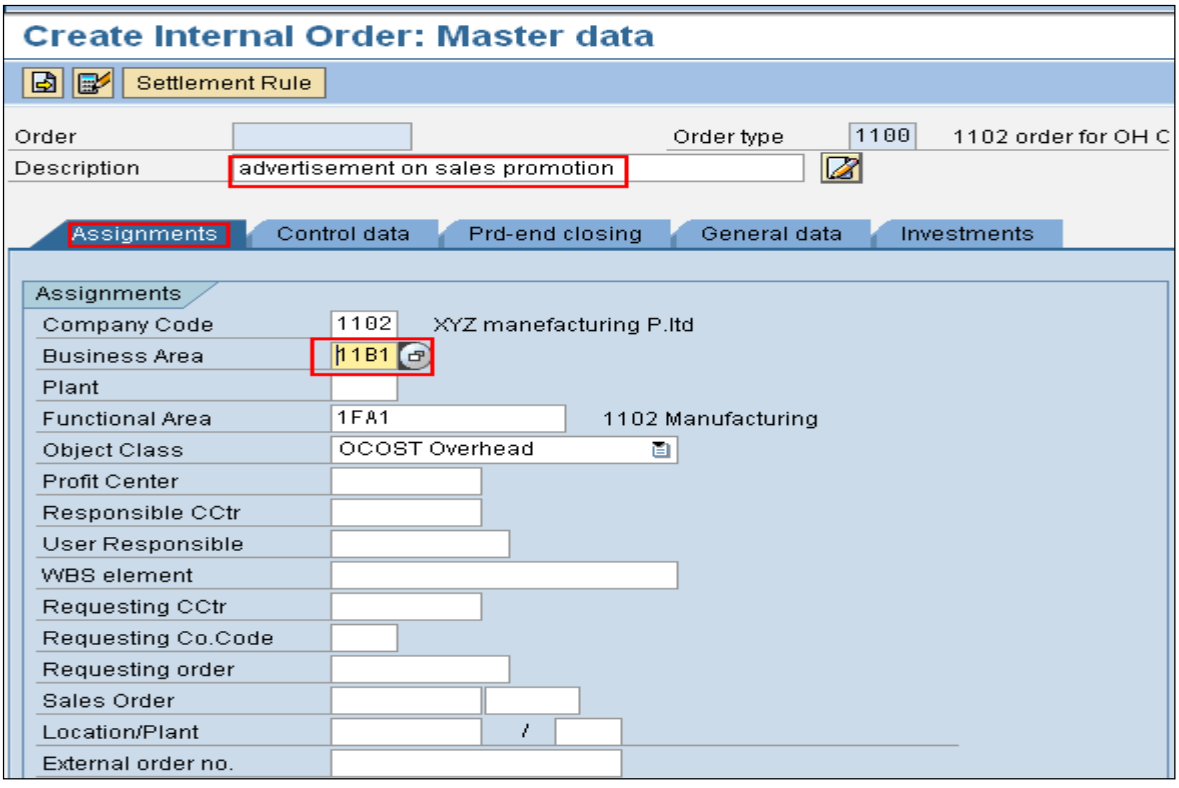
Transaction Code: KO01 - Create

Enter to screen with above transaction code:

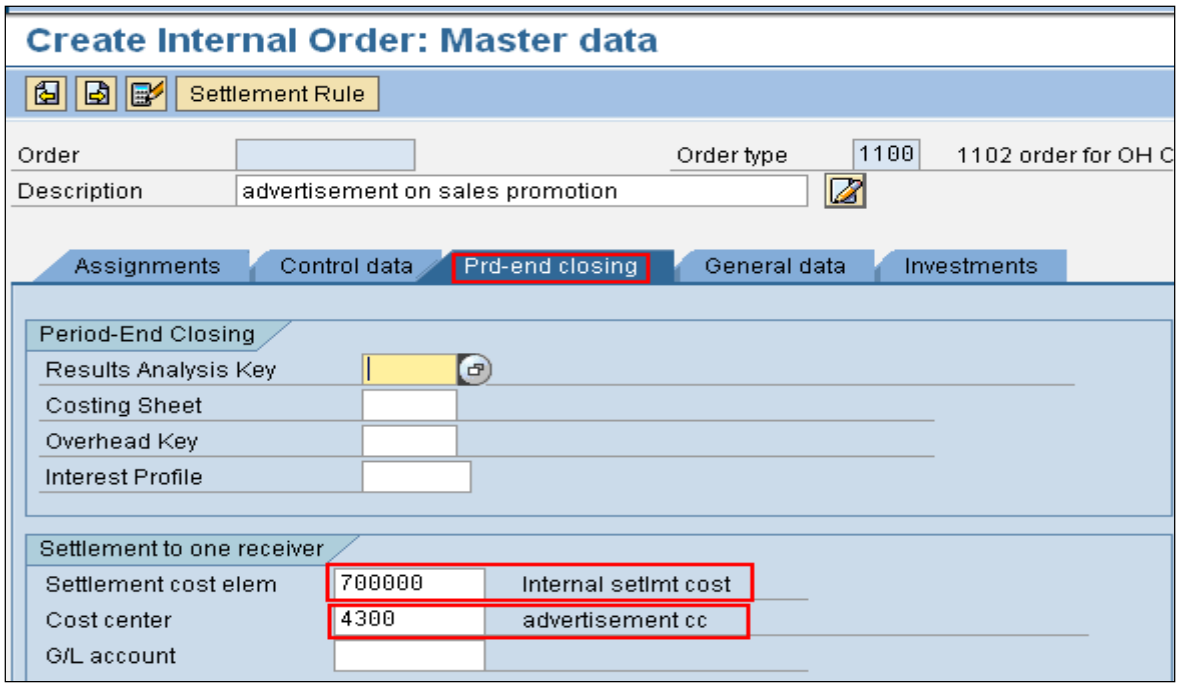


In the above screen entry your "Order Type" which you created above steps.

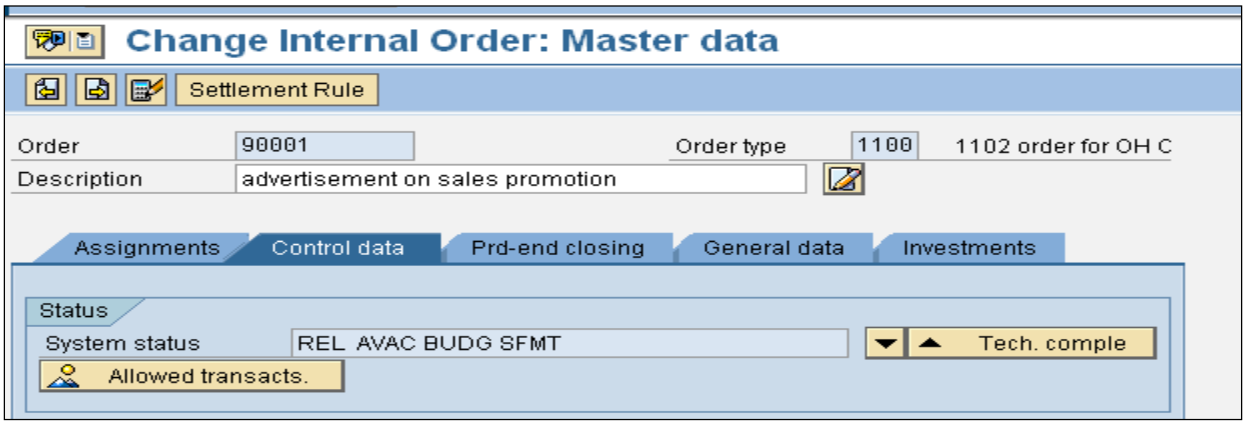
Now pres enter or click on Master Data button so it enter into following screen:



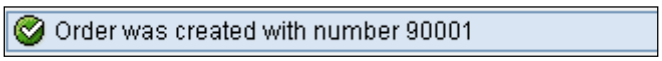
In the above screen enter the text and other parameters as you required and go to tab "Prd-end closing"
It will as below:



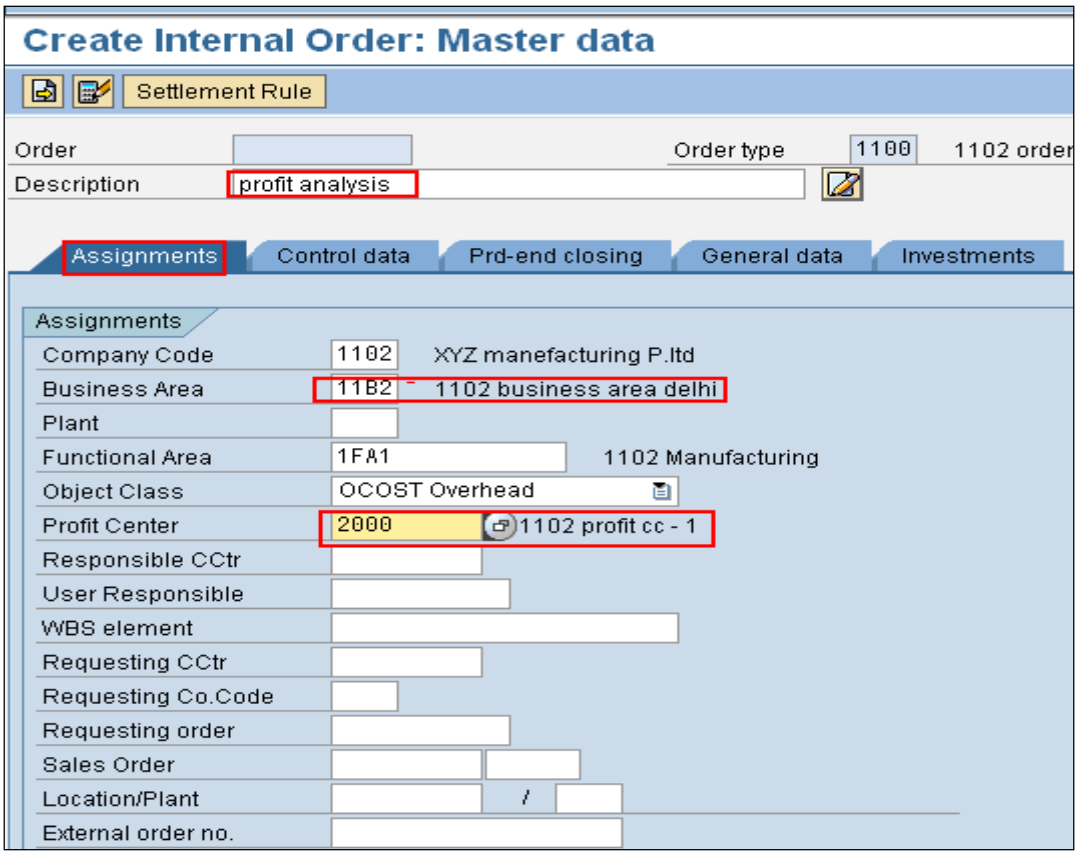
In the above screen we entered the "Settlement Cost element" and "Cost Center" now clicks on tab "Control data":



In the above screen your System Status should be "REL SFMT".
Now save the order. When u save the order it will save with a number that will display in the status bar as bellow.

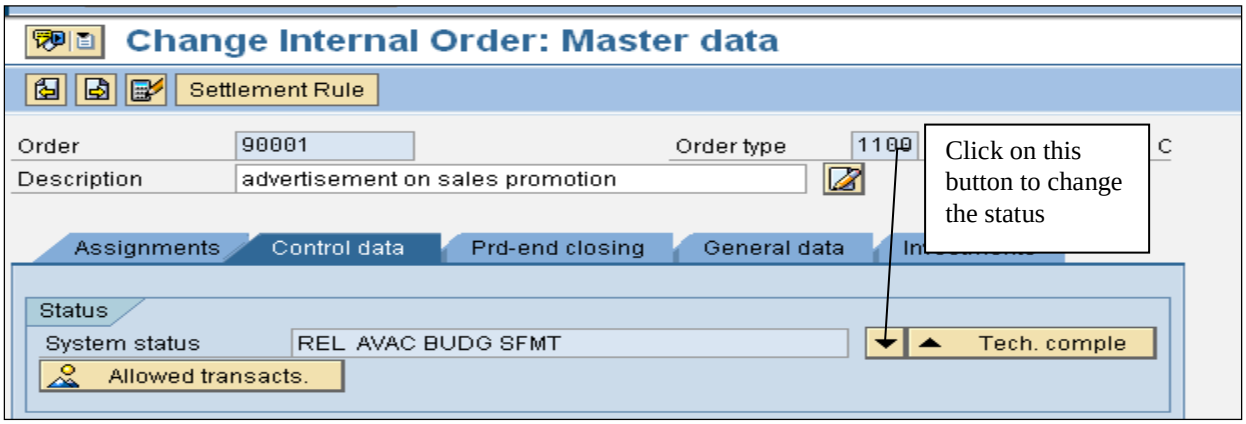


The above 90001 is the first internal order number.
To create another internal order pres enter button again



Maintain the above parameters under tab "Assignments" and go to another tab "Control Data"

In the above screen we entered the "Settlement Cost element" and "Cost Center" now clicks on tab "Control data":



In the above screen your System Status should be "REL SFMT".

Now save the order. When u save the order it will save with a number that will display in the status bar as bellow.

The above 90002 is another internal order number.

Like this we can create any number of internal as per the client requirement.

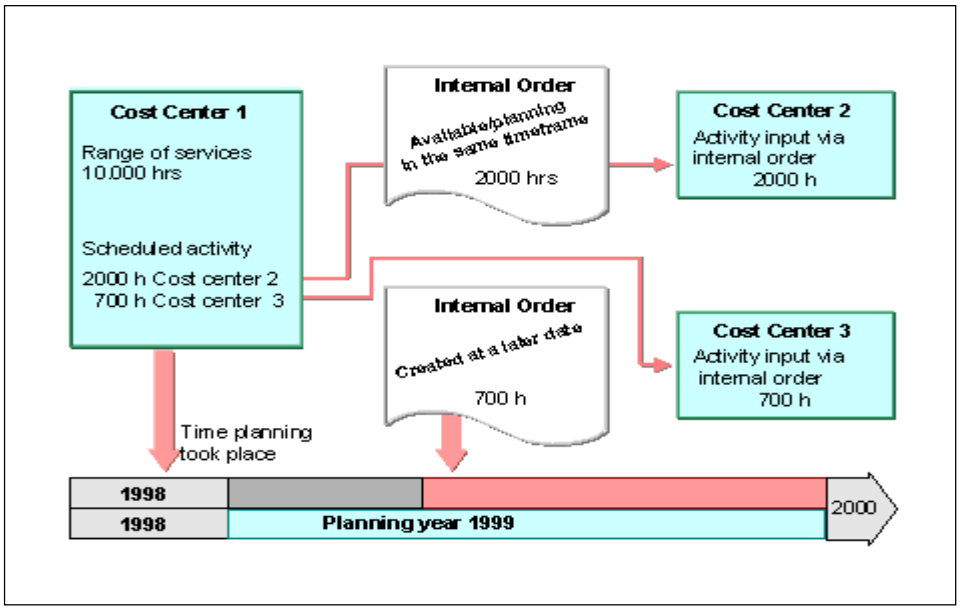
Plan Figures to Internal Orders

Integrated Planning for Internal Orders

Integrated planning for Internal Orders with Cost Centers or Business Processes

In integrated planning for internal orders, cost centers or business processes, you can integrate cost element and activity input planning for an internal order with cost center or business process planning. You can do this in a plan version. All the planned business allocations on the internal order (also repostings, assessments and so on) are then automatically updated on the sender/receiver cost center, or on the sender/receiver business process.

You can only use integrated planning for Internal Orders with Cost Center Accounting or Activity Based Costing, if the internal order already exists at the time of cost center or business process planning. You cannot lock the plan version. You can only plan locally for internal orders that are not plan-integrated. The same applies to internal orders that did not exist when you planned the cost centers or business process. You can also manually plan costs and activities on receiver cost centers or business processes, when required.

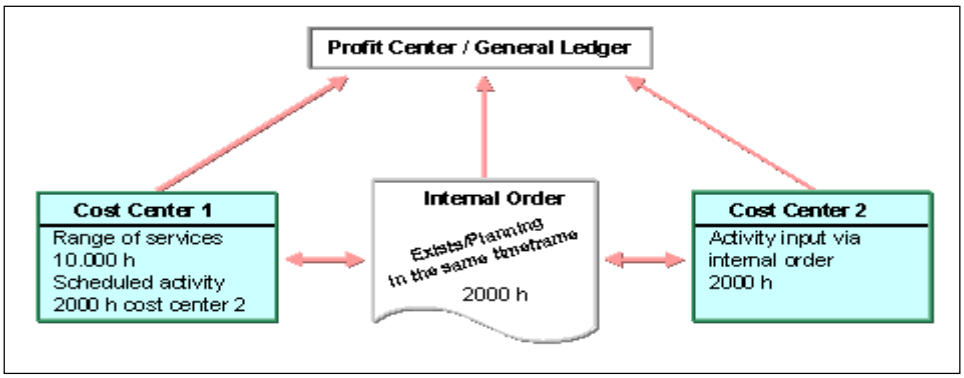


Cost center two plans to take 2000 production hours from cost center one, using an internal order. The planning of activities on the cost center and internal order can be integrated, because the internal order already exists in the system, and the same time horizon is planned. If integrated planning is active, the scheduled activity for the order is updated on cost center one. The settlement of the internal order in the plan is updated on cost center two (the receiving cost center).

Cost center three plans to take 700 production hours from cost center one. No internal order exists at the time of cost center planning. The internal order is created later and so cannot be integrated into planning. You need to execute cost center planning manually, and independently from order planning.

Integrated Planning of Internal Orders with Profit centers, and the Extended General Ledger

If you activate integrated planning with Profit Center Accounting and the Extended General Ledger, the system transfers planning data for internal orders and Cost Center Accounting to Profit Center Accounting and the Extended General Ledger.

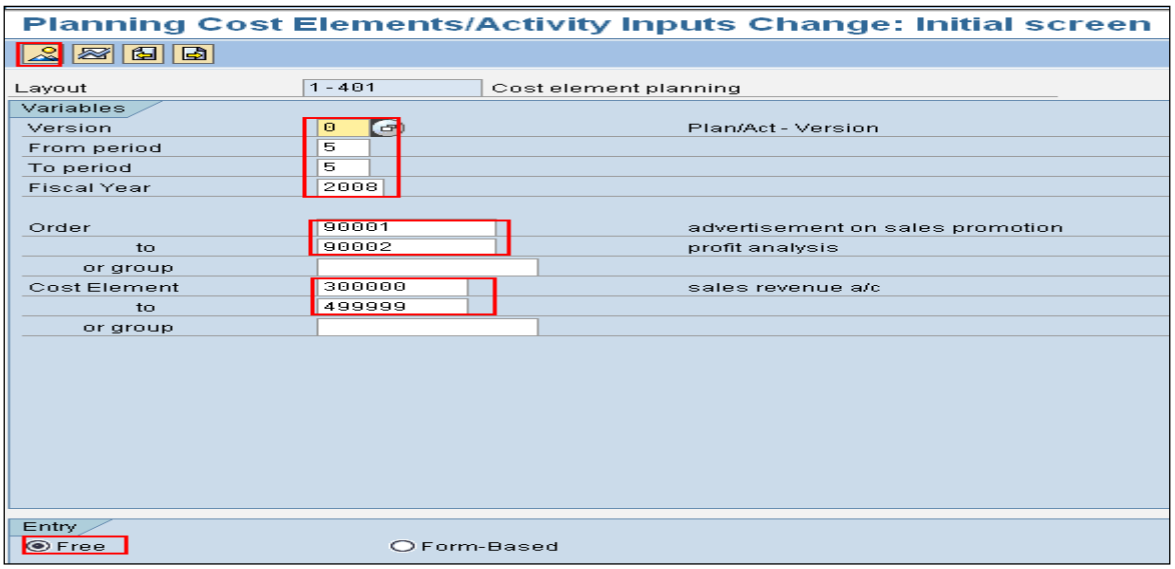


You need to activate the *Integrated Planning* indicator in the version. This ensures that the system makes the planning data for internal orders available to other applications in the SAP system.

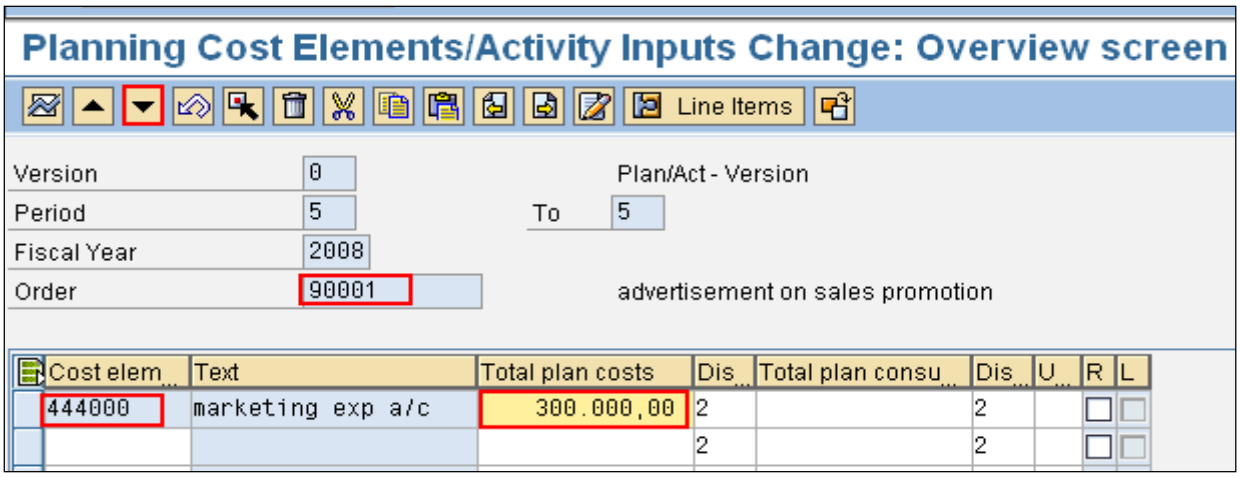
Path: Accounting→Controlling→Internal Orders→ Planning → Cost and Activity Inputs → KPF6 - Change

Transaction Code: KPF6

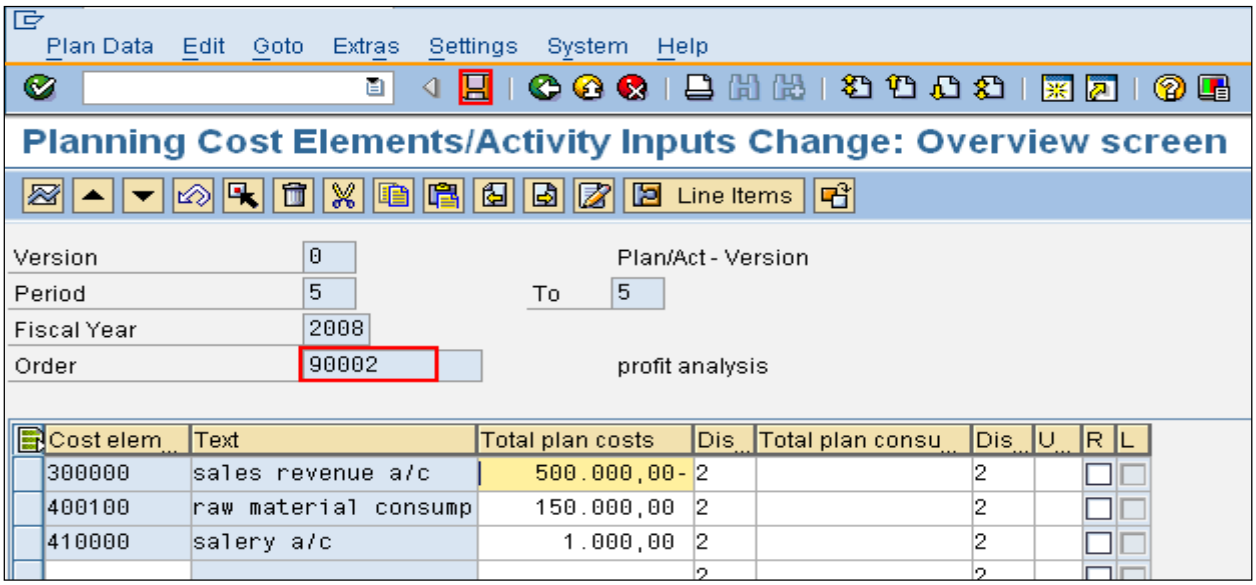
Enter to screen with above transaction code:



In the above screen maintain all parameters and pres on "overview screen" button 
So it takes you to the following screen as follow:



In the above screen enter the Cost element and Total plan cost values for order "90001 – Advertisement" and click on Next Combination button .
So it will display next combination as below:



In the above screen enter all relevant values to order "90002 – Profit analysis"
Save the screen and back to easy access screen.

Budgeting for orders

The budget is the approved cost structure for an internal order or an order group.

In contrast to planning, budget management is binding. In the planning phase you need to estimate costs, whereas during the *approval phase*, funds are prescribed by the budget.

The following different budget types exist:

- **Original** **Budget**
  This is the budget originally assigned, **before** any updates were made.

- **Budget** **Updates**
  Unforeseen events, additional requirements, for example, price rises for external activities, and so on. This may mean you need to update the original budget, in the form of:

- Supplements
- Returns

- **Current** **Budget**
  This is derived from the budget types already mentioned:

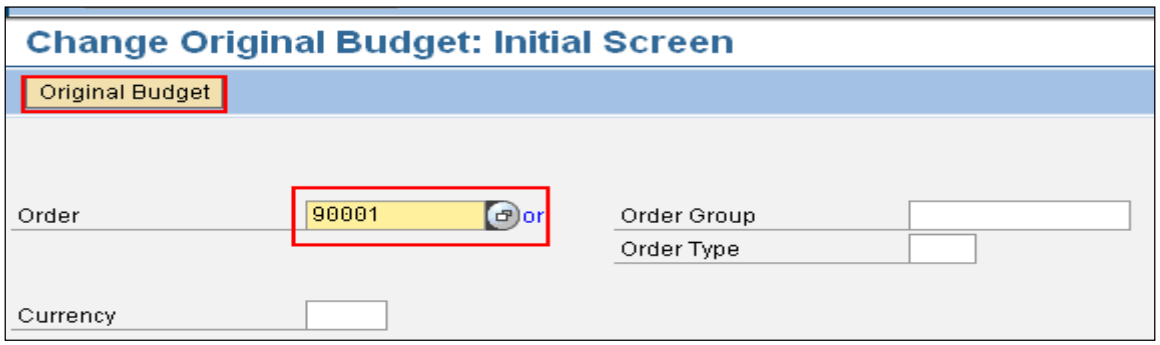
	Original budget
+	Supplements
-	Returns
=	**Current budget**

The method for assigning and updating budget and for configuring availability control for internal orders or order groups is similar to that for projects, except that projects are organized in a hierarchy.

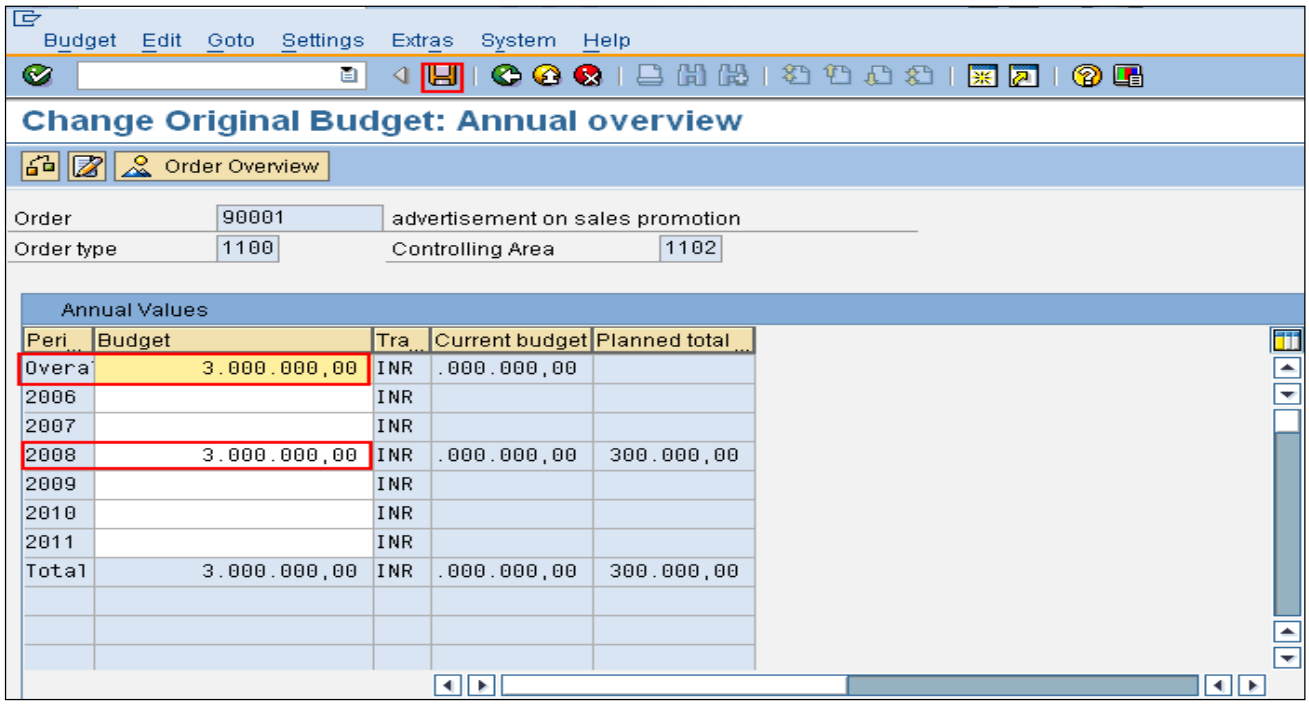
Path: Accounting→Controlling→Internal Orders→ Budgeting → Original Budget → KO22 - Change

Transaction Code: KO22

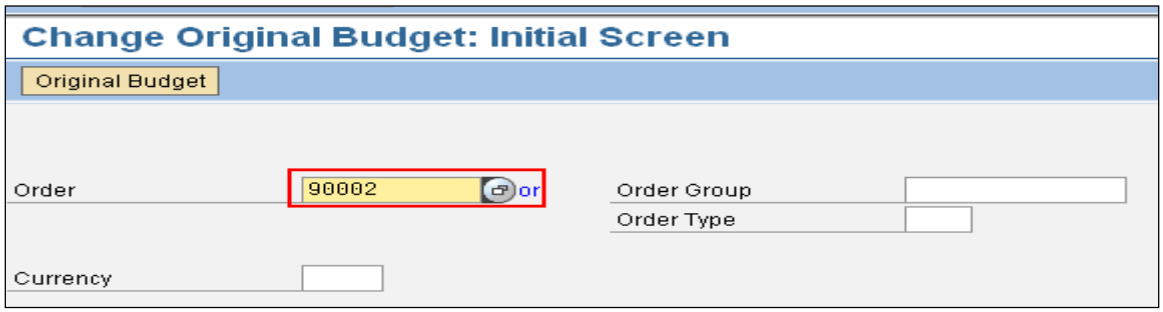
Enter to screen with above transaction code:



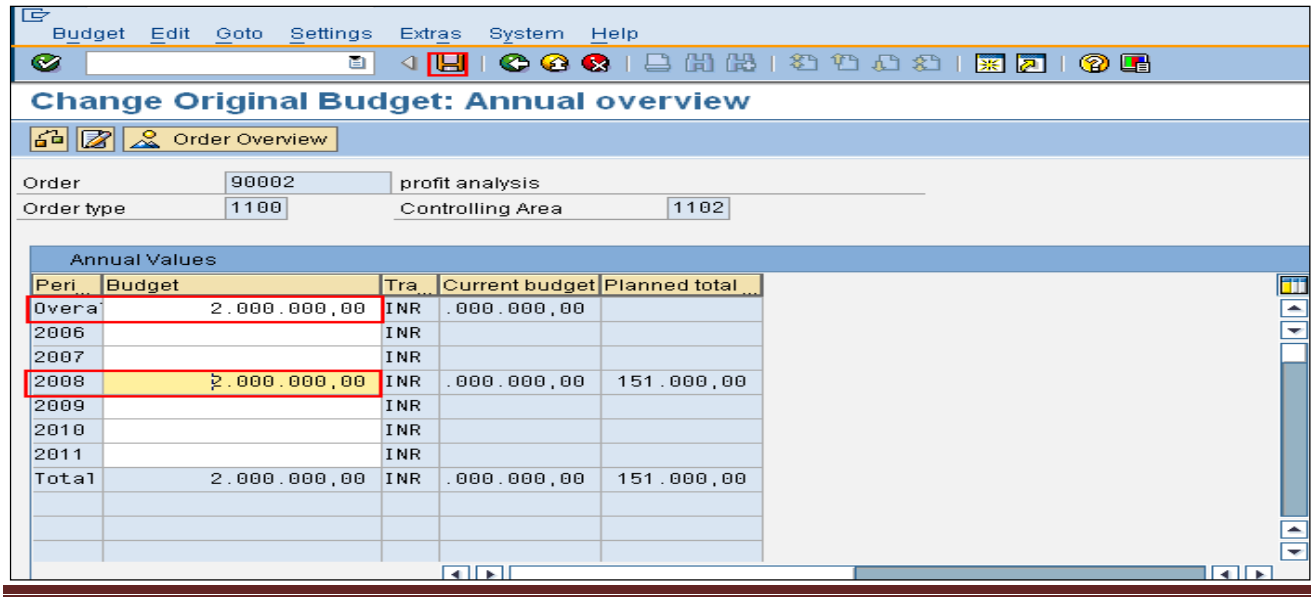
In the above screen enter your order number and pres enter or click on Original Budget button.
So it will display the screen as bellow:



In the above screen enter the values for "overall", "2008" and save the screen.
It takes to previous screen. Now enter another order as below:



In the above screen enter your order number and pres enter or click on Original Budget button.
So it will display the screen as bellow:

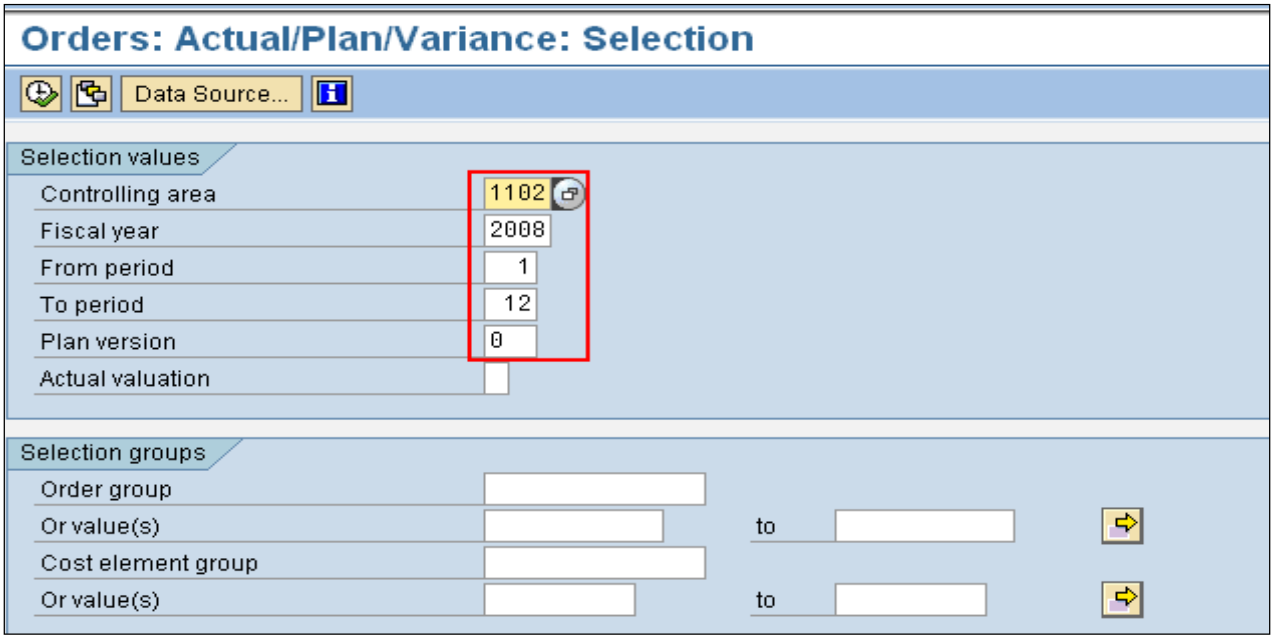


In the above screen enter the values for "overall", "2008" and save the screen and back to easy access screen.

Display Internal Order Information

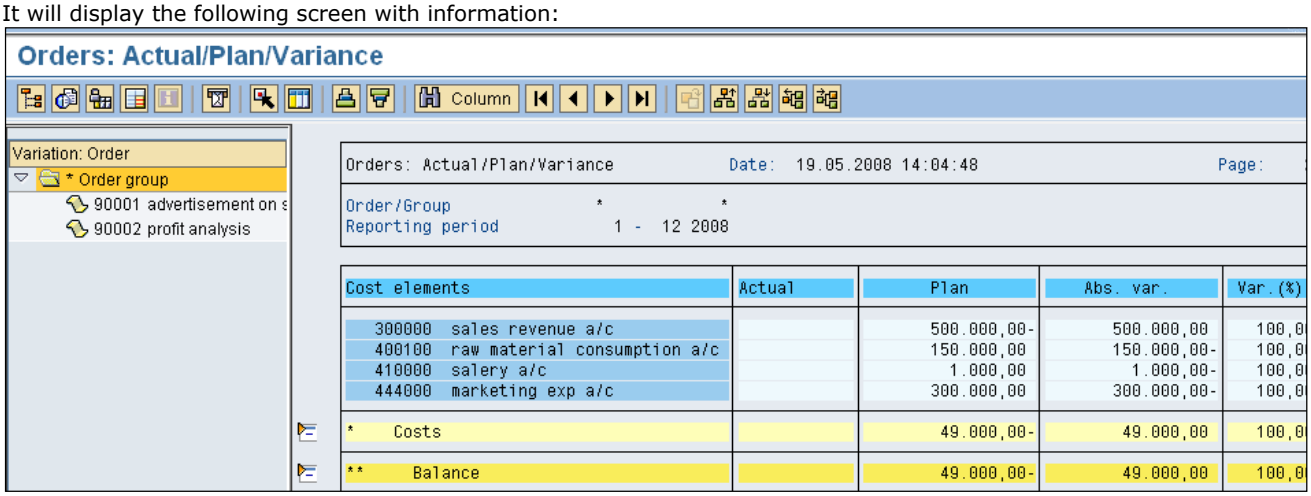
Path: Accounting→Controlling→Internal Orders→Information System→Reports for Internal Orders→Plan/Actual Comparisons→S_ALR_87012993 - Orders: Actual/Plan/Variance.

It will display the following information:



In the above screen maintain the above information and click on  button.

It will display the following screen with information:



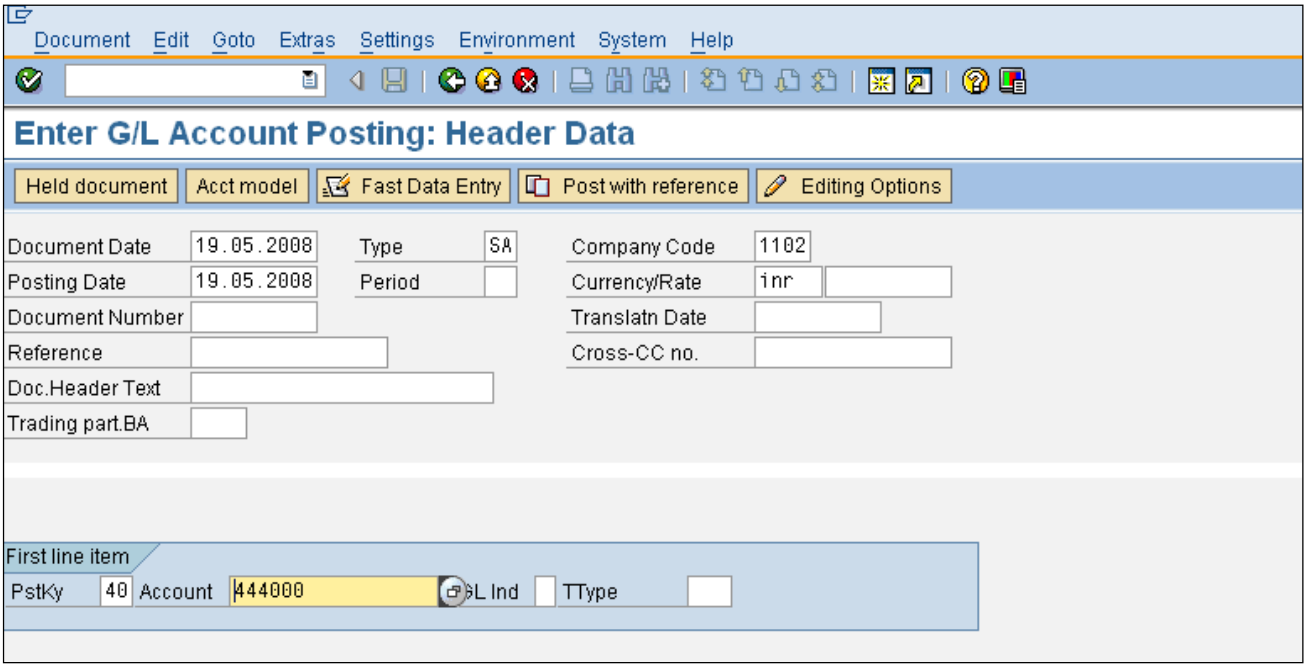
In the above screen it displays the plan, variance values. Once have a look on that and back to easy access.

Post Actual posting

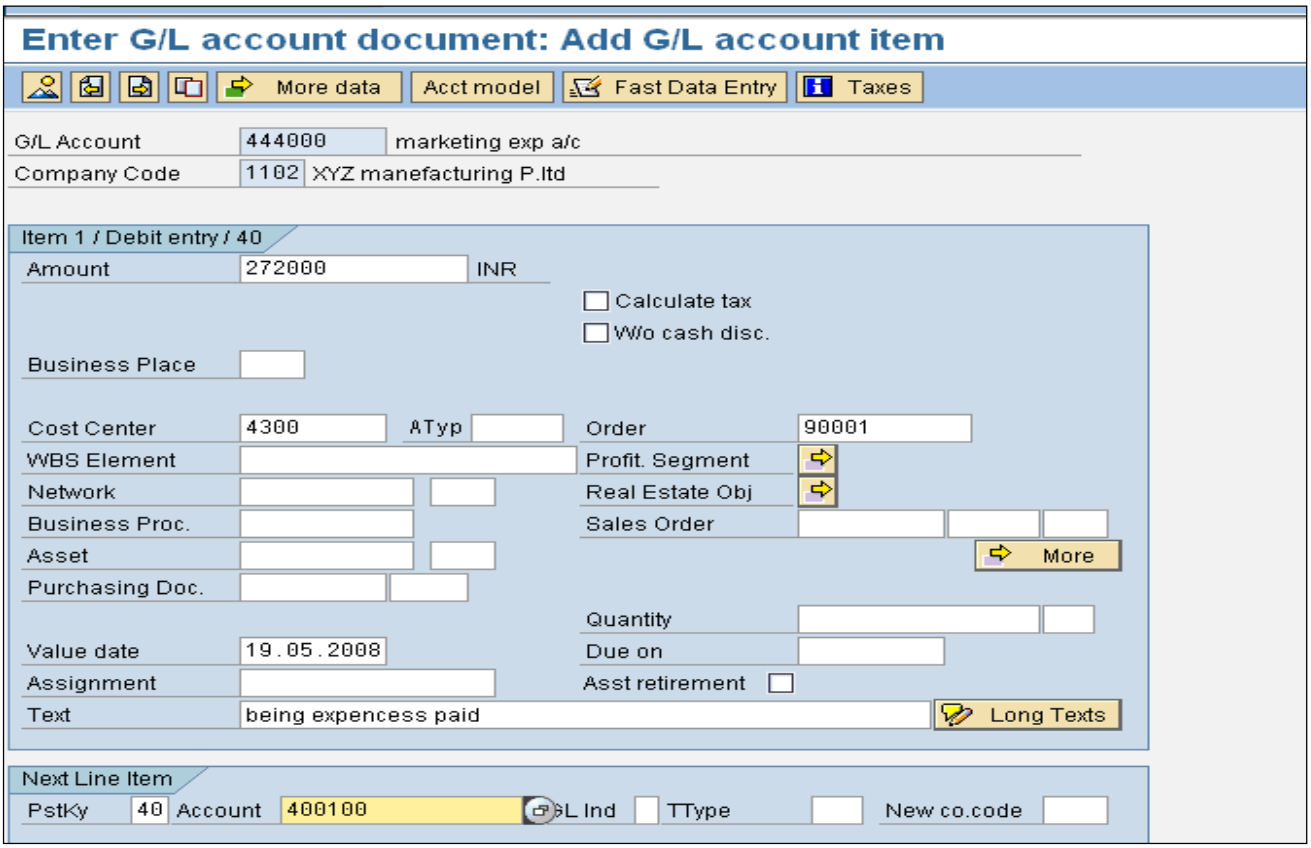
Path: Accounting→Financial Accounting→General Ledger→Posting→F-02 - General Posting

Transaction code: F-02

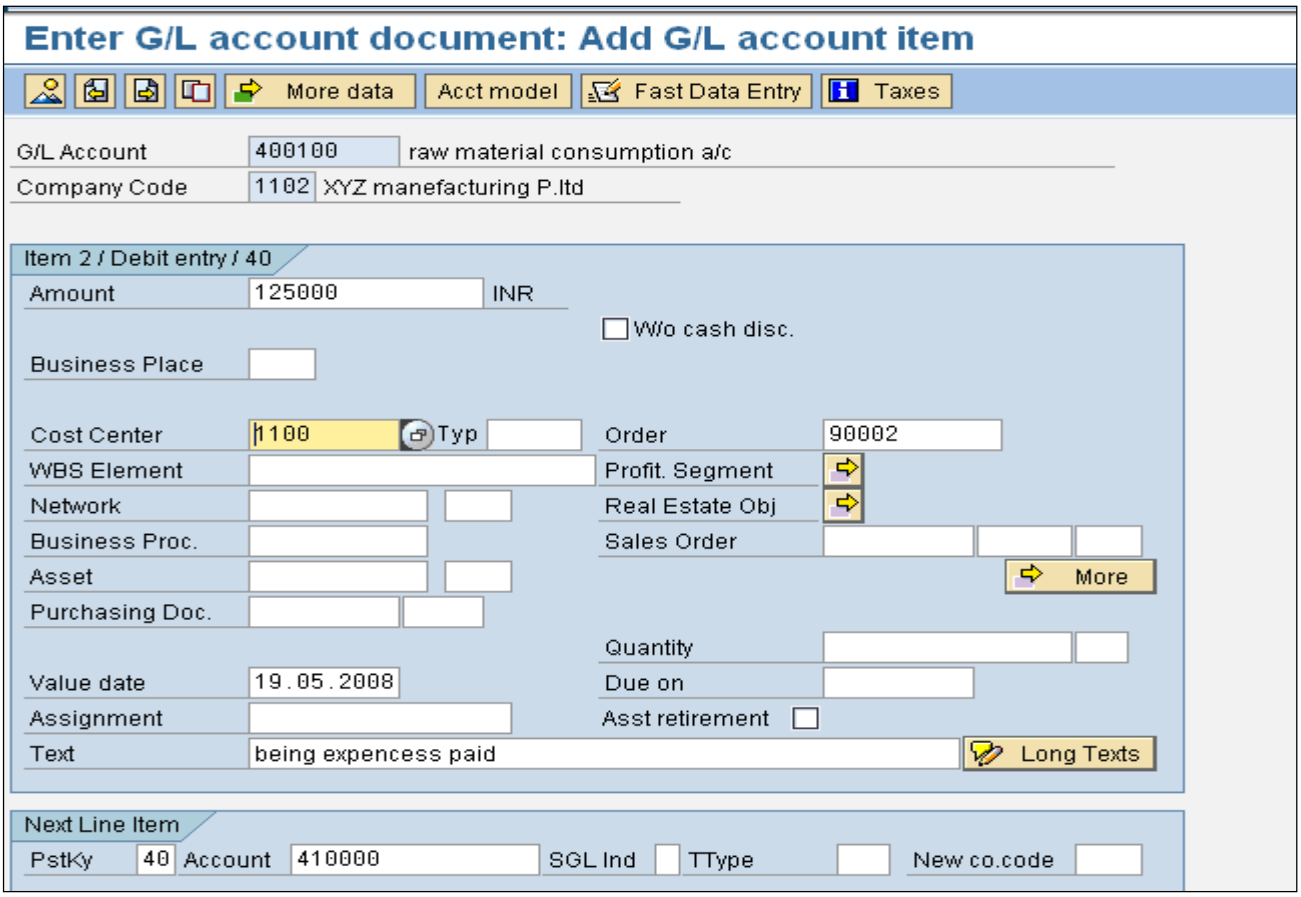
It will goto the following screen:



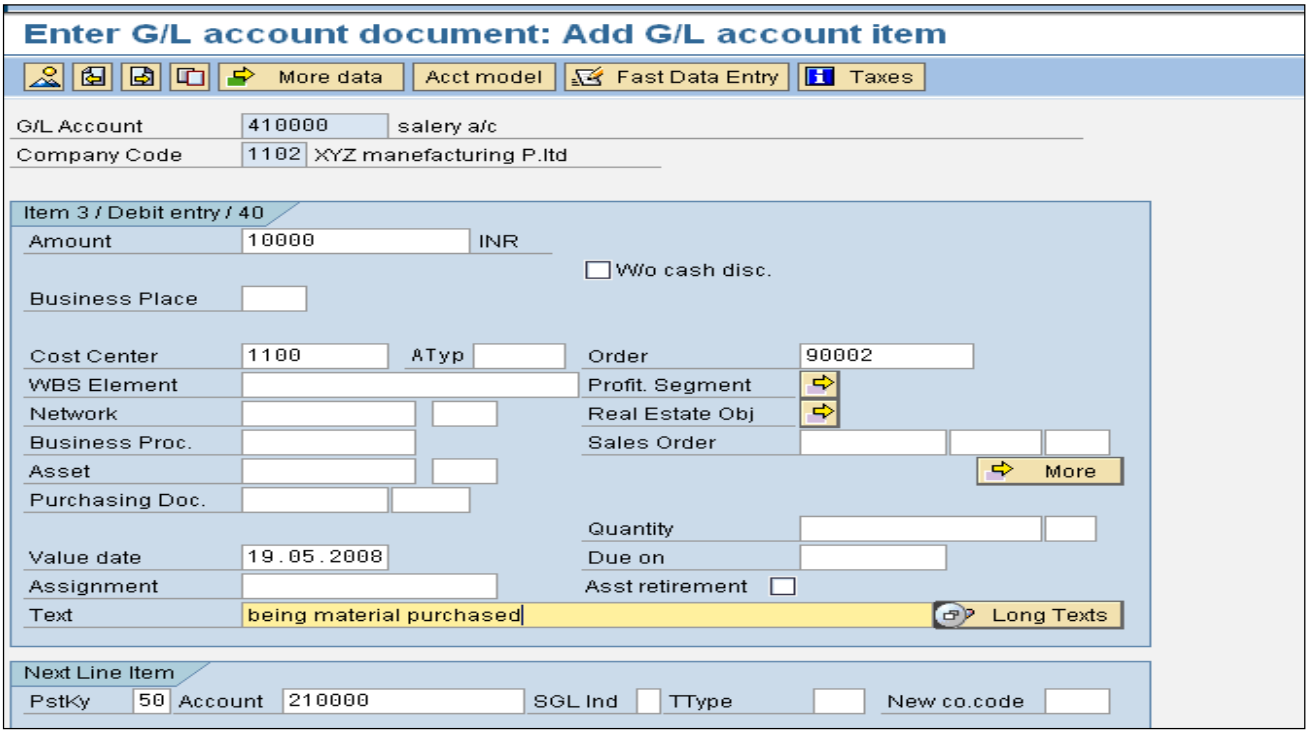
Once you enter the above parameters click on enter button so it will take to following screen:



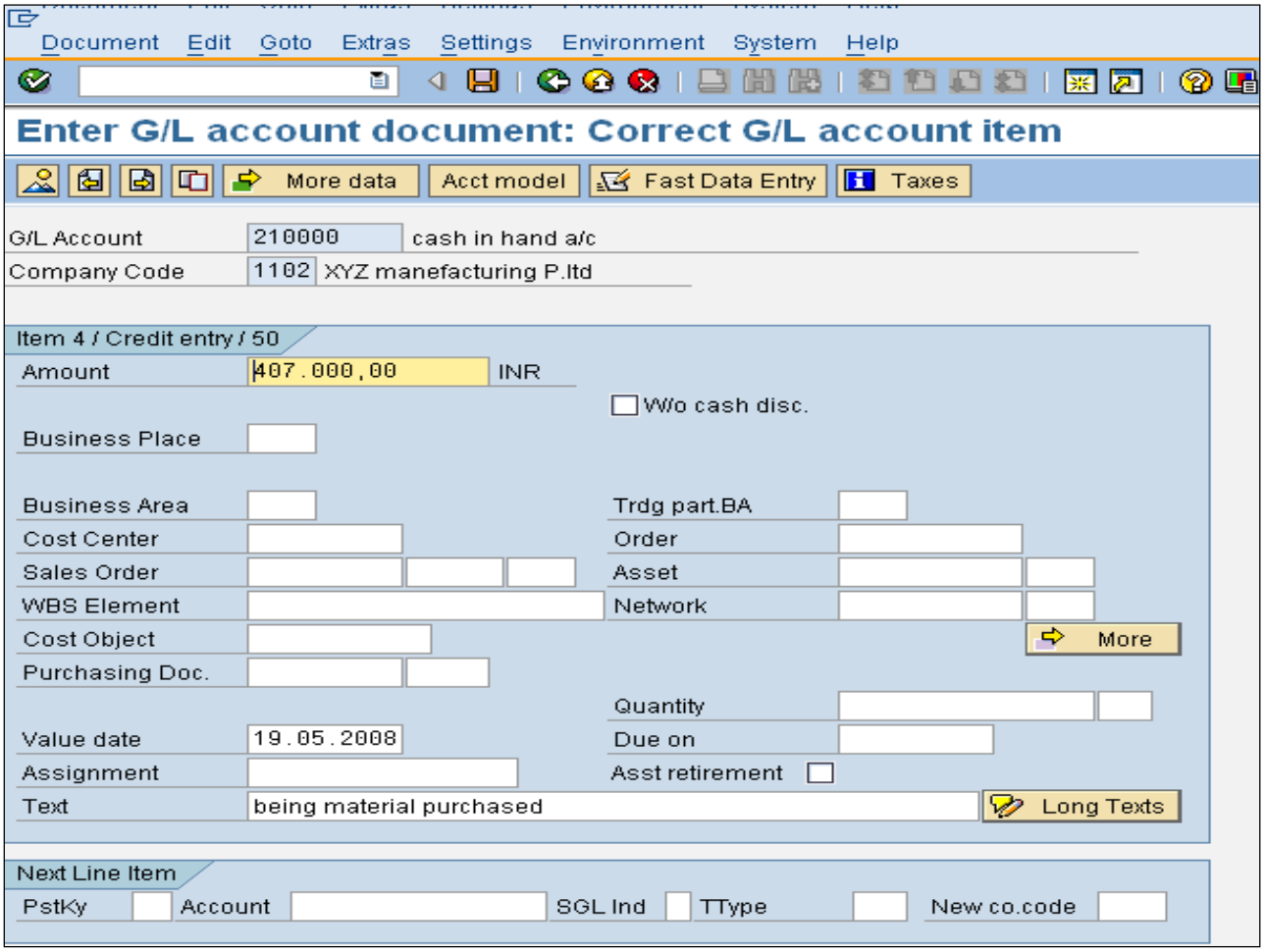
In the above screen maintain Amount, Cost Center, Order, PStky (Posting key), Account and click on enter button.
It will display another screen as below:



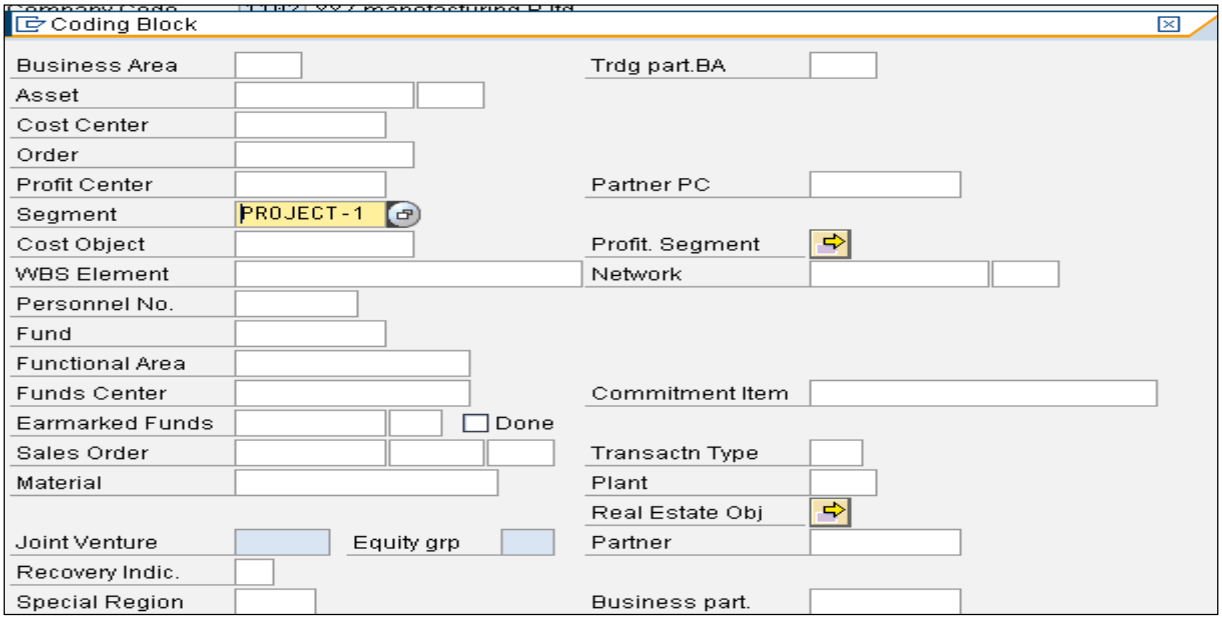
In the above screen maintain Amount, Cost Center, Order, PStky (Posting key), Account and click on enter button. It will display another screen as below:



In the above screen maintain Amount, Cost Center, Order, PStky (Posting key), Account and click on enter button. It will display another screen as below:

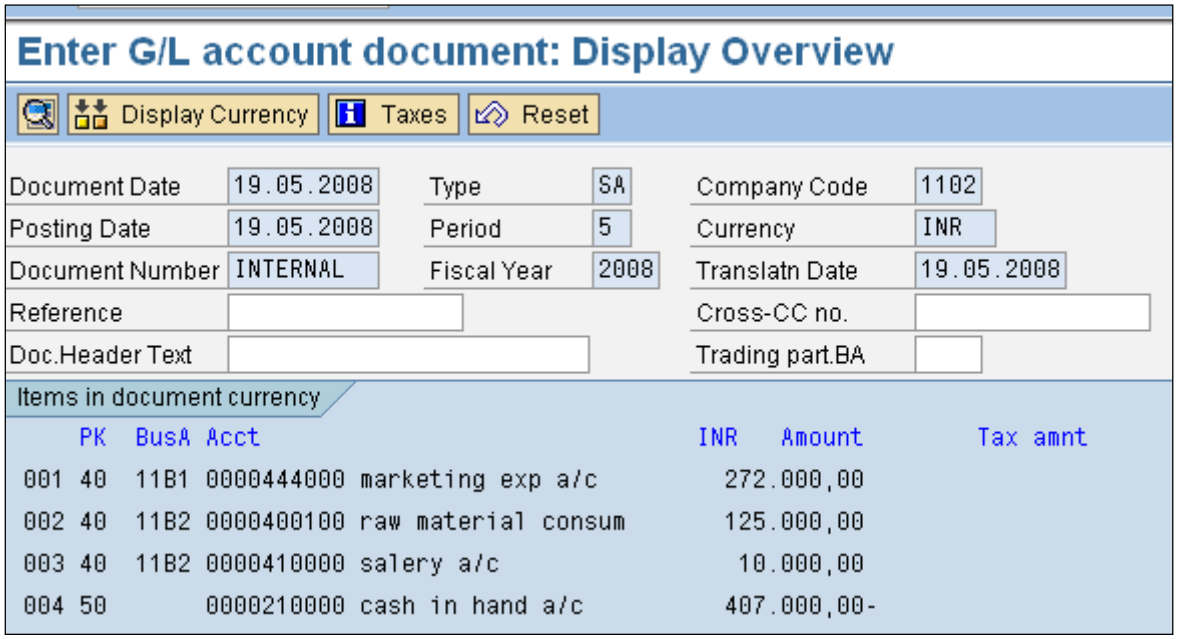


In the above screen click on "MORE" button so it will display the following screen:



In the above screen assign Segment as "Project - 1" and pres on enter button

Now go to Manu bar "Document - Simulate" so it will display the following screen as below:



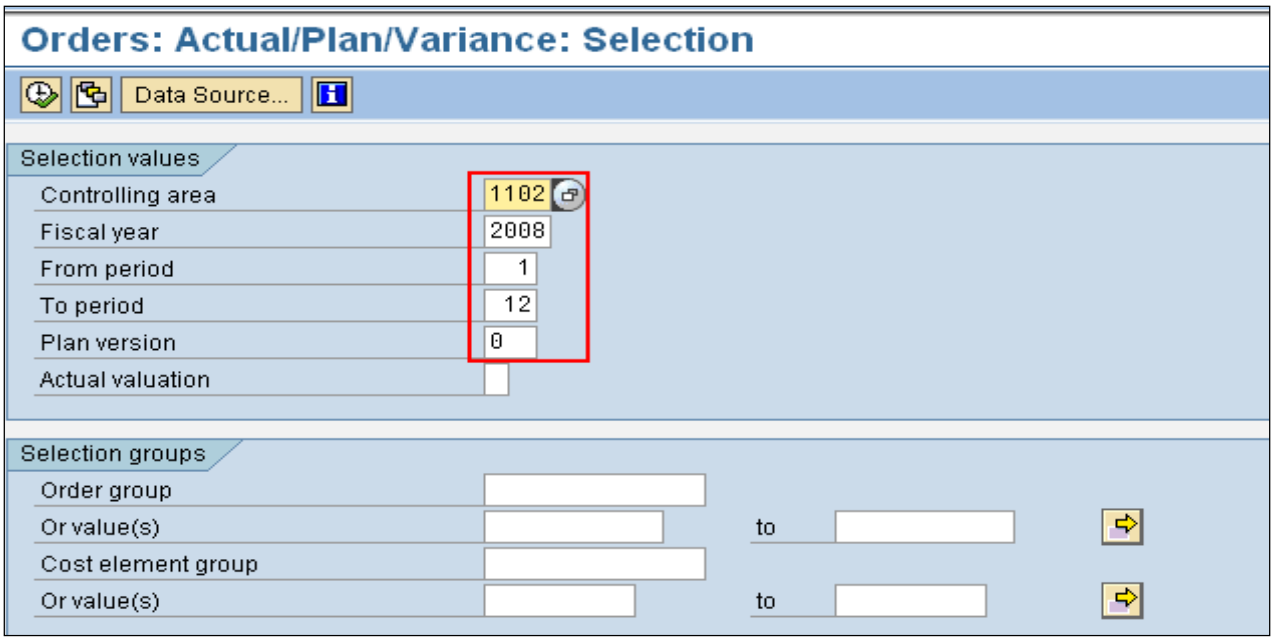
Go to Manu bar "Document – Post " so it will post the above document to tables with the reference an document number a bellow:

So the activity was saved.

Display Internal Order Information

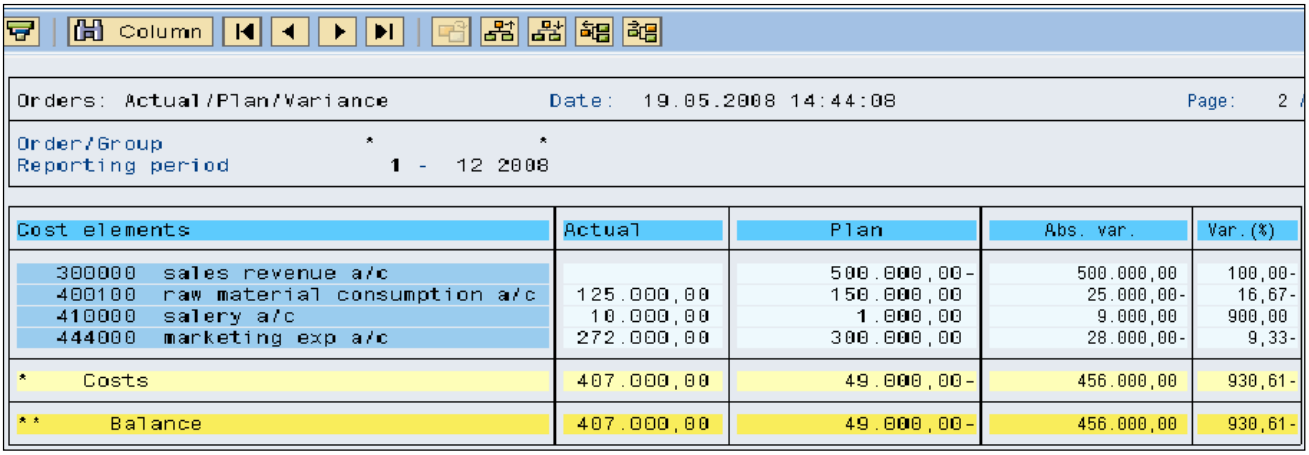
Path: Accounting→Controlling→Internal Orders→Information System→Reports for Internal Orders→Plan/Actual Comparisons→S_ALR_87012993 - Orders: Actual/Plan/Variance.

It will display the following information:



In the above screen maintain the above information and click on button.

It will display the following screen with information:



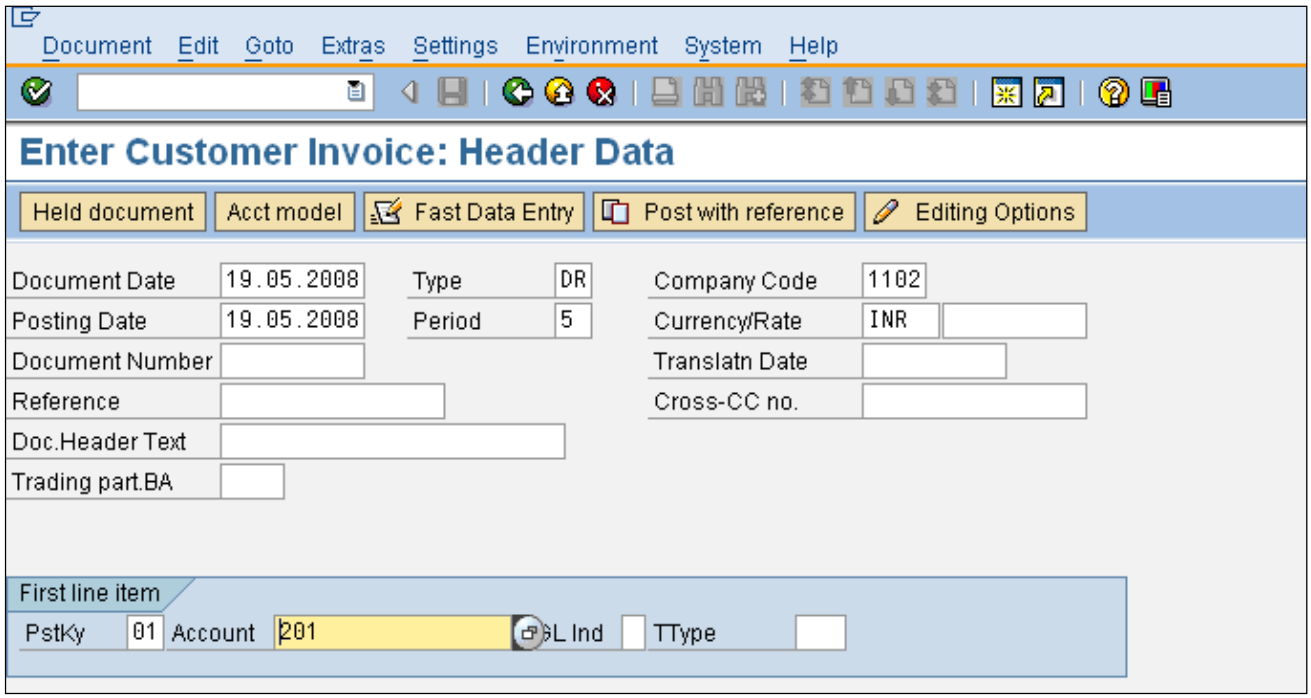
Cost elements	Actual	Plan	Abs. var.	Var.(%)
300000 sales revenue a/c		500.000,00-	500.000,00	100,00-
400100 raw material consumption a/c	125.000,00	150.000,00	25.000,00-	16,67-
410000 salery a/c	10.000,00	1.000,00	9.000,00	900,00
444000 marketing exp a/c	272.000,00	300.000,00	28.000,00-	9,33-
* Costs	407.000,00	49.000,00-	456.000,00	930,61-
** Balance	407.000,00	49.000,00-	456.000,00	930,61-

Back to easy access screen:

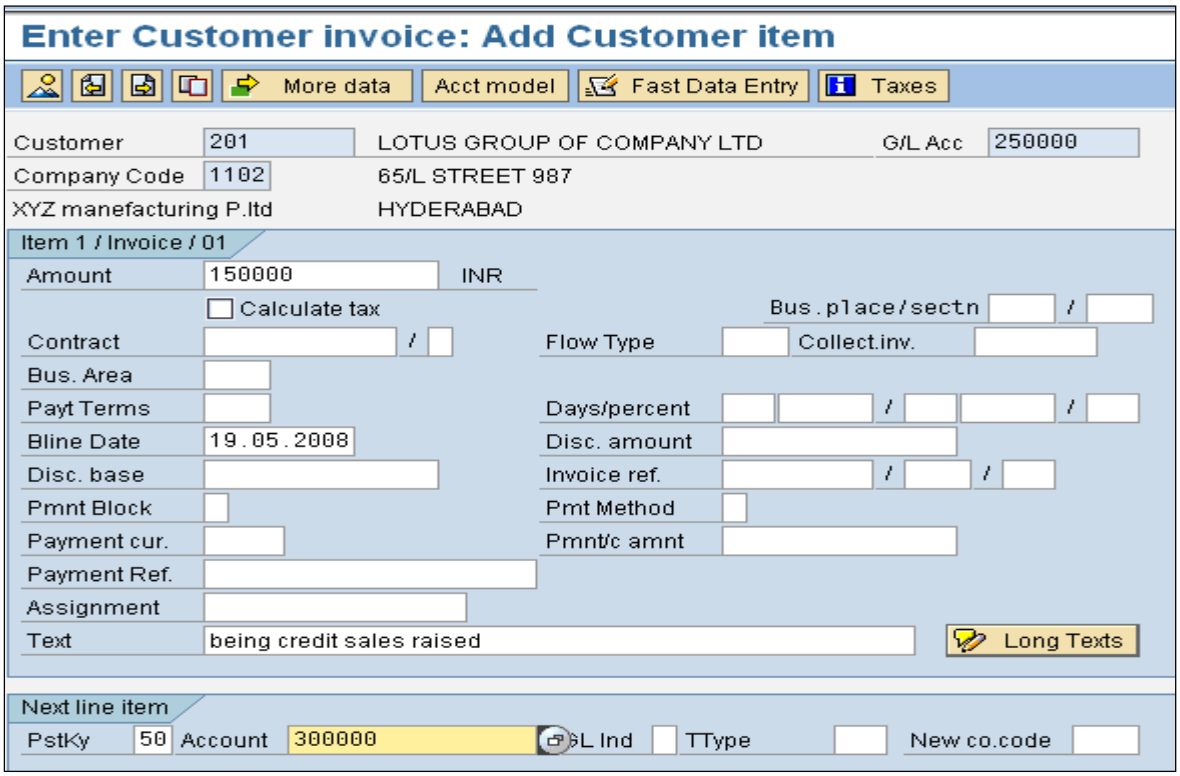
Posting an Sales Invoice

Path: Accounting→ Financial Accounting→ Accounts Receivable→ Document Entry→ F-22 - Invoice – General.

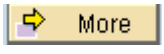
It will show the following screen:



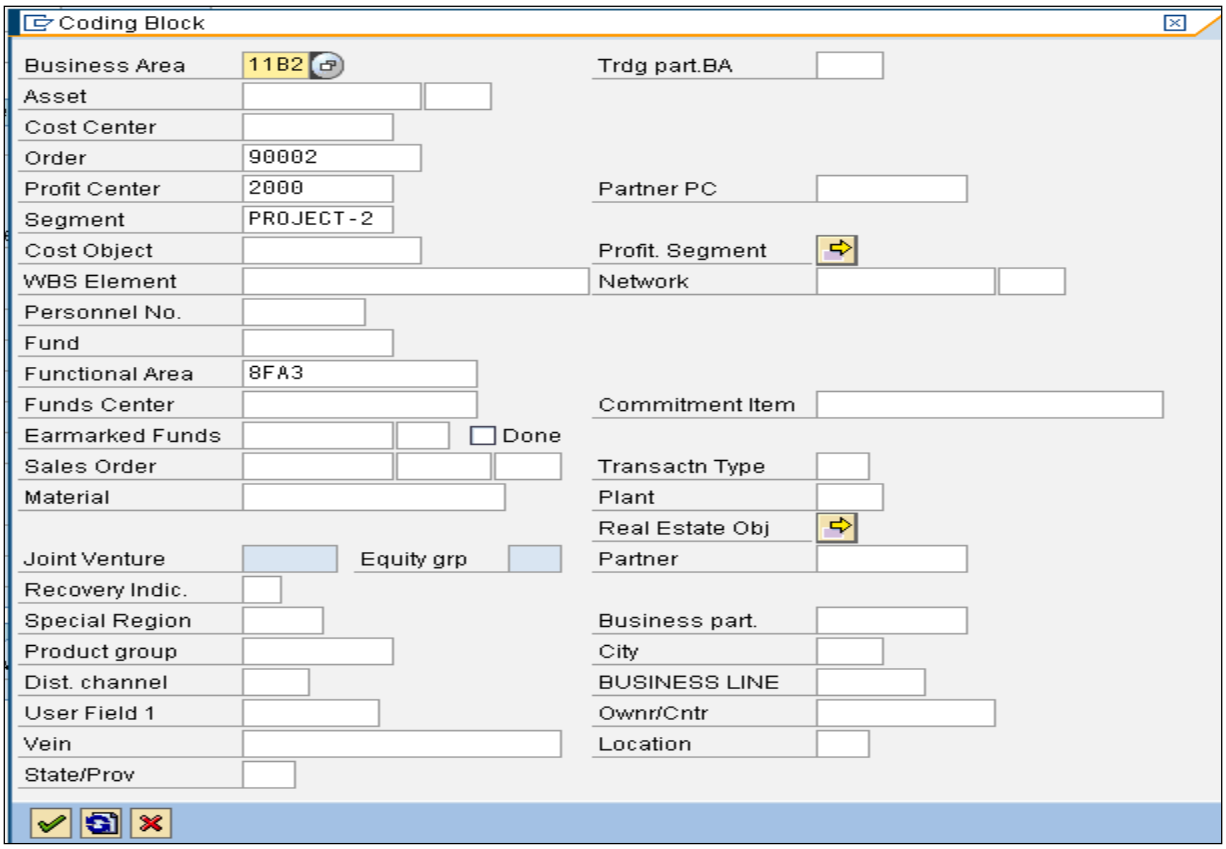
In the above screen I maintain the Document Date, Posting Date, Company Code, Currency/Rate, PstKy (Posting Key), Account (Customer Account number).
Once you maintain all above click enter button so it will display another screen as follow:



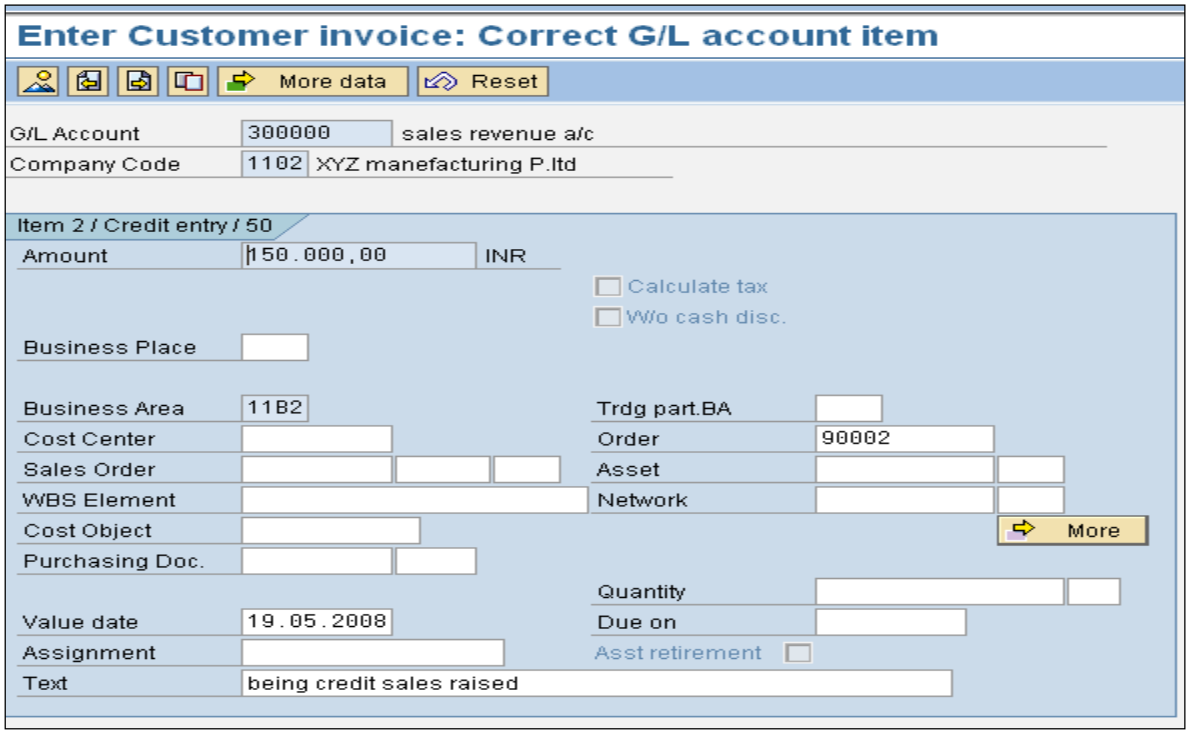
In the above screen maintain the amount, PstKy, Account (Sales Account) and pres enter button so it will display another Screen.

In the following screen click on 

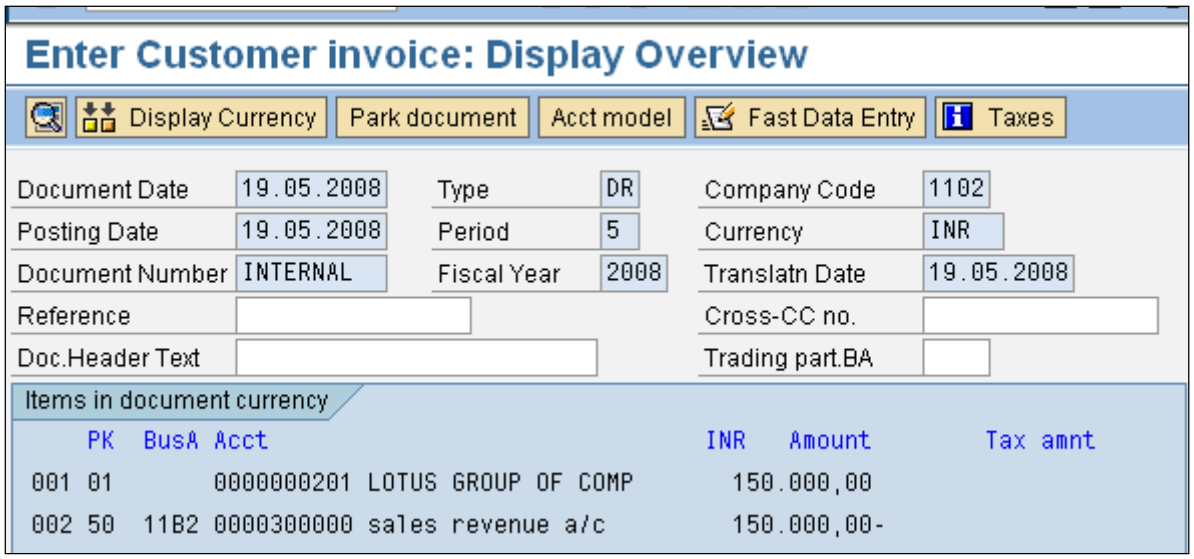
button. So it will display the following screen:



In the above screen maintain above parameters and pres in enter button.



And go to Manu bar "Document – Simulate"



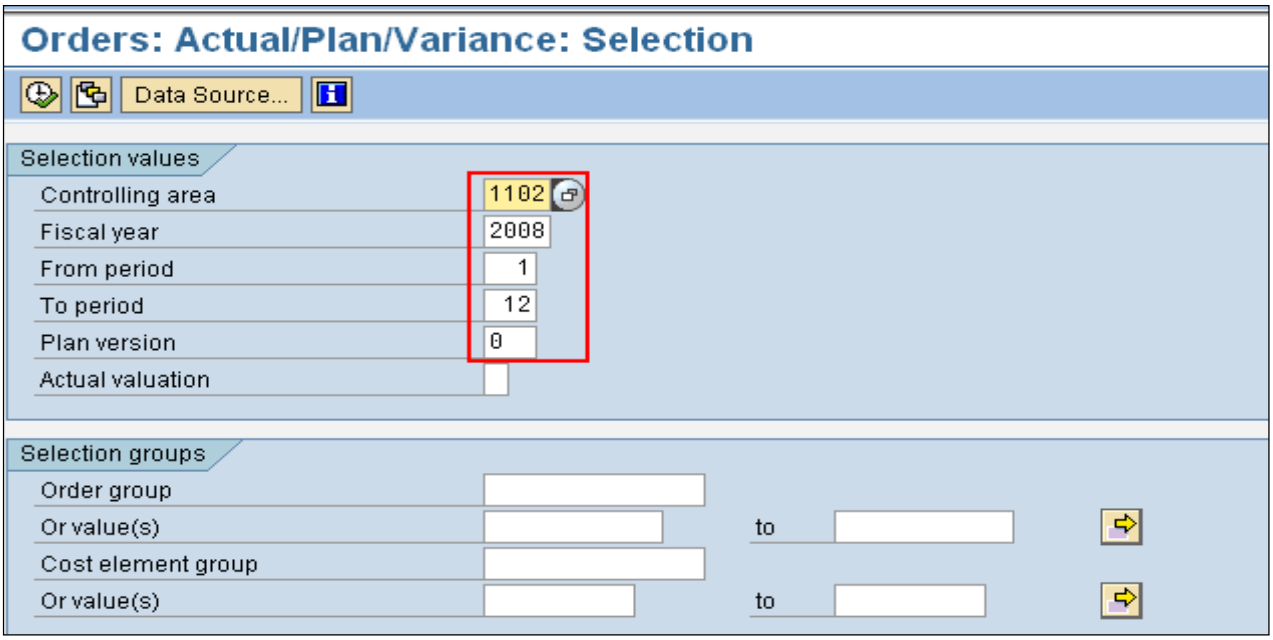
To post go to Manu bar "Document - Post"

So it will post with as Document number.

Display Internal Order Information

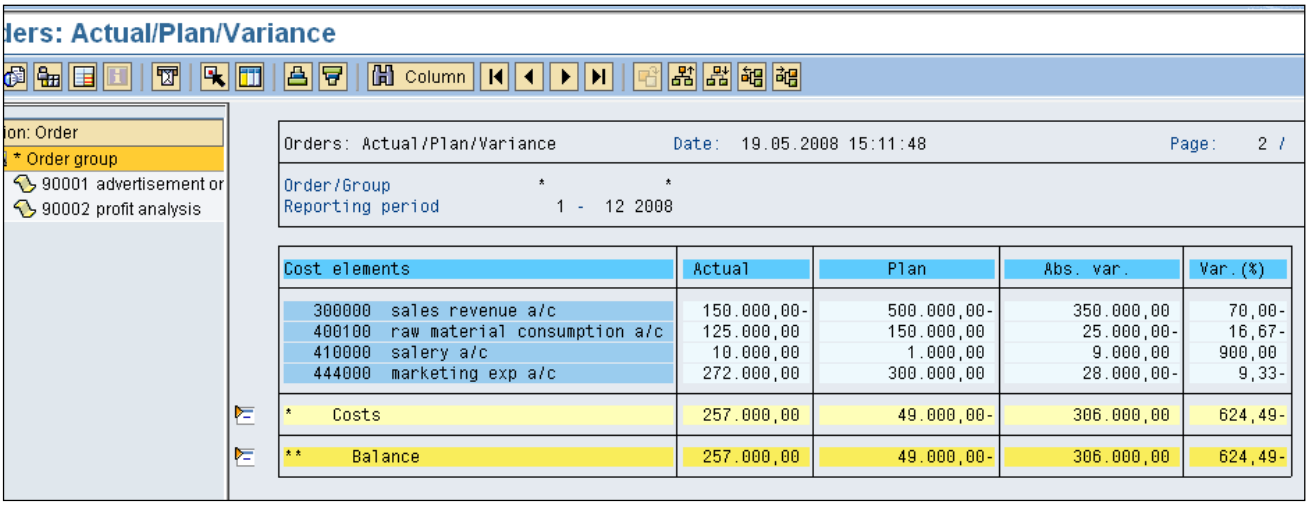
Path: Accounting→Controlling→Internal Orders→Information System→Reports for Internal Orders→Plan/Actual Comparisons→S_ALR_87012993 - Orders: Actual/Plan/Variance.

It will display the following information:



In the above screen maintain the above information and click on button.

It will display the following screen with information:



Back to easy Access screen.

PRODUCT COST CONTROLLING

PRODUCT COST CONTROLLING

It is a tool used to estimate standard cot per unit of a product & to determine the cost of goods manufactured & cost of goods sold. This tool contains the following areas:

1. Product Cost Planning
2. Cost Object Controlling
3. Actual Costing or Material Ledger
4. Information Systems

COMPONENTS OF COST

5. Material Cost
6. Process or Conversion cost
7. Overheads
   - Manufacturing or Production Overheads
   - Administrative Overheads
   - Selling and Distribution Overheads

Product Cost Planning (CO-PC-PCP) is an area within Product Cost Controlling (CO-PC) where you can plan costs for materials without reference to orders, and set prices for materials and other cost accounting objects.

You can use Product Cost Planning to analyze the costs of your company's products such as:

- Manufactured materials
- Services
- Other intangible goods

You can analyze costs to help provide answers to questions such as:

- What is the value added of a particular step in the production process?
- What proportion of the value added can be attributed to a particular organizational unit?
- What is the cost breakdown including primary costs or transfer prices?
- How high are the material, production, and overhead costs?
- How can production efficiency be improved?
- Can the product be supplied at a competitive price?

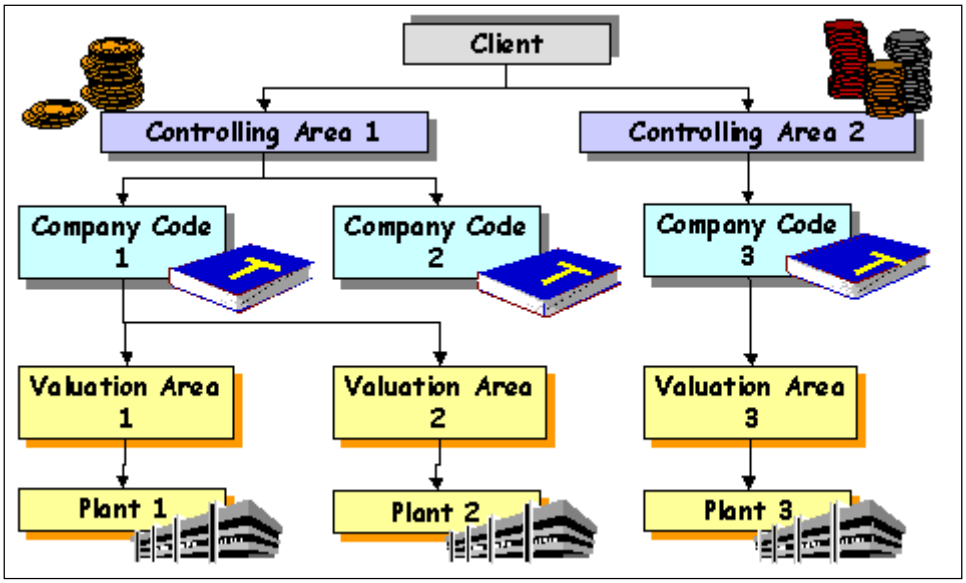
Product Cost Planning comprises the following components:

Cost Estimate with Quantity Structure	Costing materials based on a quantity structure in PP
Cost Estimate without Quantity Structure	Costing materials without a quantity structure in PP
Price Update	Transferring the results of material cost estimates to the material master
Reference and Simulation Costing	Planning new products and services using base planning objects
Easy Cost Planning and Execution Services	Rapid cost planning without master data within an ad hoc cost estimate

For further information, see the following:

- Purpose of Product Cost Planning
- Costing Sequence

The following graphic provides an overview of the organizational structures required for costing:



Features

The following table gives you an overview of the menu and functions of Product Cost Planning:

Menu Option	Function	Cost Estimate
Material Costing → Edit Costing Run	Cost estimate for multiple materials with BOM and routing	Used to process mass data, and is created automatically with Production Planning data (product cost estimate)
Material Costing → Cost Estimate with Quantity Structure	Cost estimate for a material with BOM and routing or master recipe	Created automatically with Production Planning data (product cost estimate)
Material Cost Estimate with Quantity Structure→ Additive Costs	Additive cost estimate	Created using data you enter manually (unit costing)
Material Costing → Cost Estimate Without Quantity Structure	Cost estimate for a material without BOM or routing	Created using data you enter manually (unit costing) or transfer from a non-SAP system
Reference and Simulation Costing	Base object cost estimate	Created using data you enter manually (unit costing)
Easy Cost Planning & Execution Services → Edit Ad hoc Cost Estimate	... Ad hoc cost estimate	... Created using a planning form (costing model) that can access the data in the SAP system

Menu Option	Function
Material Costing → Price	Transfer of cost estimate results to the material master record

Update		
Material Costing → Master Data for Mixed Cost Estimate	Definition of procurement alternatives and mixing ratios for a mixed cost estimate	
Easy Cost Planning & Execution Services → Edit Costing Model	Define planning forms for Easy Cost Planning	
Menu Option	**Functions Available**	**Examples**
Information System	Reports for Product Cost Planning	• Lists of existing material and base object cost estimates • Detailed reports • Comparison reports
Environment	Additional functions in Product Cost Planning	• Archiving and deletion of costing data • Distribution of cost component splits (ALE)

Step 1: Define Bill of Material

BOMs are used in their different forms in various situations where a finished product is assembled from several component parts or materials. Depending on the industry sector, they can also be called recipes or lists of ingredients and so on.

They contain important basic data for numerous areas of a company, for example:

- MRP
- Material provisions for production
- Product costing
- Plant maintenance

You can create the following BOMs in the SAP system:

- Material BOMs
- Equipment BOMs
- Functional location BOMs
- Document structures
- Order BOM
- Work breakdown structure (WBS) BOM

Bills of Material in Production Planning

Bills of material (BOMs) and routings contain essential master data for integrated materials management and production control. In the design department, a new product is designed such that it is suitable for production and for its intended purpose. The result of this product phase is drawings and a list of all the parts required to produce the product. This list is the bill of material.

Bills of material are used in their different forms in various situations where a finished product is assembled from several component parts or materials. Depending on the industry sector, they may also be called recipes or lists of ingredients. The structure of the product determines whether the bill of material is simple or very complex.

The following analysis options are useful for maintenance BOMs:

- **Where-used list**

You can generate where-used lists to determine in which bills of material certain components are used.

You can create where-used lists for materials, documents or classes.

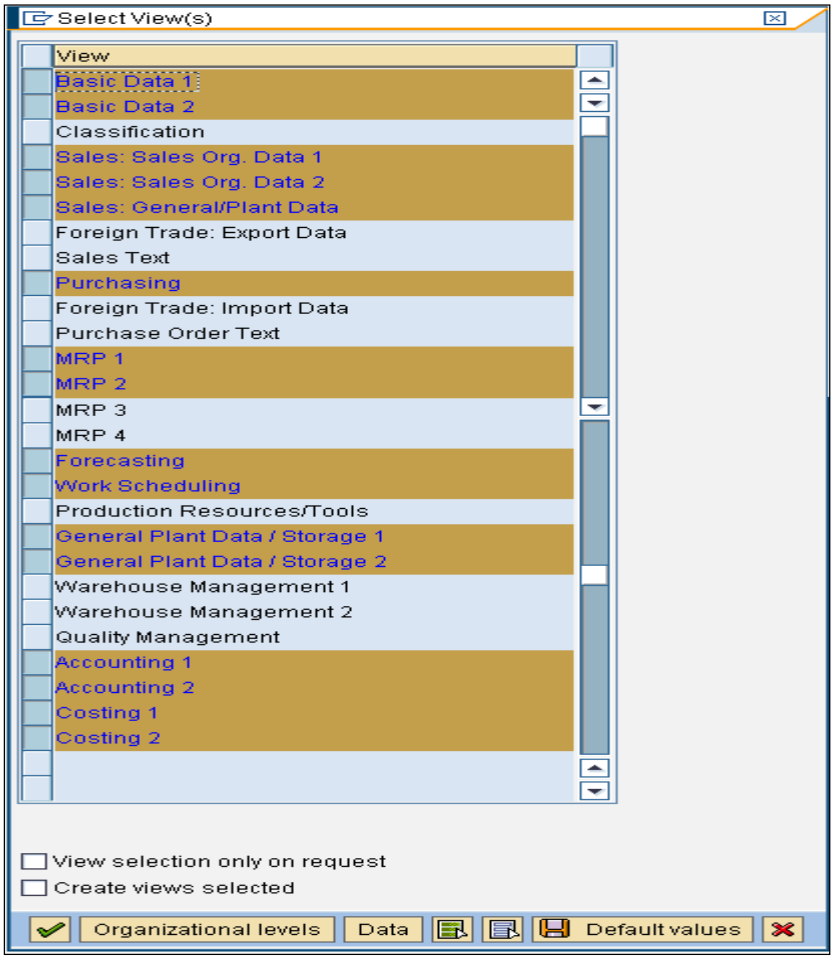
- **BOM comparison**

  By using a bill of material comparison you can compare two different bills of material with each other.

  For information on how to perform a BOM comparison, refer to the SAP documentation, *PP - Bills of Material*.

You can call up the **BOM comparison** function in Plant Maintenance using the following menu sequence:

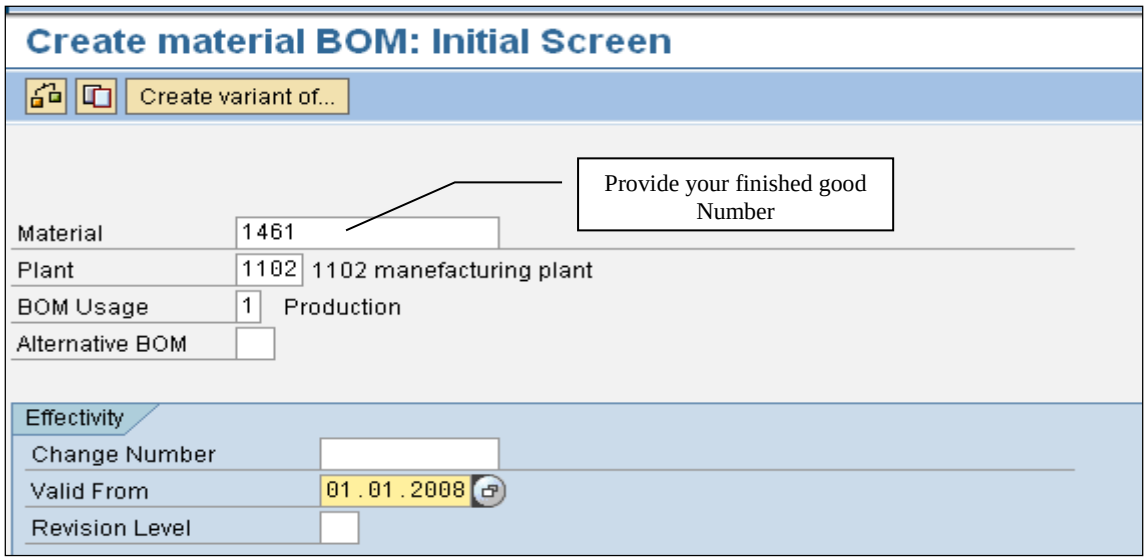
Note: To configure this step we need to have one Finished good and few (At least 2) Raw materials through Transaction Code: MM01 and maintain the attributes to material types like FERT, ROH through Transaction Code: OMS2
When you are creating finished good you should take selections as below:



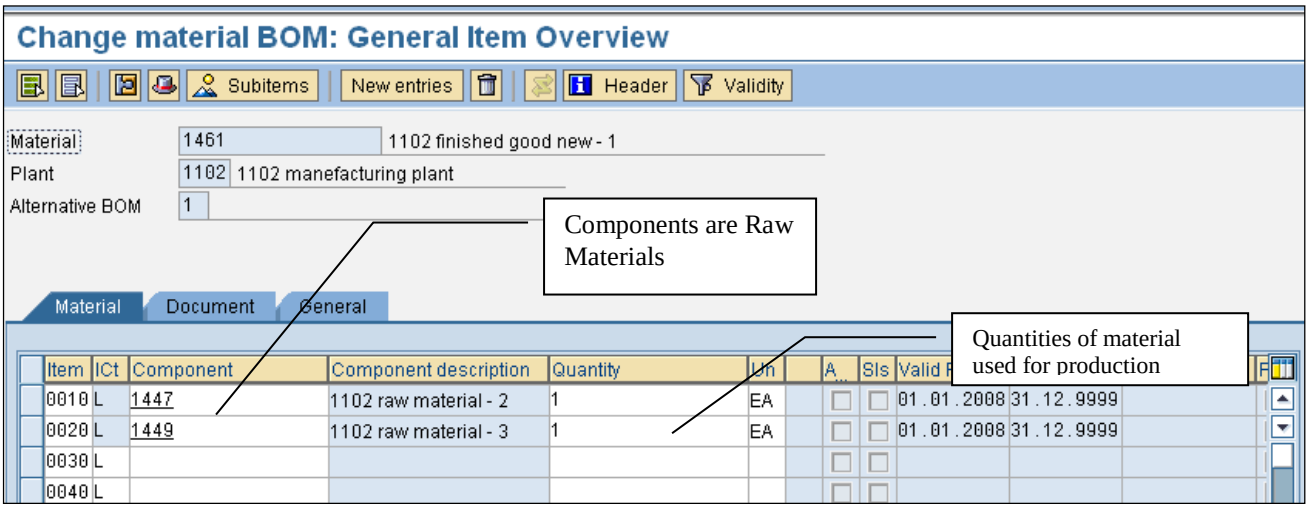
- Maintain all possible parameters while you creating finished goods
- In the above selections "Forecasting" is mandatory selection view to selection and to maintain some of the fields in that screen.

Path: Logistics→ Production Master Data→ Bills of Material→ Bill of Material→ Material BOM→ CS01 – Create

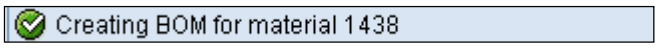
On equation of above path the following it display below screen:



In the above screen provide your Raw Material number, plant, BOM Usage, Valid From and pres enter button so it display actual screen as below:



In the above screen under components provide all raw materials and quantities which are used to produce a finished good in this BOM.
Now save the activity.
It will display the following message:



Back to easy access.

Step 2: <u>Define Work Centers</u>

Operations are carried out at a work center. In the SAP system *work centers* are business objects that can represent the following real work centers, for example:

- Machines, machine groups
- Production lines
- Assembly work centers
- Employees, groups of employees

Together with bills of material and routings, work centers belong to the most important master data in the production planning and control system. Work centers are used in task list operations and work orders. Task lists are for example

routings, maintenance task lists, inspection plans and standard networks. Work orders are created for production, quality assurance, plant maintenance and for the Project System as networks.

Data in work centers is used for

- Scheduling

  Operating times and formulas are entered in the work center, so that the duration of an operation can be calculated.
- Costing

  Formulas are entered in the work center, so that the costs of an operation can be calculated. A work center is also assigned to a cost center.
- Capacity planning

  The available capacity and formulas for calculating capacity requirements are entered in the work center.
- Simplifying operation maintenance

  Various default values for operations can be entered in the work center.

The following graphic illustrates the use of work center data.

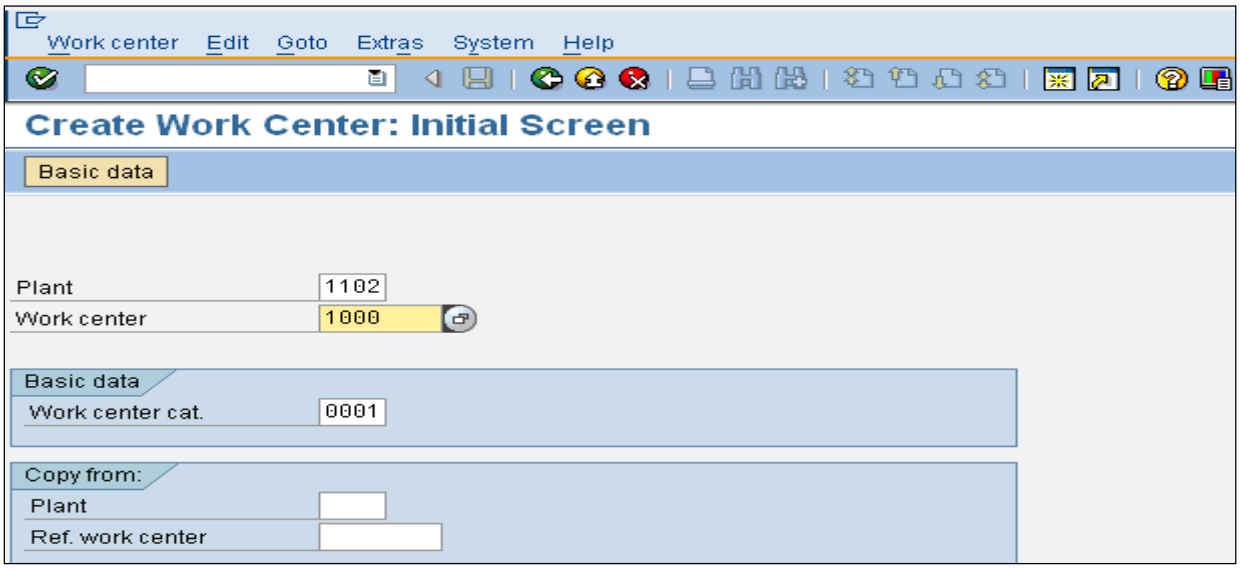
A work center is created for a plant and is identified by a key. The work center category, which you define in customizing the work center, determines which data can be maintained in the work center.

The data is grouped thematically together in screens and screen groups. Examples of such screen or screen groups are:

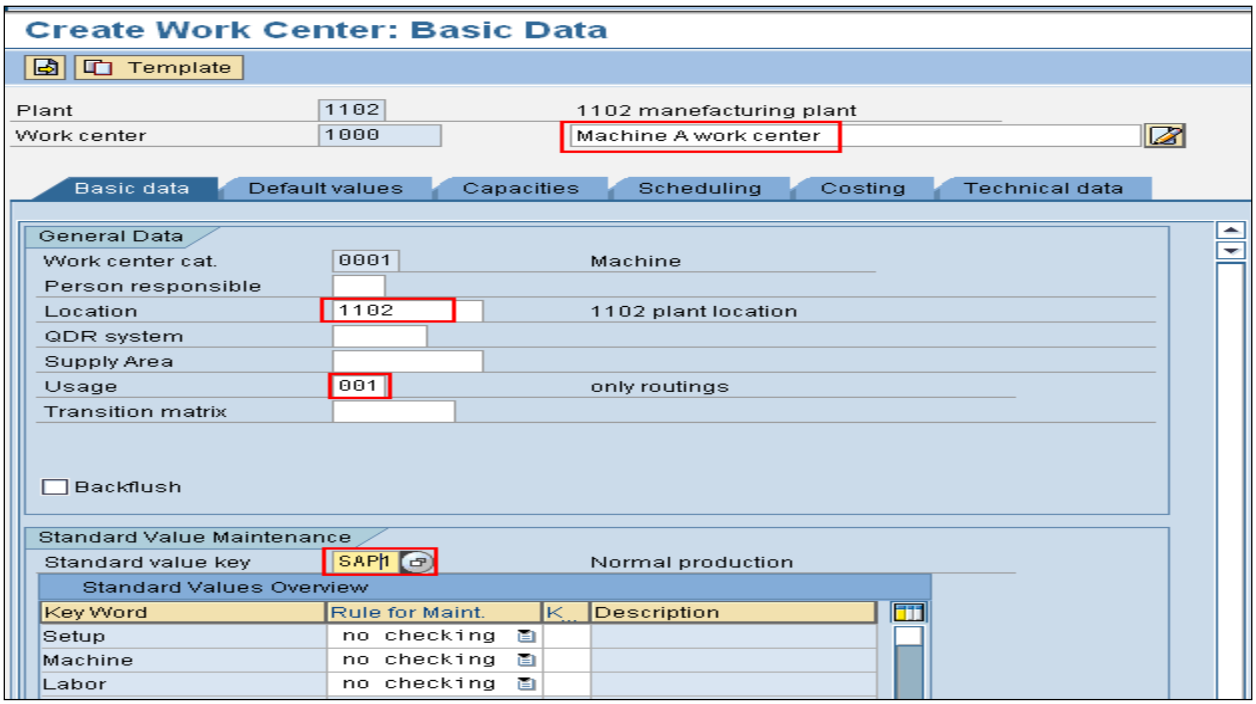
- Basic Data
- Assignments (to cost centers, Human Resource Management System (HR))
- Capacities
- Scheduling
- Default values
- Hierarchy
- Technical data

Path: Logistics→ Production→ Master Data→ Work Centers→ Work Center→ CR01 – Create

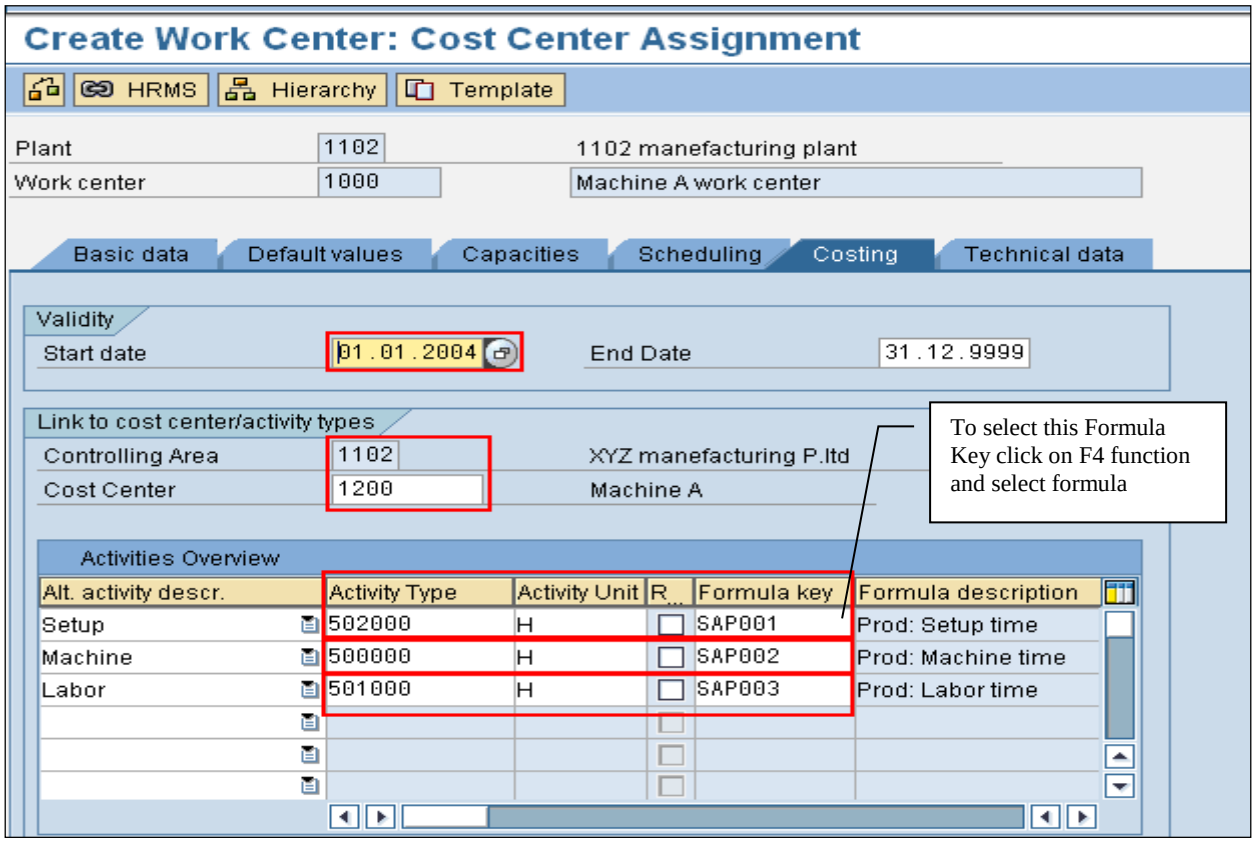
On equation of above path the following it display below screen:



In the above screen enter your plant, new entry for Work center and Work center Category and pres enter button so it will take you to another screen below:

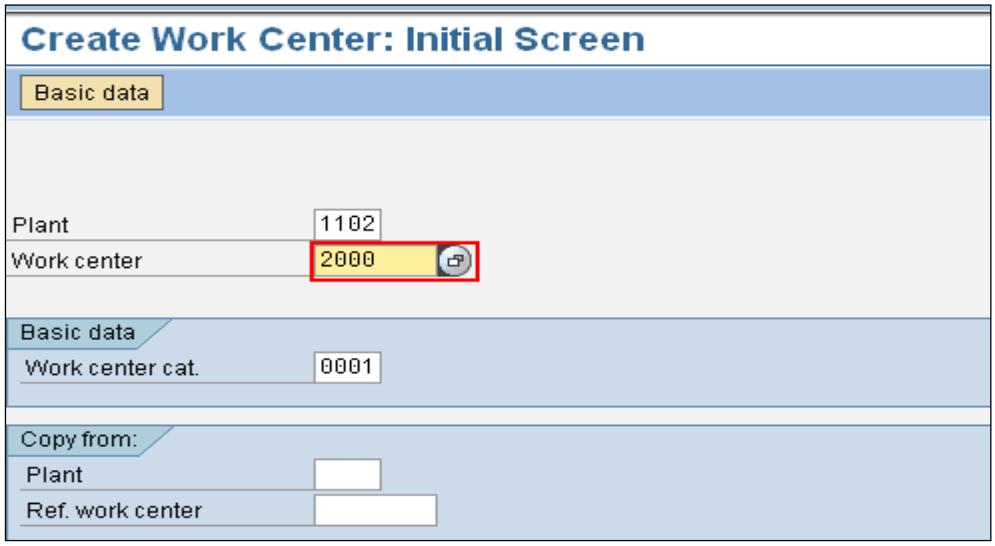


In the above screen under Tab "Basic data" enter Location, usage and Standard value key.
After entering above parameter click on Tab "Costing".
So it will display following screen:

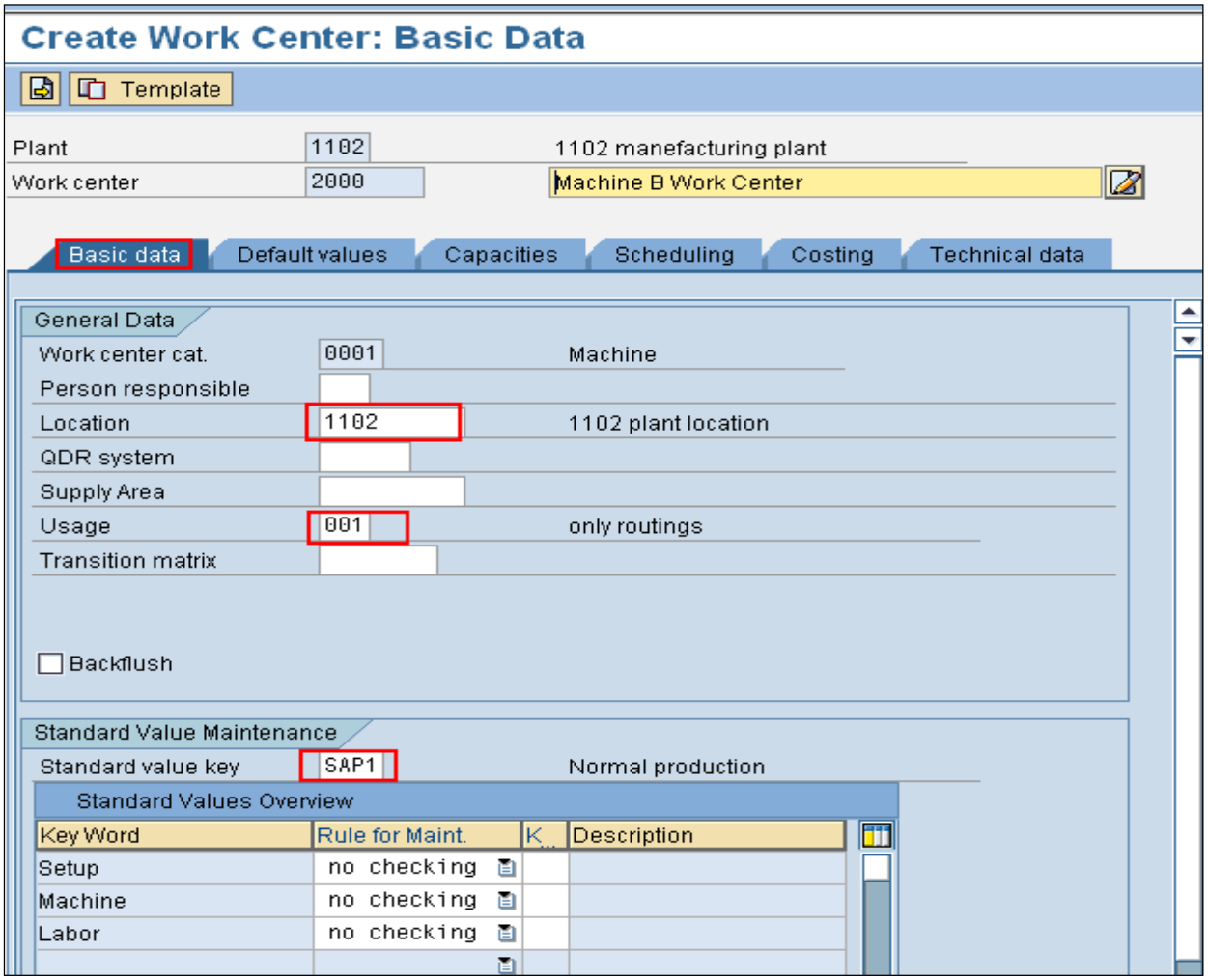


In the above screen enter Start Date, Cost center.
Under Activities Overview table enter Activity type, Activity unit and Formula key which are standard in sap.

Now save the activity so it takes you to first screen as below:

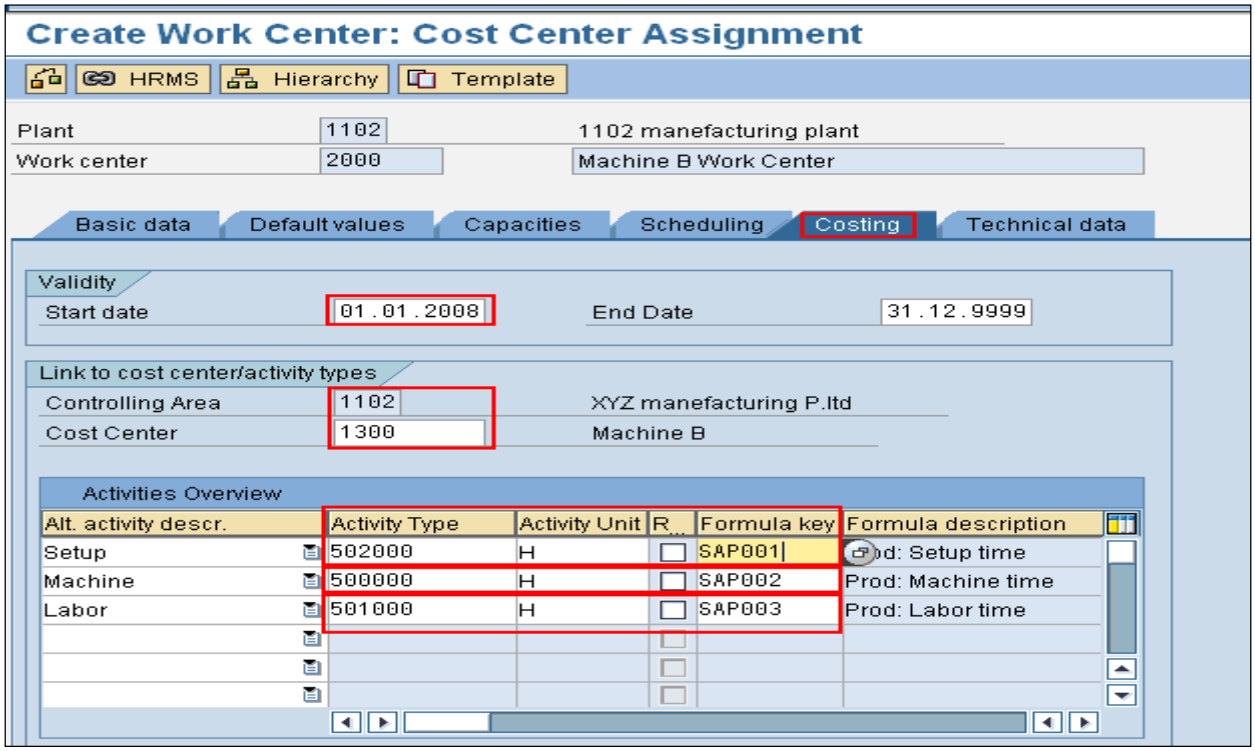


In the above screen new Work Center and click on enter button so it will display below screen:



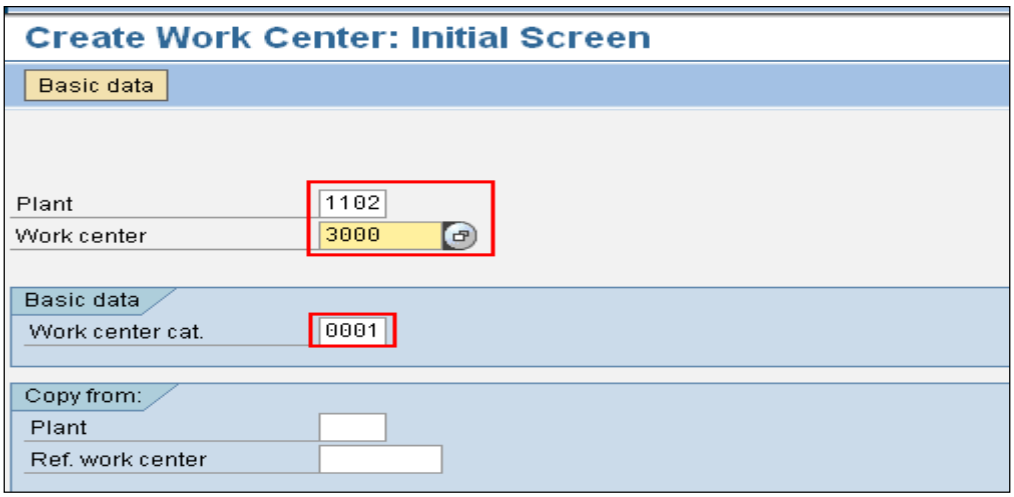
In the above screen under Tab "Basic data" enter Location, usage and Standard value key.

After entering above parameter click on Tab "Costing".
So it will display following screen:

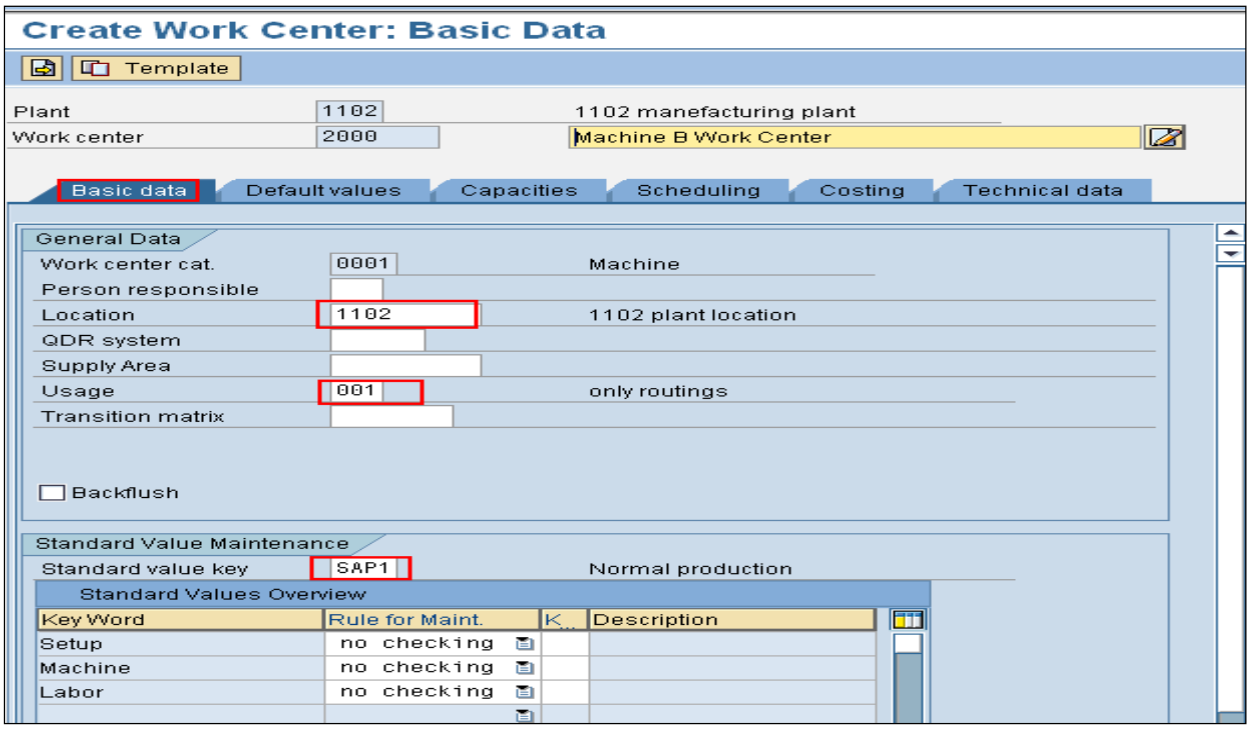


In the above screen enter Start Date, Cost center.
Under Activities Overview table enter Activity type, Activity unit and Formula key which are standard in sap.

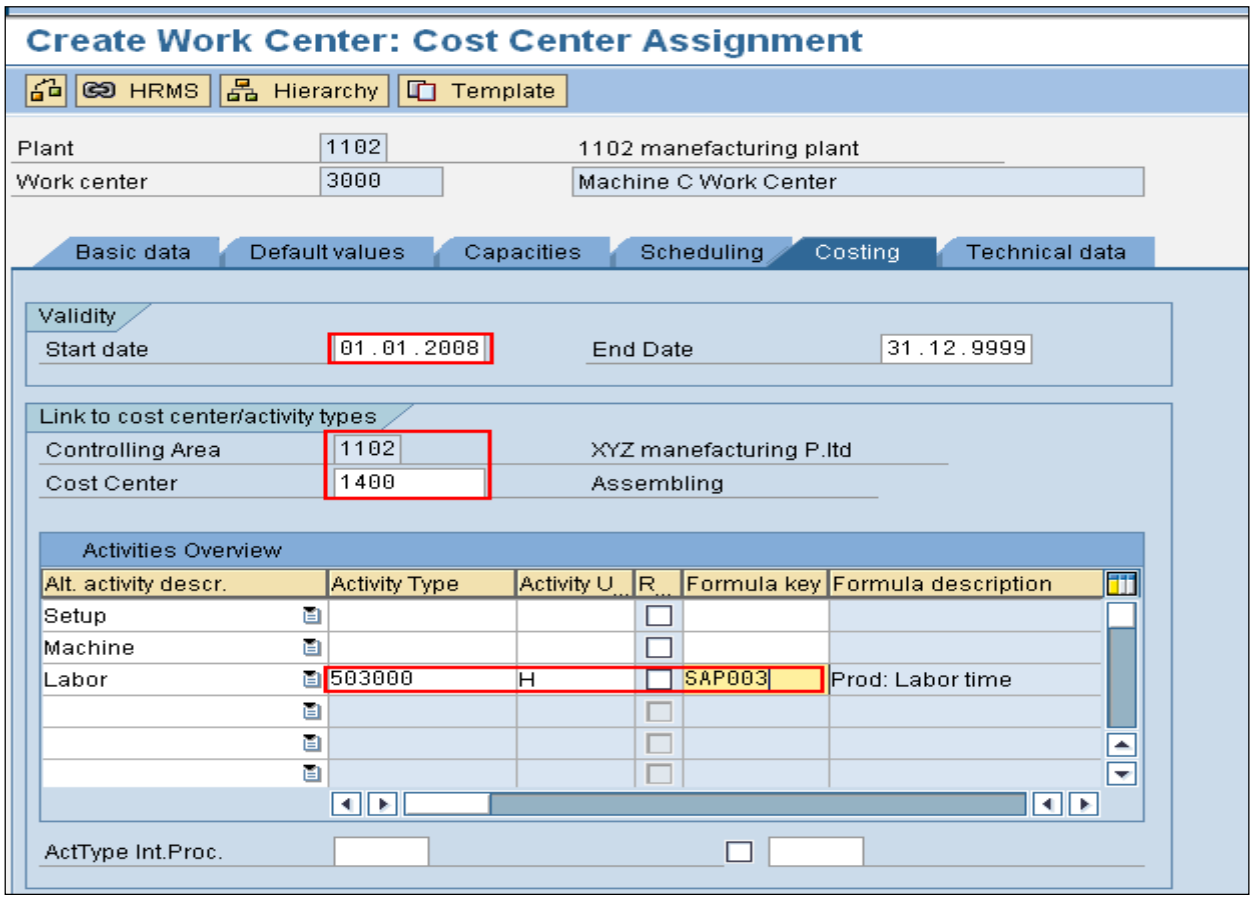
Now save the activity so it takes you to first screen as below:



In the above screen new Work Center and click on enter button so it will display below screen:



In the above screen under Tab "Basic data" enter Location, usage and Standard value key.
After entering above parameter click on Tab "Costing".
So it will display following screen:



In the above screen enter Start Date, Cost center.
Under Activities Overview table enter Activity type, Activity unit and Formula key which are standard in sap.

Now save the activity and back to easy access screen.

Step 3: Define Routings

A routing is a description of which **operations** (process steps) have to be carried out and in which order to produce a **material** (product). As well as information about the **operations** and the order in which they are carried out, a routing also contains details about the work centers at which they are carried out as well as about the required **production resources and tools** (includes jigs and fixtures). **Standard values** for the execution of individual operations are also saved in routings.

Routings (generic) consist of the following objects:

- Routing
- Rate routing
- Reference operation set
- Reference rate routing

A routing is used as a source for creating a **production order** or a **run schedule header** by copying.

Routings enable you to plan the production of **materials** (products). Therefore, routings are used as a template for production orders and run schedules as well as a basis for product costing.

Integration

In order to	**You also require the components**
Plan the usage of materials	*Material master (LO-MD-MM)*
Plan the use of work centers	*Work centers (PP-BD-WKC)*
Plan the external processing of operations	*Purchasing (MM-PUR)*
Plan quality inspections that accompany production	*Quality planning (QM-PT)*
Prepare cost calculation according to routings	*Controlling (CO)*
Plan and to document changes to routings	*Engineering Change Management (LO-ECH)*
Classify routings	*Classification system (CA-CL)*
Automatically calculate the planned values for the activities to be produced	*CAPP Standard Value Calculation* (*PP-BD-CAP)*

In the SAP system, routings have the same basic structure as the following objects:

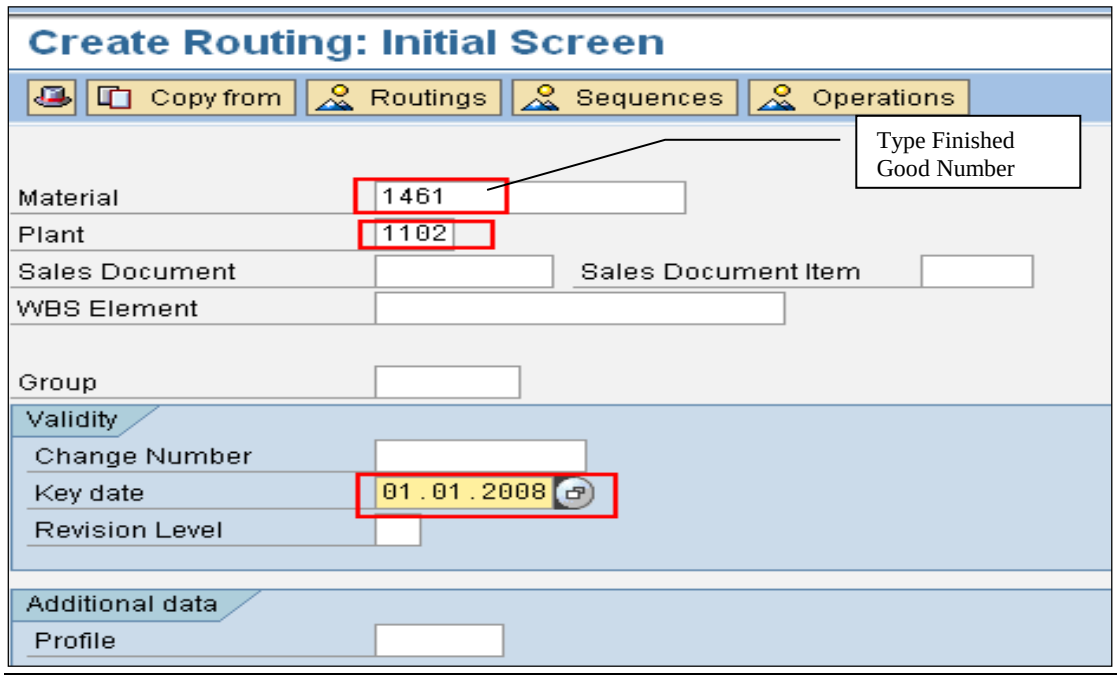
- Master recipes
- Inspection plans
- Maintenance plans
- Standard networks

Therefore, routings are cumulated with these objects under the super ordinate term *Task list*.
In a routing you plan

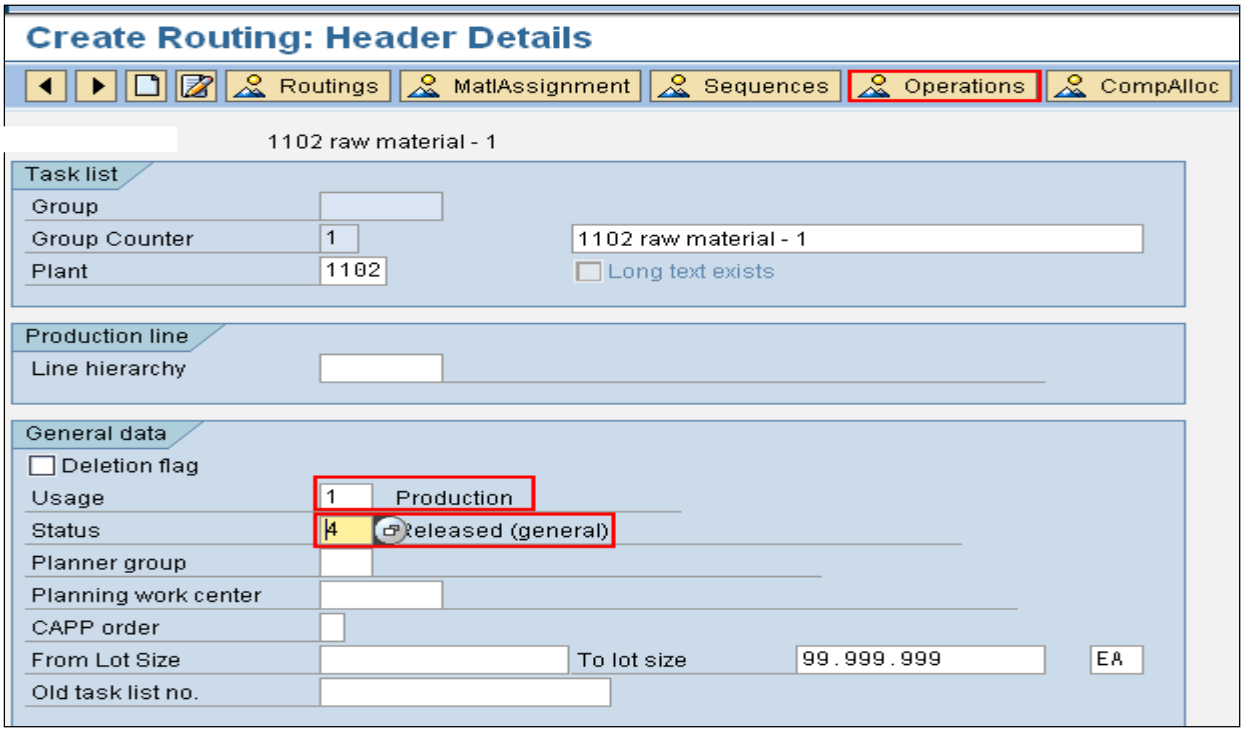
- The **operations** (work steps) to be carried out during production
- The activities to be performed in the operations as a basis for determining dates, capacity requirements, and costs
- The use of materials during production
- The use of work centers
- The quality checks to be carried out during production

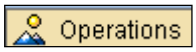
Path: Logistics → Production → Master Data → Routings → Routings → Standard Routings → CA01 - Create CA01 - Create

On equation of above path the following it display below screen:

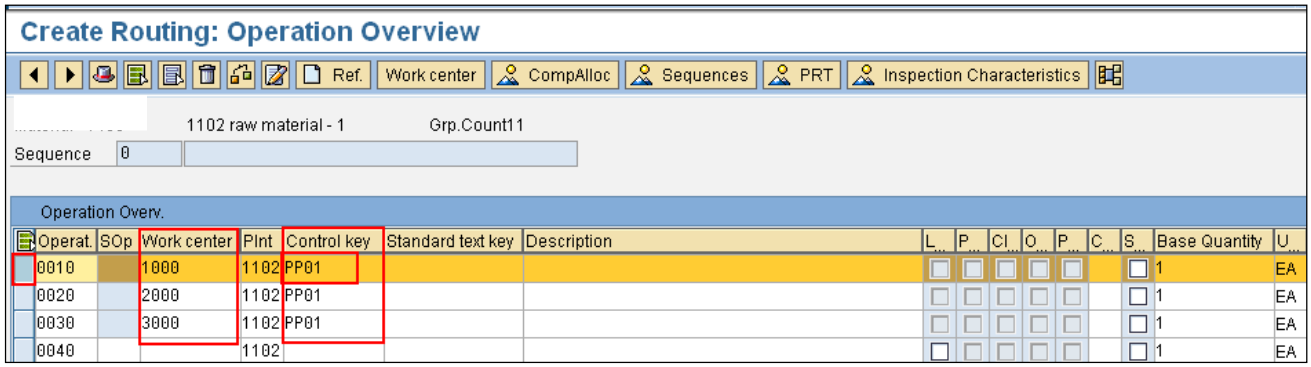


In the above screen assign your Raw material number, plant and Key date details and pres enter button so it take to another screen as below:

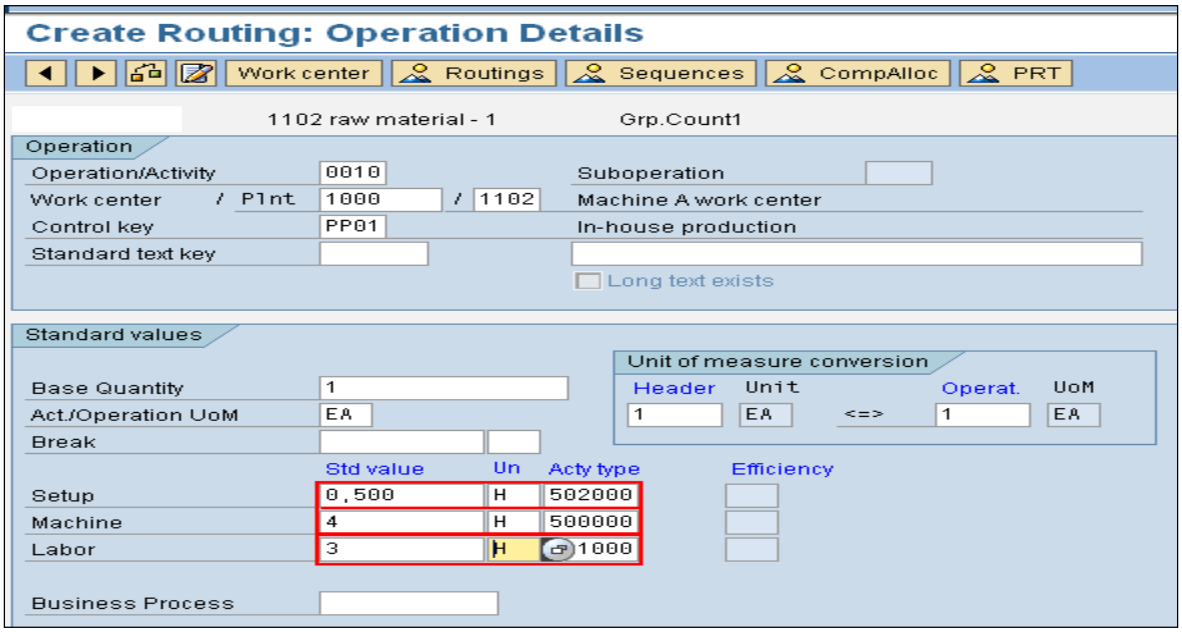


In the above screen maintain usage and Status and click on 

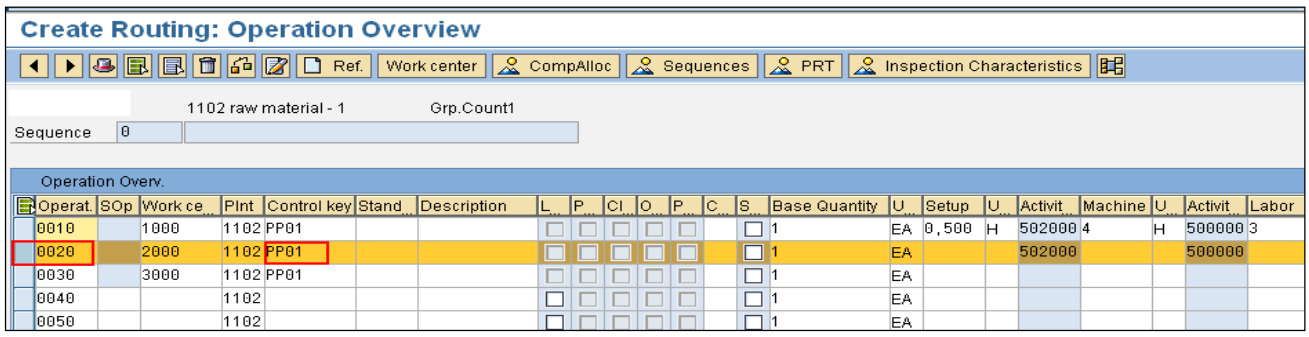
Button so it will take you to another screen as below:



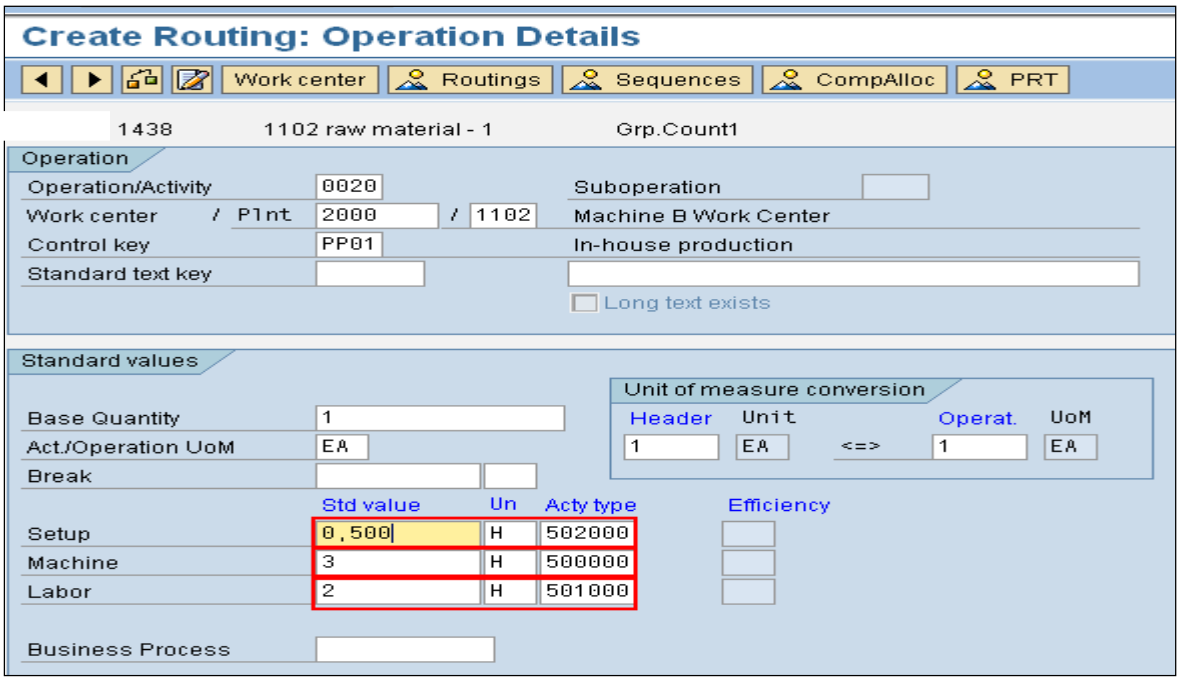
Inter above screen enter work centers as we created above screen and select "PP01"as Control key for all Work centers under Control Key field.
Now select first line "0010" as shown above and double click on Control key "PP01" against "1000" Work center so it will display following screen:



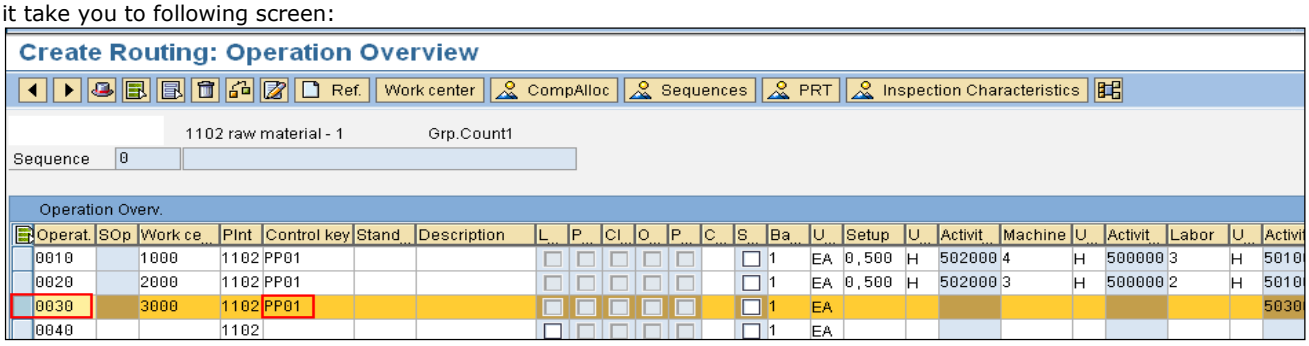
In the above screen maintain Setup, Machine, Labor values under Std Value and Un values and pres  back button so it take you to following screen:



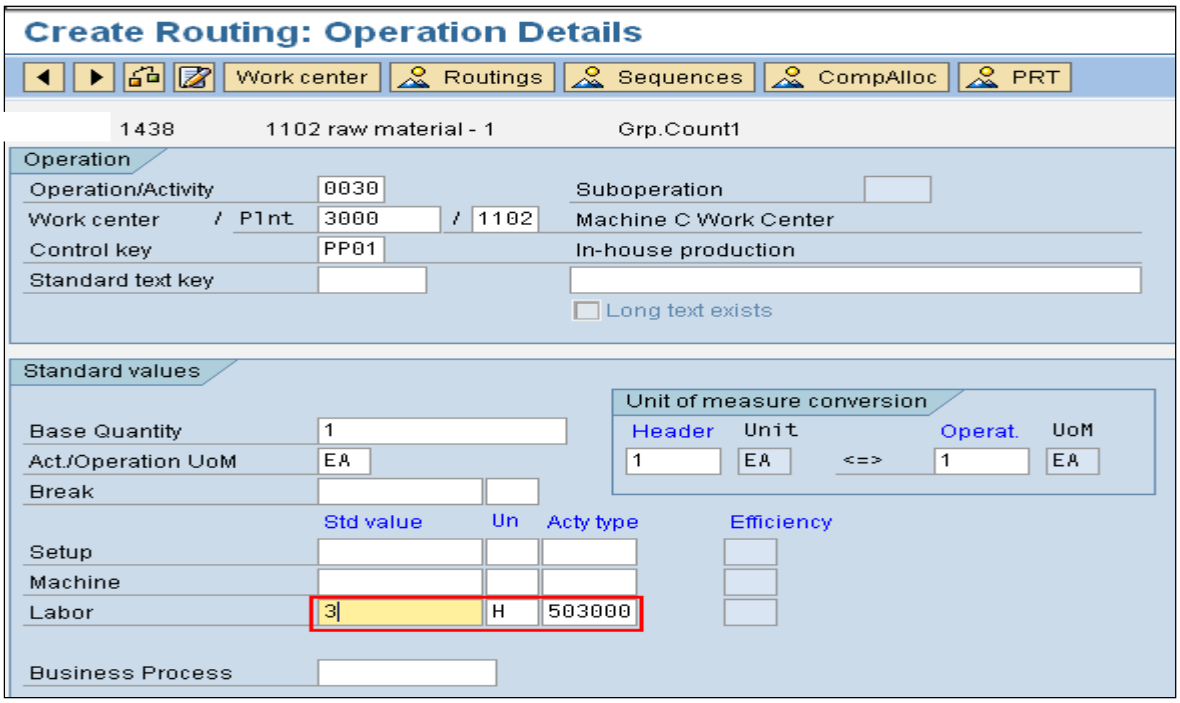
In the above screen select "0020" and double click on "PP01" under Control Key field so it display the following screen:



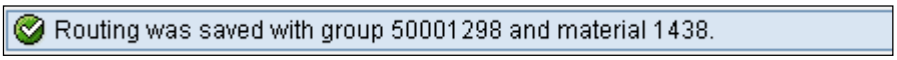
In the above screen maintain Setup, Machine, Labor valued under Std Value and Un values and pres back button so it take you to following screen:



In the above screen select "0030" and double click on "PP01" under Control Key field so it display the following screen:



In the above screen maintain Labor value under Std Value and Un values and save the activity so it will display the following message:



Now back to easy access screen.

Step 4: <u>Define Costing sheet rows</u>

A definition of how values posted in the sap system are calculated. A costing sheet consists of one or moor of the following lines:

1. Base Lines -

These contain the amount or quantity on which the overhead is calculated. Base rows contain the calculation base of the overhead costing: the cost elements and origins to which overhead is to be applied you can take the calculation bases directly from the costing sheet and then maintain them as necessary.

For each controlling area, you assign individual cost elements or cost element intervals, or organs or origin intervals, to the calculation bases.

For production overhead costs, we can differentiate between fixed and variable costs for the calculation base. In this way, you can charge the fixed and variable portions of the activity price differently for activity types.

For material overhead cost, you can differentiate the materials used. If you want to define different material overhead costs for particular raw materials we can define origin groups and define your own calculation bases for particular or origin groups.

2. Calculation Lines -

These contain the percentage rate to be applied to one or more baselines

3. Total Lines -

These contain the sum of the base amount and calculated amounts.

4. Overhead Order and Product Cost Controlling –

Where they used to calculate overhead. We define the overhead rows by assigning an overhead rate to them. An overhead row references one or more base rows or totals rows. The amount contained in these rows along with the percentage rate calculated using the overhead rates determines the overhead amount. You can take the overhead rates directly from the costing shet and then maintain them as necessary, or define them separately.

The overhead row contains a credit key that defines which object is credited during the overhead calculation. You can either take the credit keys directly from the costing sheet and then maintain them as necessary, or define them separately in the define credit activity.

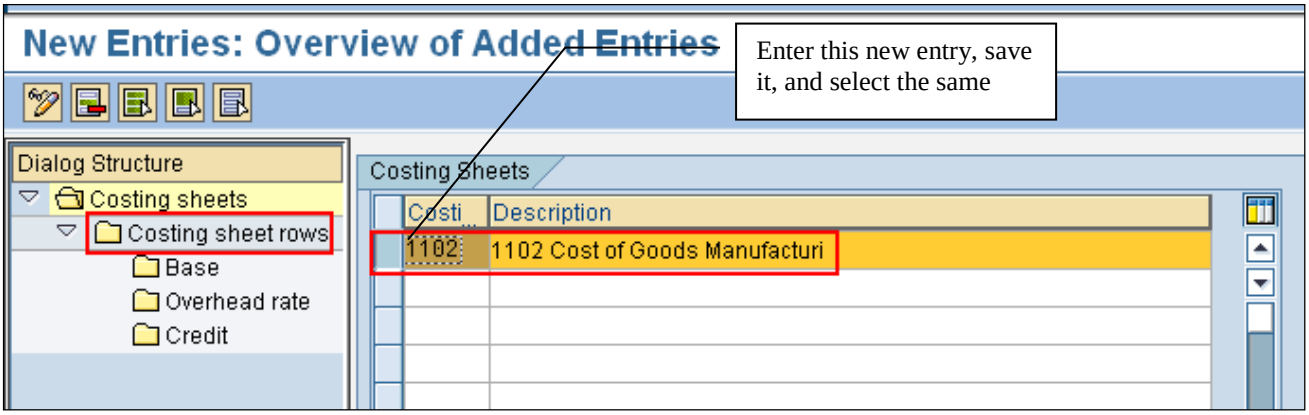
5. Profitability analysis, where they are used to calculate anticipated values

6. Overhead cost controlling, where they are used to calculate resource pries

Path: SPRO→ Controlling→ Product Cost Controlling→ Product Cost Planning→ Basic Settings for Material Costing→ Overhead→ Define Costing sheet rows

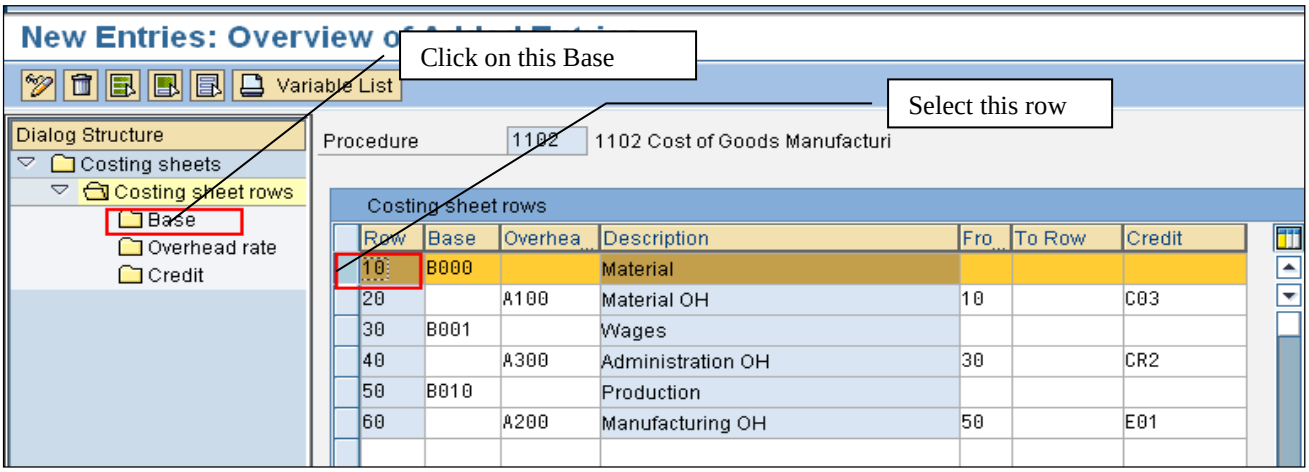
Transaction Code: KZS2
Database table: T683, T683S, T683T, T683U, TKZU1, TKZU2, TKZU3, TKZUTR

By the above transaction it will display the following screen pres on New Entries button:



In the above under Costing field give new entry and description and save the activity.
Now select the same and click on "Costing Sheet Rows" under Dialog Structure.
It will display the following screen:

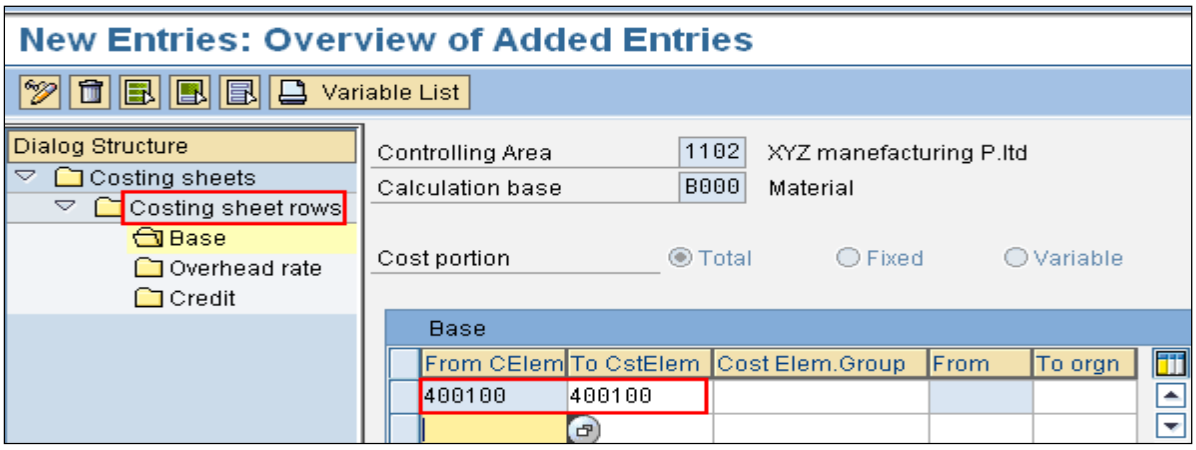
In following screen first pres New Entries button.



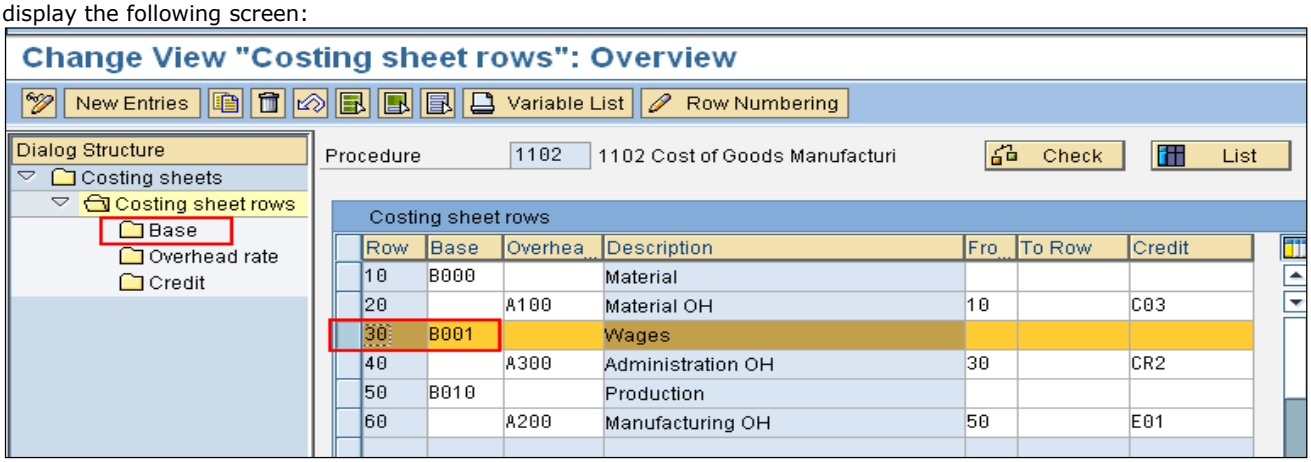
In the above screen maintain above table and select firs row "10" and click on "Base" under Dialog Structure. So it will display the following screen:

It will ask for Controlling area in a small box enter it and pres enter button.

In following screen first pres New Entries button



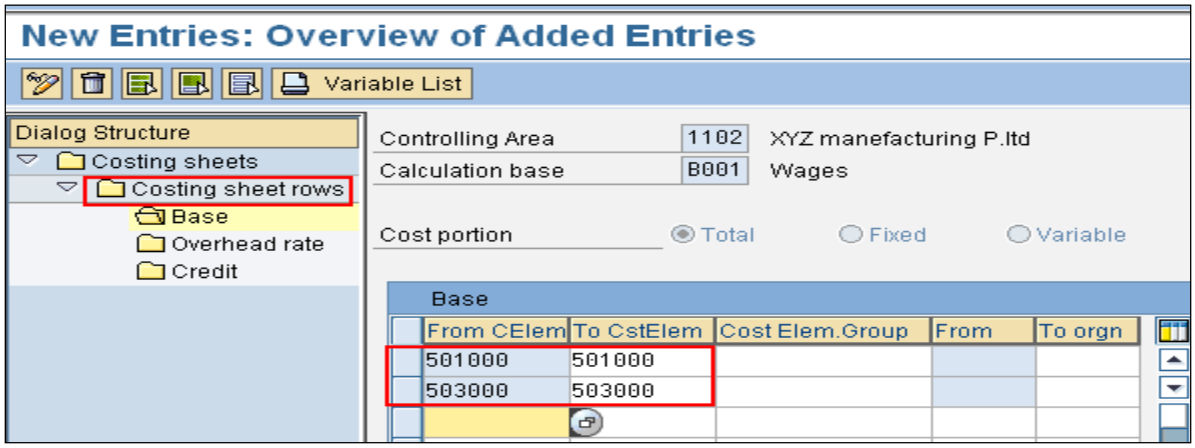
In the above screen enter cost elements range and double click on "Costing sheet rows" under Dialog Structure so it will display the following screen:



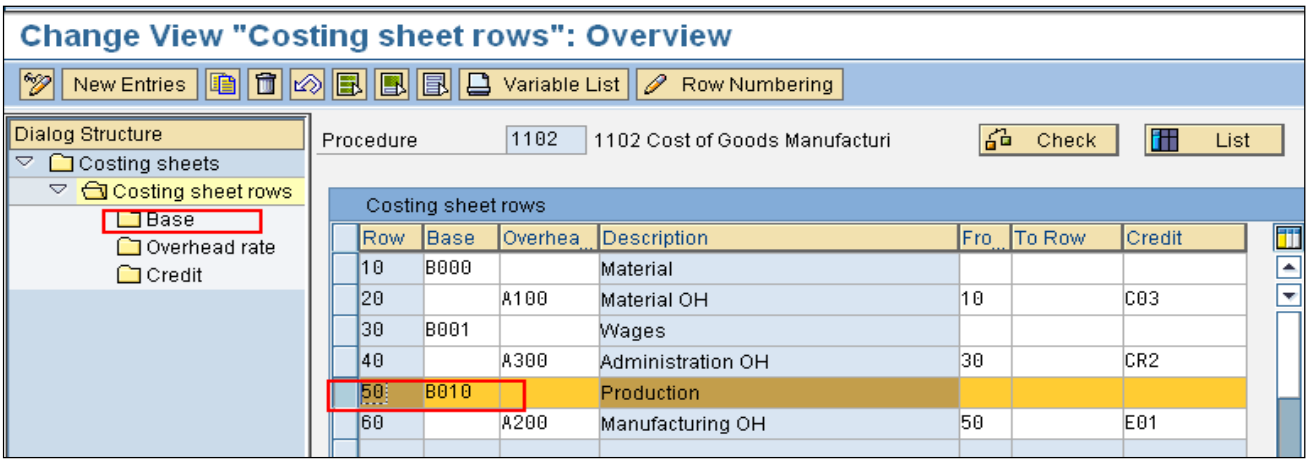
Now in the above row select row "30" and double click on "Base" under Dialog Structure, so it will display the following screen:

It will ask for controlling area in a small box enter it and pres enter button.

In following screen first pres New Entries button



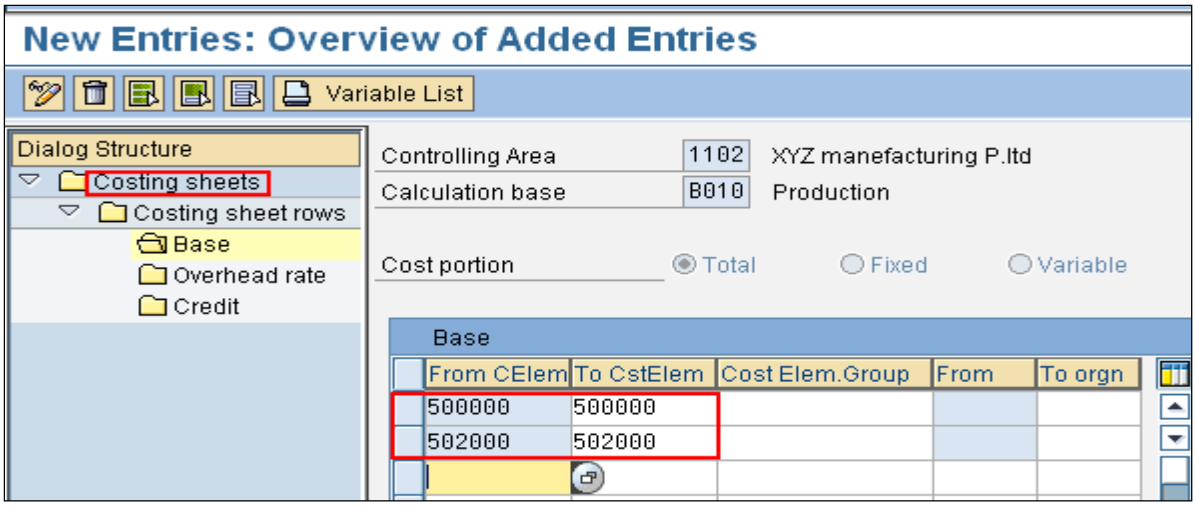
In the above screen enter cost elements range and double click on "Costing sheet rows" under Dialog Structure so it will display the following screen:



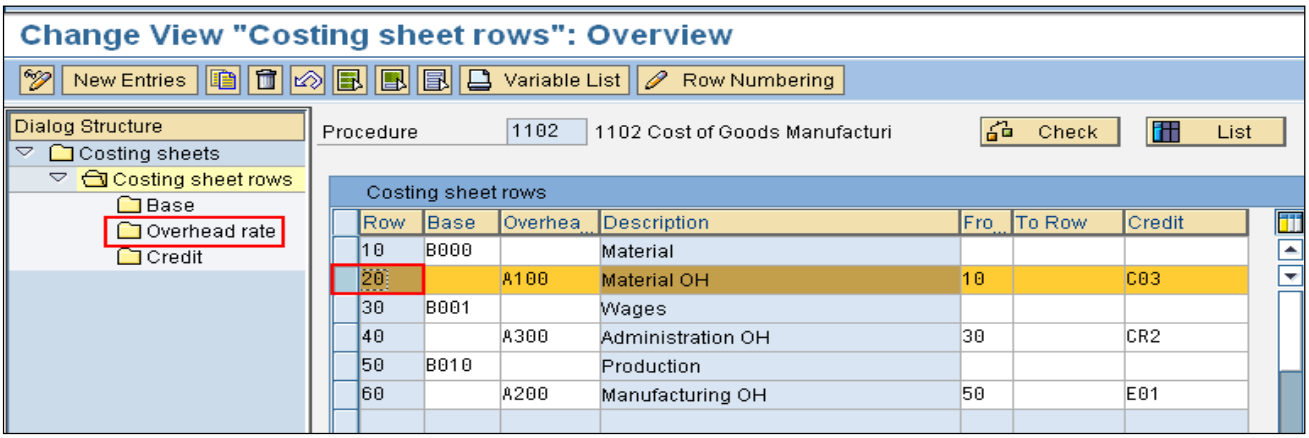
Now in the above row select row "50" and double click on "Base" under Dialog Structure, so it will display the following screen:

It will ask for controlling area in a small box enter it and pres enter button.

In following screen first pres New Entries button



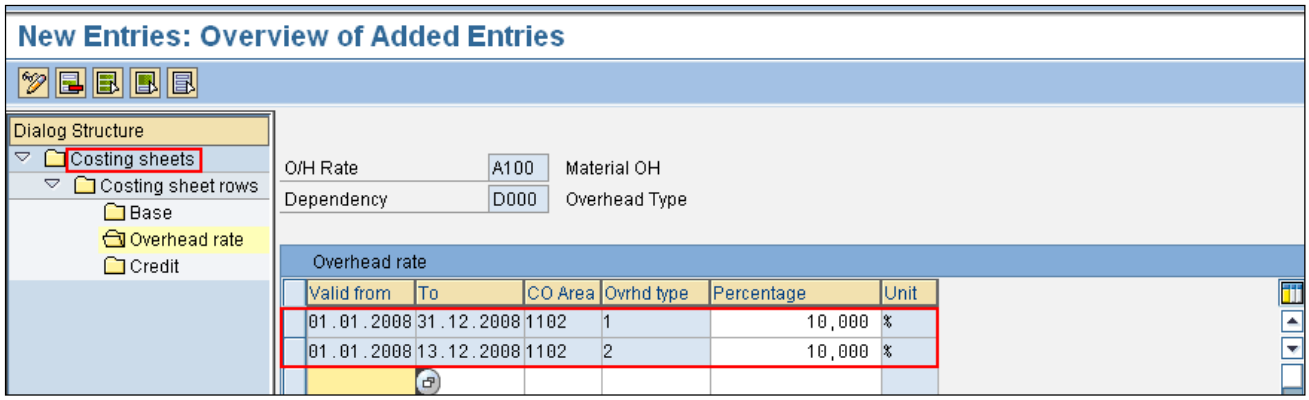
In the above screen enter cost elements range and double click on "Costing sheet rows" under Dialog Structure so it will display the following screen:



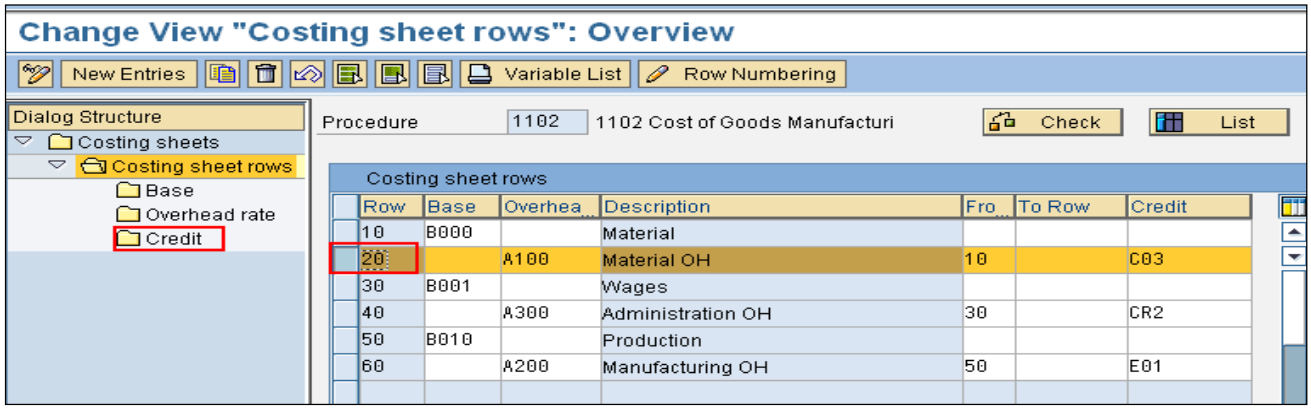
In the above screen select row "20" and double click on "Overhead rate" under Dialog Structure.

So it will display following screen:

In following screen first pres New Entries button

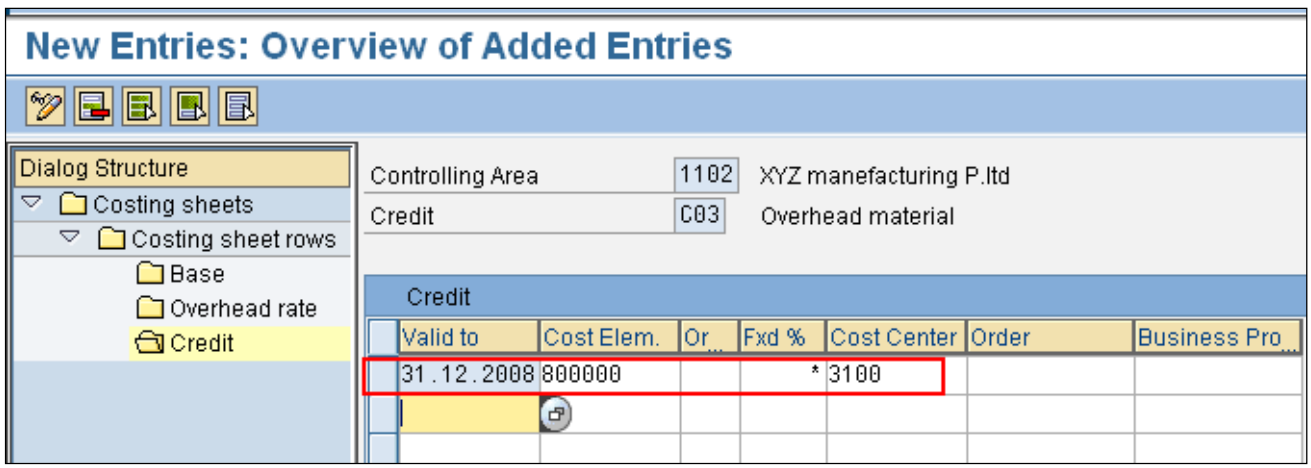


In the above screen maintain Overhead rate table and click on "Costing sheet rows Rows" under Dialog Structure.
So it will display the following screen:

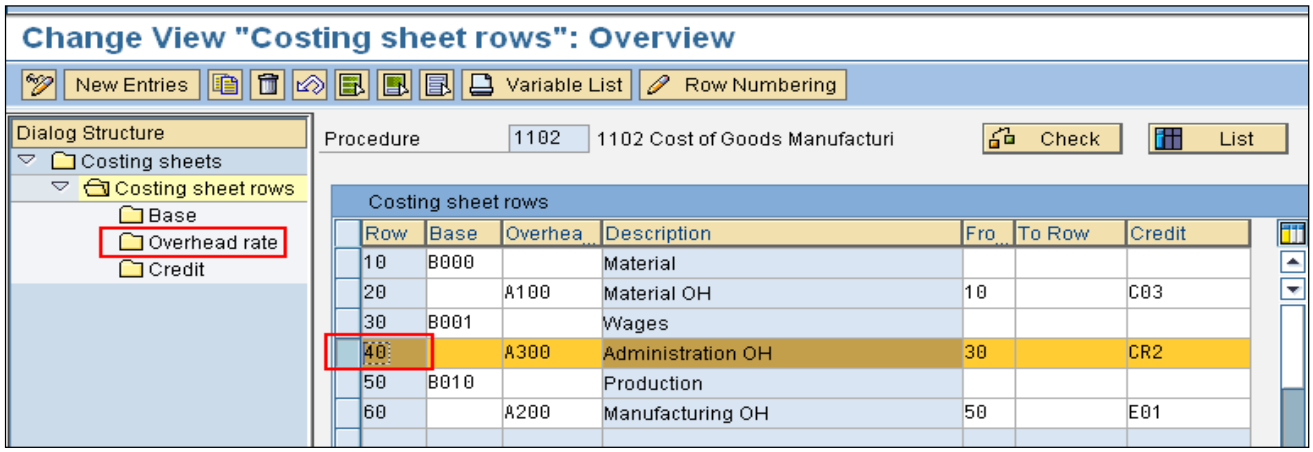


In the above select Row "20" and click on "Credit" under Dialog Structure.
So it will display the following screen:
It will ask for Controlling area in a small box enter it and pres enter button.

In following screen first pres New Entries button

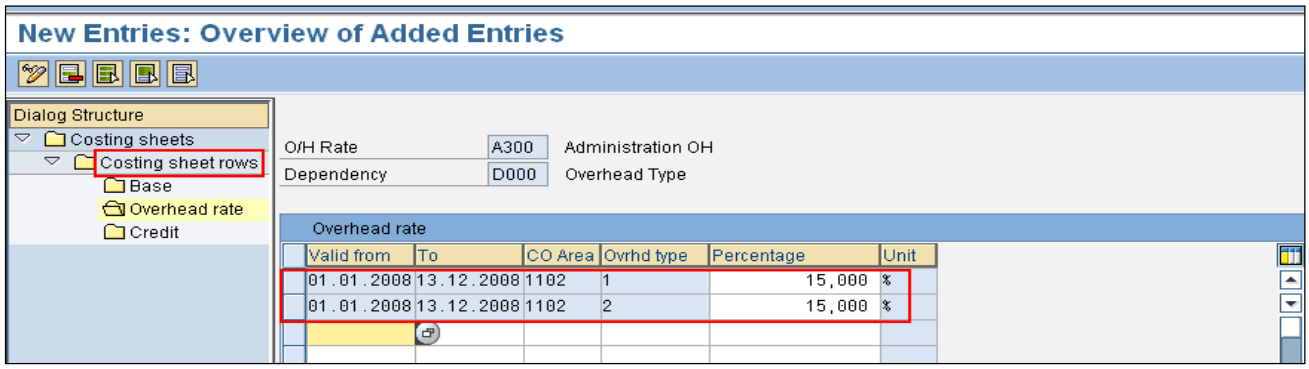


In the above screen under Credit table maintain the above parameters and click on "Costing sheet rows" under Dialog Structure.
So it will display the following screen:

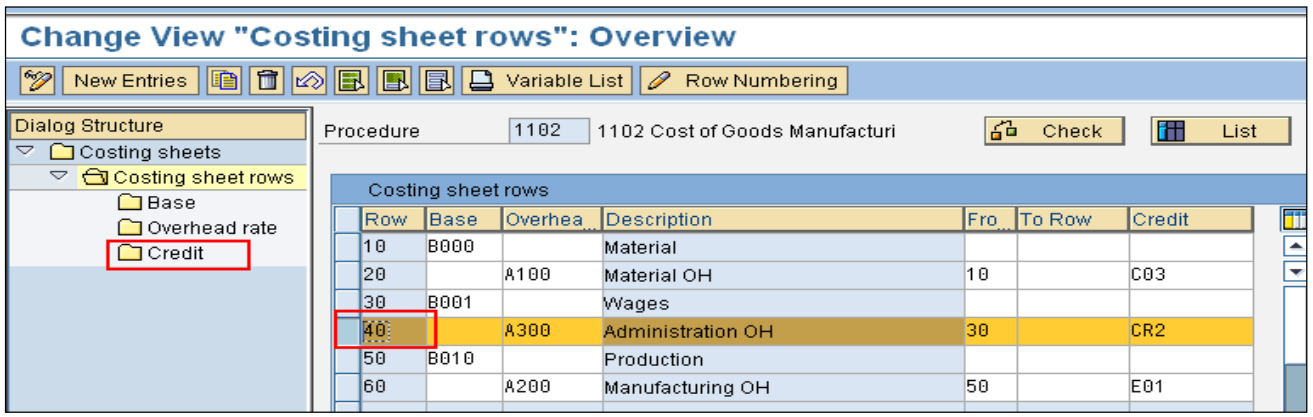


In the above screen select row "40" and double click on "Overhead rate" under Dialog Structure.
So it will display following screen:

In following screen first pres New Entries button

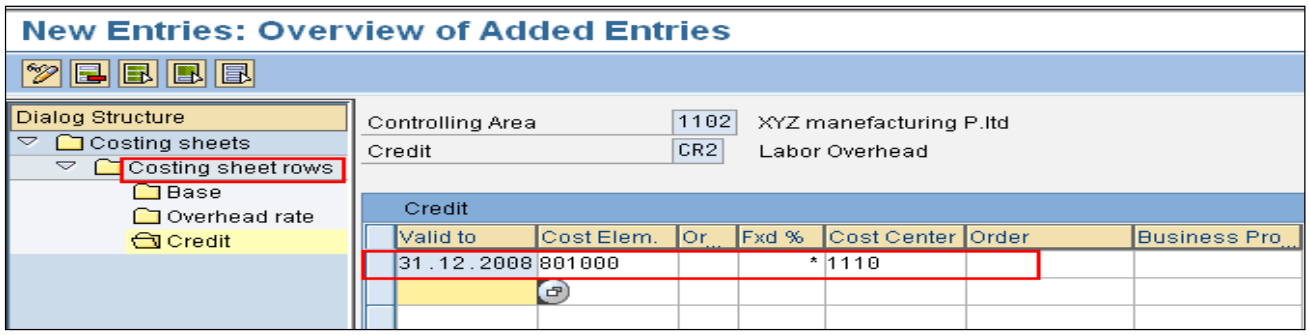


In the above screen maintain Overhead rate table and click on "Costing sheet rows Rows" under Dialog Structure.
So it will display the following screen:

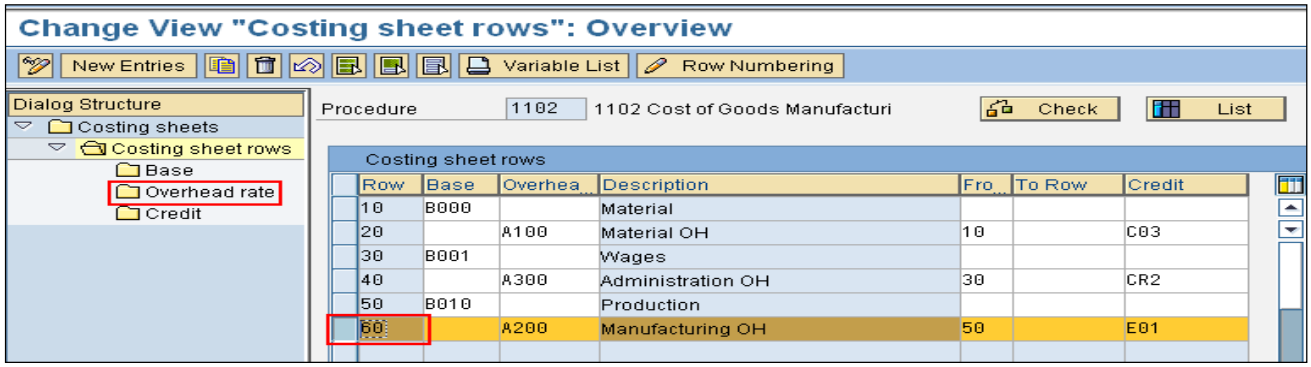


In the above select Row "20" and click on "Credit" under Dialog Structure.
So it will display the following screen:
It will ask for controlling area in a small box enter it and pres enter button.

In following screen first pres New Entries button

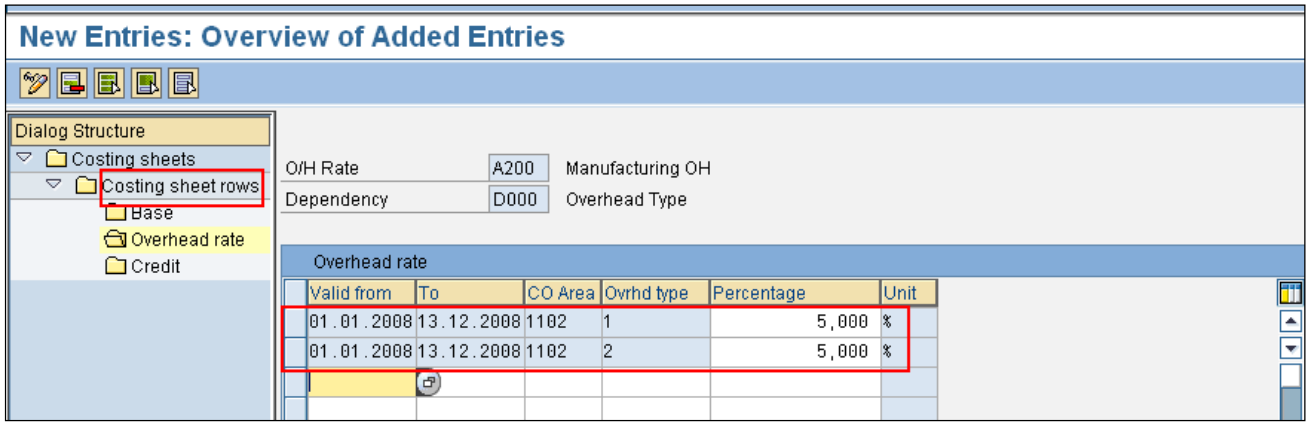


In the above screen under Credit table maintain the above parameters and click on "Costing sheet rows" under Dialog Structure.
So it will display the following screen:

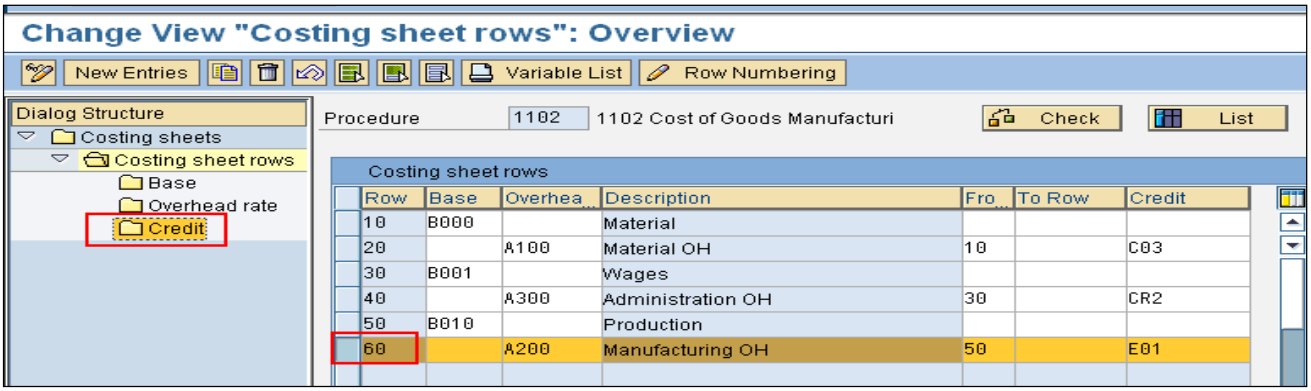


In the above screen select row "60" and double click on "Overhead rate" under Dialog Structure.
So it will display following screen:

In following screen first pres  button

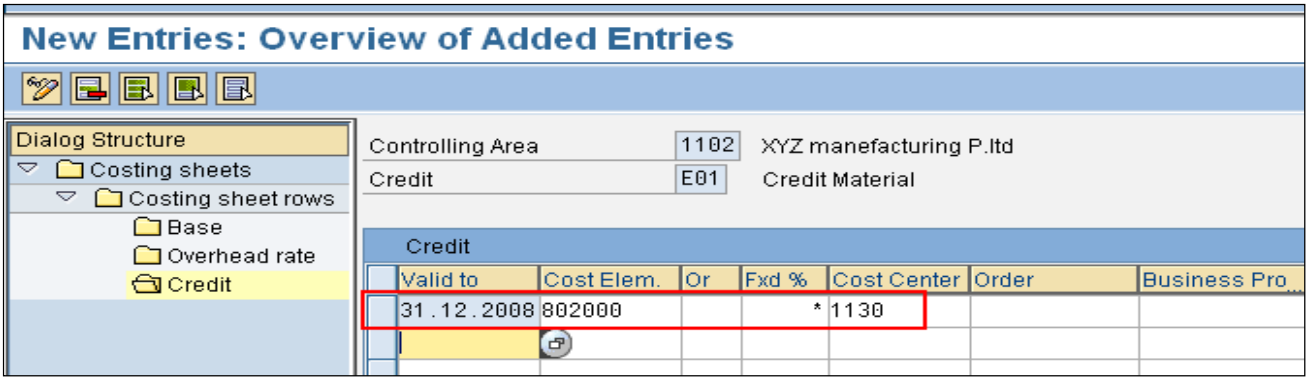


In the above screen maintain Overhead rate table and click on "Costing sheet rows Rows" under Dialog Structure.
So it will display the following screen:



In the above select Row "20" and click on "Credit" under Dialog Structure.
So it will display the following screen:
It will ask for controlling area in a small box enter it and pres enter button.

In following screen first pres New Entries button



After maintain above Credit table save the activity and back to SPRO screen.

Material Cost Estimate with Quantity Structure

Purpose

Costing with a quantity structure is a tool for planning costs and setting prices for materials without reference to orders. It is used to calculate the cost of goods manufactured and cost of goods sold for each product unit. You can use the results of material cost estimates with a quantity structure to valuate materials at standard prices.

Implementation Considerations

Before a cost estimate with a quantity structure can be created, a bill of materials and routing (PP) or a master recipe (PP-PI) must exist for the material being costed.

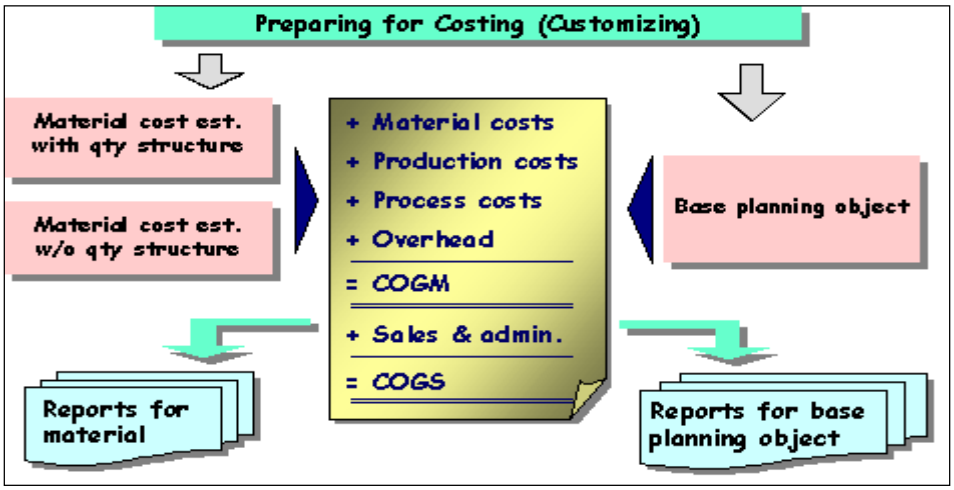
A cost estimate with a quantity structure uses the *PP* or *PP-PI* master data to determine the materials and internal activities required to manufacture the product. The cost estimate is created automatically using this data.

Calculation of (Cost of Goods Manufactured) COGM and (Cost of Goods Sold) COGS

You can use the *Product Cost Planning* functions to calculate the cost of goods manufactured (COGM) and cost of goods sold (COGS) for products such as materials and services. The costs may then be analyzed and used in business decisions (such as whether to make or buy).

The **cost of goods manufactured** is composed of material and production costs, process costs and overhead (such as material and production overhead). The **cost of goods sold** consists of the cost of goods manufactured together with sales and administration overhead costs.

The following graphic shows how the COGM and COGS are calculated using Product Cost Planning:



To calculate the COGM and COGS for materials, you can execute a material cost estimate (with or without quantity structure).

- Material Cost Estimate with Quantity Structure
- Material Cost Estimate Without Quantity Structure

To calculate the COGM and COGS for products that do not have any master data (such as services or materials at the planning stage), you can avail yourself of the Reference and Simulation Costing functions. For further information, see the following:

- Reference and Simulation Costing

Before costing, check all the settings in Customizing for Product Cost Planning that apply to the calculation of costs. For further information, see the following:

- Preparation for Costing: Customizing

You can use the following reports in the Product Cost Controlling Information System to analyze the costs:

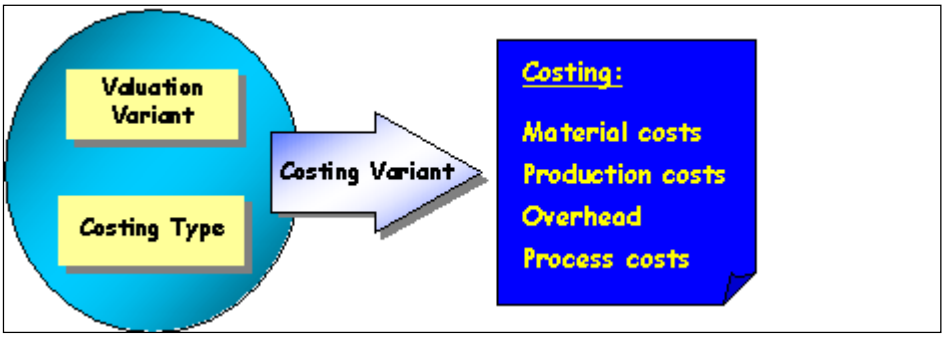
- Cost Component Reports (Cost Component Display)
- Itemization
- Costed Multilevel BOM

Step 5: Define Costing Variant

The costing variant contains control parameters and settings for costing. These settings determine how costing is executed, such as which prices the system uses to cost materials, activities, and business processes.

The control parameters in the costing variant and the settings you need to make will vary depending on whether you are creating a material cost estimate or a base object cost estimate.

Each costing variant specifies a particular valuation variant and costing type.



A costing variant for material cost estimates contains additional control parameters, such as for automatic determination of the quantity structure and for updating the prices in the material master.

The costing variant contains all the control parameters for costing.

The costing variant for a material cost estimate contains the following

control parameters:

- Costing type
- Valuation variant
- ate control
- Quantity structure control (only relevant for cost estimates with quantity structure)
- Transfer control (optional)
- Reference variant (optional)

Since this costing variant can be used for cost estimates both with and without quantity structure, you must also make the settings that are only relevant for cost estimates with quantity structure even if you are only executing a cost estimate without quantity structure.

In Quantity structure you determine the following:

o How the costing lot size is handled

o Whether cost estimates without quantity structure are included (

o Whether transfer control can be changed when calling the cost estimate

o Whether an active standard cost estimate can be transferred if the cost estimate for a material contains errors

In Additive Costs you determine the following:

o Whether you can transfer the cost components that were entered in the form of an additive cost estimate

o Whether the additive costs for materials with the special procurement types stock transfer or production are included in another plant

In Update you determine the following:

o Whether the costing results can be saved and what values are updated

The cost component split is always updated. You must specify whether the following values are also updated:

- Itemization

- Log

- Whether the user can change the update parameters and the parameters for transfer control
- Which reference variant you want to use for group costing

In Assignments you determine the following:

- Which cost component structure is used for the cost estimate
- Which costing version is used
- Whether the cost component split can be saved in the controlling area currency in addition to the company code currency
- Whether you can cost across company codes with this costing variant

Standard Settings

The standard system contains a number of predefined costing variants. To check which parameters are inked to these costing variants, use the Check settings function or choose the Check costing variants function in the detail screen.

PPC1 Standard Cost Estimate

A standard cost estimate calculates the standard costs for a semifinished or finished product. Costing type 01 specifies that the results of this cost estimate are written to the material master as the standard price, and thus can be used to valuate inventories. Costing variant PPC1 specifies valuation variant 001, quantity structure determination ID PC01, and date control PC01. No transfer control takes place.

PPC2 Modified Standard Cost Estimate

You create a modified standard cost estimate when the data for costing has changed within a planning period. Costing type 12 specifies that the results of this cost estimate are used only for informational purposes. Costing variant PPC2 specifies valuation variant 009, quantity structure determination PC01, and date control PC05.

PPC3 Current Cost Estimate

You create a current cost estimate when you want to make a decision based on the current price of the material. Costing type 13 specifies that the results of this cost estimate are used only for informational purposes. As an alternative, you can set the indicator Prices other than standard price in the costing type so that the results of this cost estimate can be written to the material master as a planned price. Costing variant PPC3 specifies valuation variant 009, quantity structure determination PC01, and date control PC04.

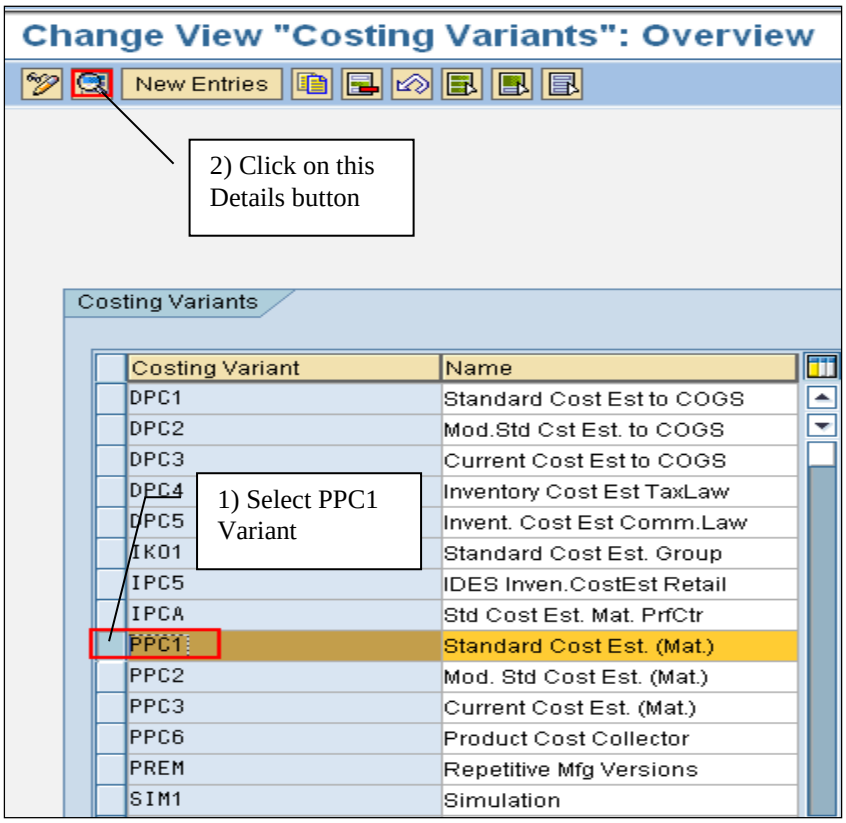
PREM Preliminary Costing of Cost Collector

The preliminary cost estimate for the product cost collector is used to calculate preliminary costs on the basis of the quantity structure of a production process. Costing type 19 means that this cost estimate is only relevant for product cost collectors. Costing variant PREM specifies valuation variant 001, transfer control PC02, and date control PC01. Quantity structure determination is not relevant, as quantity structure is determined through the production process.

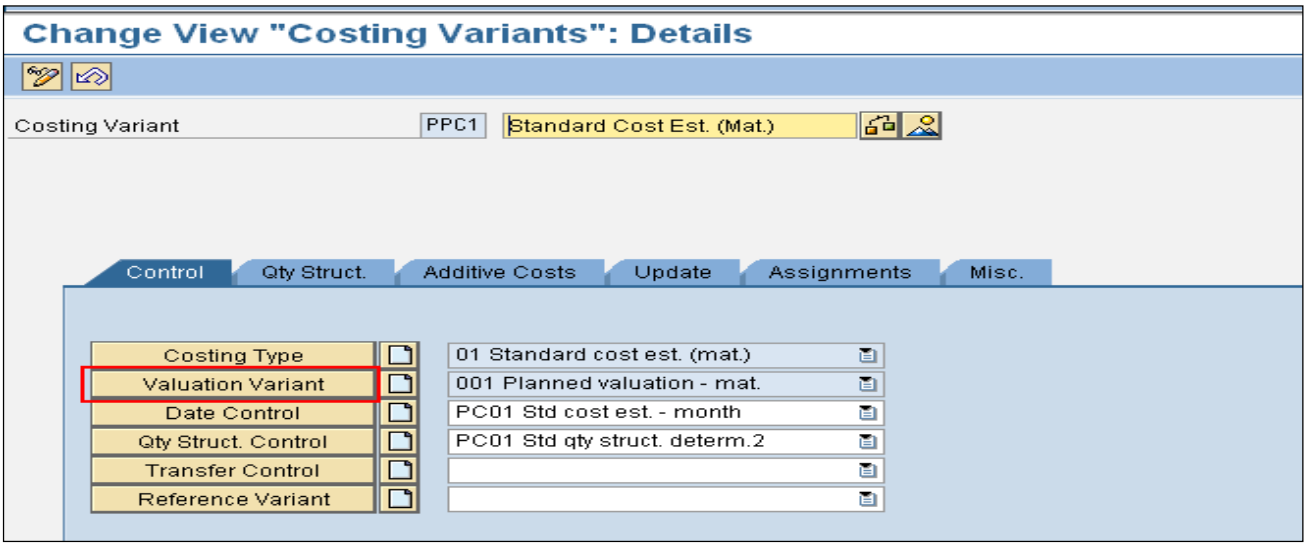
Path: SPRO→Controlling→Product Cost Controlling→Product Cost Planning→Material Cost Estimate with Quantity Structure→Define Costing Variants

Transaction Structure: OKKN
Database Table: TCK05, TCK06

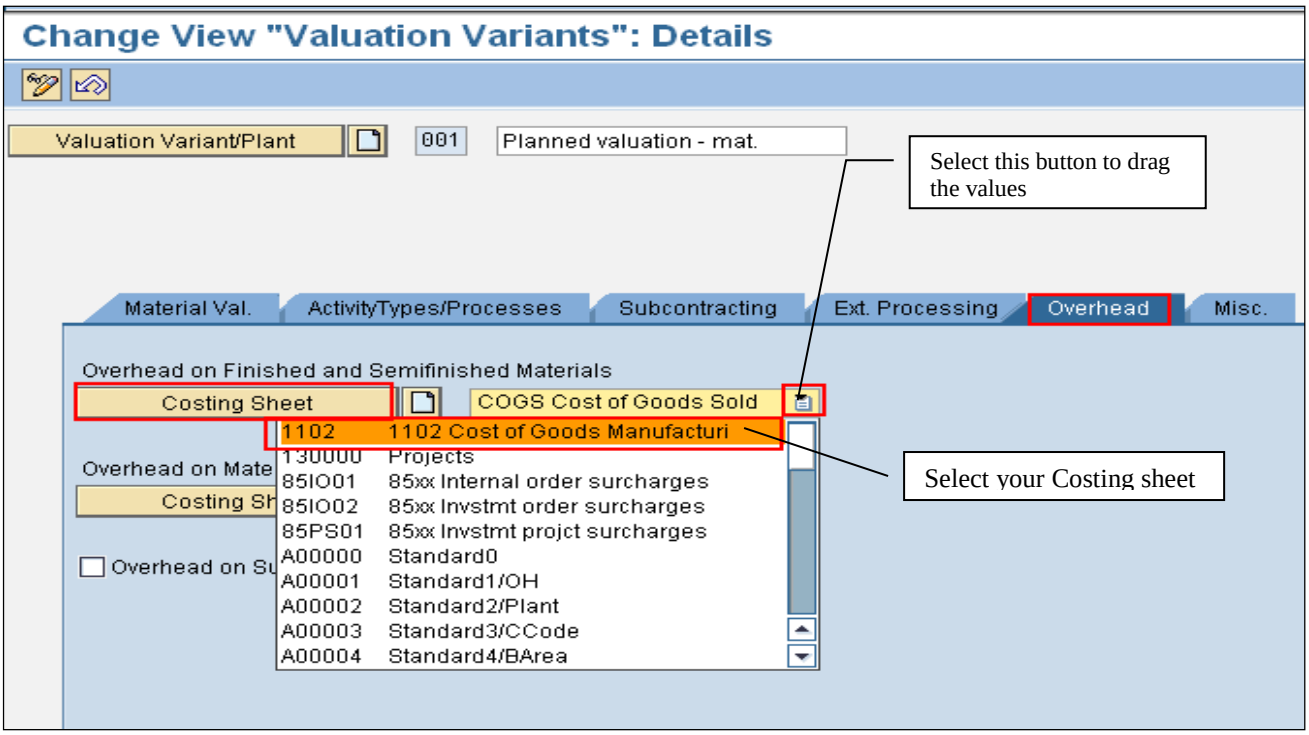
By the above transaction it displays the following screen:



In the above screen select "PPC1" Costing Variants and click on Details button as I shown in above screen.
It displays the following screen:



In the above screen click on  button under Tab "Control".
So it will take you to following screen:

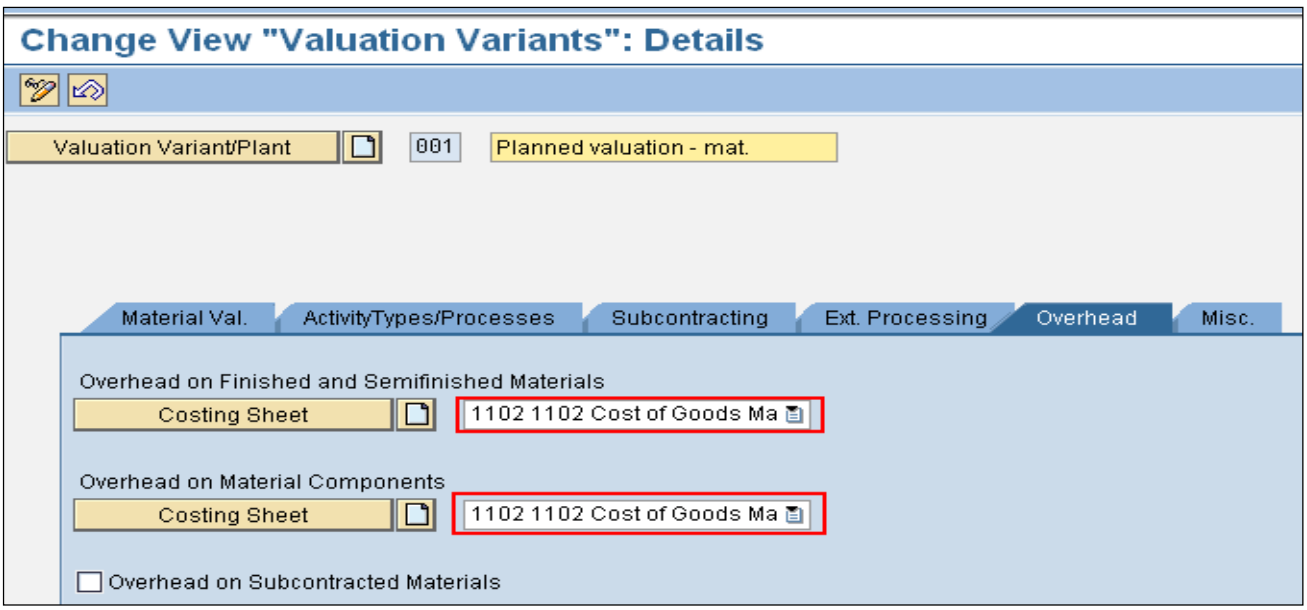


In the above screen first go to tab "Overhead" in this tab you can view tow Buttons 1. Costing Sheet (Overhead on Finished Goods, Semi Finished Goods), 2. Costing Sheet (Overhead on Material Consumption).

1) Agents 1st button Costing Sheet (Overhead on Finished Goods, Semi Finished Goods) drag the button and select your Costing sheet (in above case it is "1102 1102 Cost of goods Manufacturi")

2) Agents 2nd button Costing Sheet (Overhead on Material Consumption) drag the button and select your Costing sheet (in above case it is "1102 1102 Cost of goods Manufacturi")

So it will be as bellow:



Now click on save button to save the activity and back to SPRO screen.

Step 6: <u>Define Cost Component Structure:</u>

Definition: cost component structure

Controlling (CO)

A control of how the results of activity price calculation or material Costing is stored.

The cost component structure groups cost elements into cost components to show the following information:

- Activity prices for an activity type
- Cost of a process
- Planned cost of a product

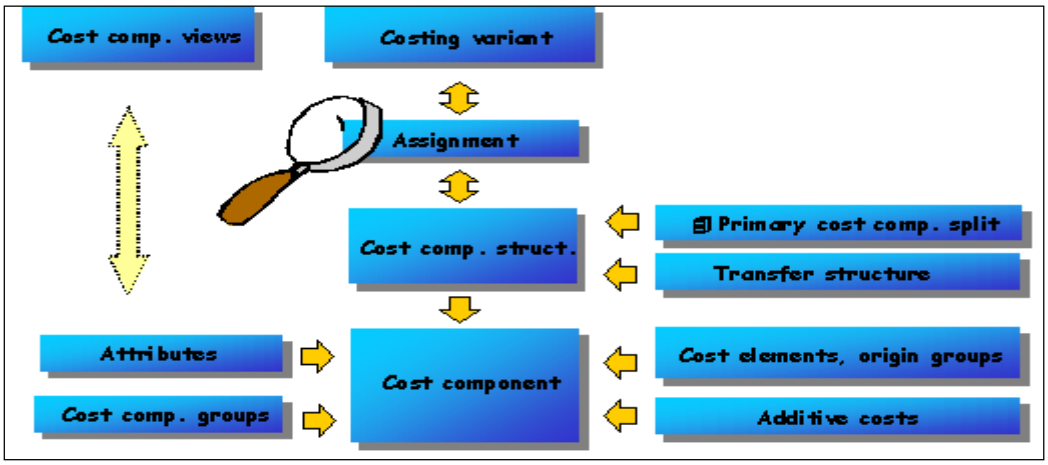
In Product Cost Controlling (CO-PC), the cost component structure determines the attributes for passing on the following costs:

- Material costs passed on to material valuation as the standard price or inventory price
- Cost of goods manufactured passed on to Profitability Analysis

Cost Component

The costs from a cost estimate are assigned to cost elements and cost components.

The following graphic illustrates how cost components, cost component structures, and cost views are customized:



Cost components are grouped into a cost component structure. A cost component structure can have up to 40 cost components. However, if the cost components contain both fixed and variable costs, the number of costs components is limited to 20.

Examples of cost components are:

- Raw materials
- Personnel costs
- Production costs
- Overhead: material
- Overhead: production
- Overhead: administration
- Overhead: sales and distribution
- External activities
- Other costs

If you are using a particular costing variant, the system determines the cost component structure for this costing variant and creates the cost component split for the costing results accordingly.

All costing variants for the standard cost estimate in a company code must be linked to the same cost component structure. Otherwise you cannot transfer costing results from other plants for specially-procured materials.

For costing variants that are not set for the standard cost estimate, you can assign the cost component structure separately for each plant or for each costing variant.

The values for each cost component are updated in the currency of the company code to which the material is assigned.

Cost Component Structure

Specifies which costs are contained in the cost component split.

You can use the cost component structure to specify that certain costs:

- Remain visible in the cost estimate
- Are passed on to Profitability Analysis

You can define a cost component structure so that the cost estimate for a finished product shows the origin of the costs for the semifinished products and raw materials.

You can define the cost component structure to have a validity period. You can specify the date from which the structure is to be valid. This means that you can use an alternative cost component structure for the cost estimate without having to change an existing structure. In addition, cost estimates that have already been saved can still be interpreted by the system.

Through the cost components that you list in the cost component structure, you specify the following:

- Which costs are included
- Whether the variable costs or the total costs are included
- Whether the cost of goods manufactured or the sales and administration costs are included
- Whether the costs for inventory valuation, tax-based inventory valuation, and commercial inventory valuation are included

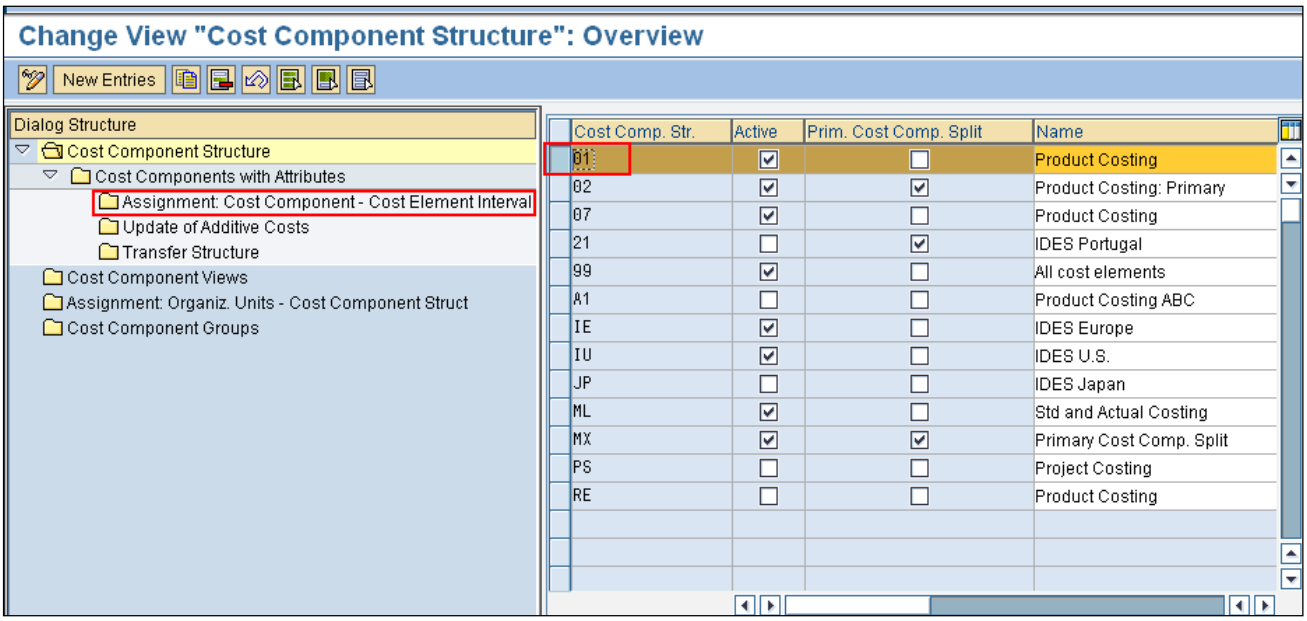
If you use a cost component structure in Customizing to create a **primary cost component split** for products, the cost component splits of the items that are relevant to costing are included in the primary cost component split. In addition to materials, internal activities and process costs can also have cost component splits.

You can create **cost component views** on the basis of the Customizing settings for the cost components. When you display a material cost estimate, cost component views show the costing results according to different viewpoints.

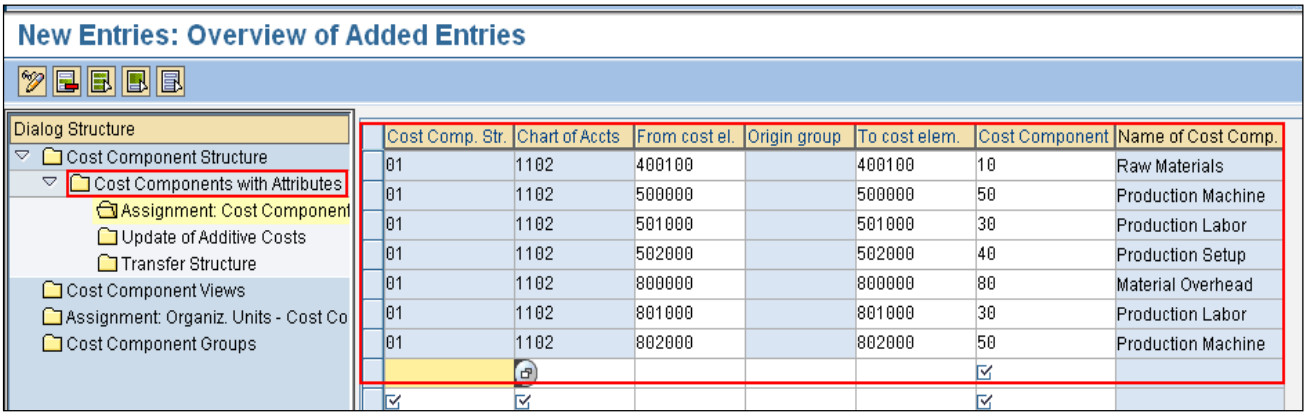
Path: SPRO→ Controlling→ Product Cost Controlling→ Product Cost Controlling→ Basic Settings for Material Costing→ Define Cost Component Structure

Transaction Code: OKTZ
Database Table: TCKH1, TCKH2, TCKH3, TCKH4, TCKH5

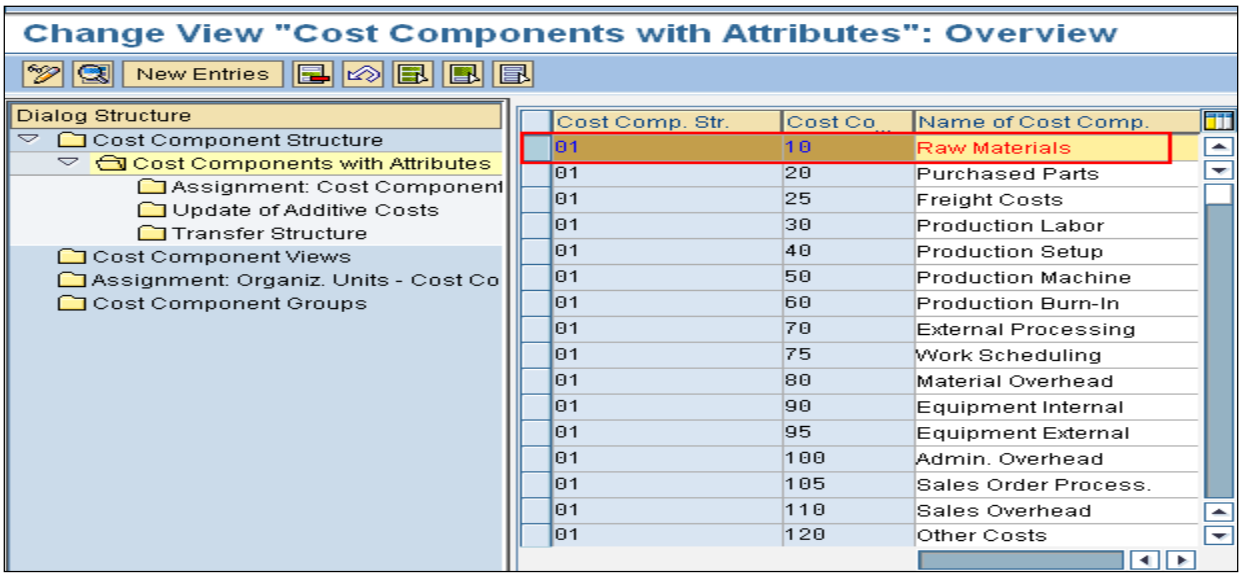
By the above path it display the below screen:



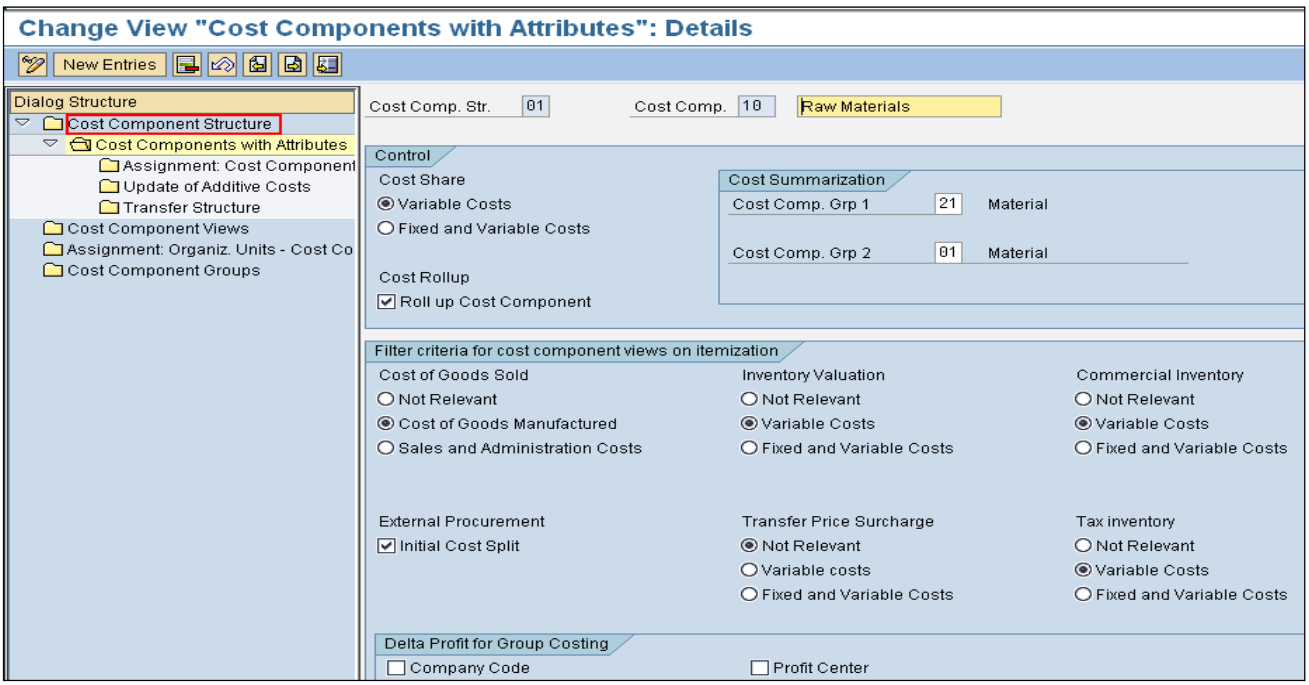
in the above screen select "01" under Cost Comp.Str field and double click on "Assignment: Cost Component – Cost Element Interval".
An new window will display as below:
In this window click on New Entries.



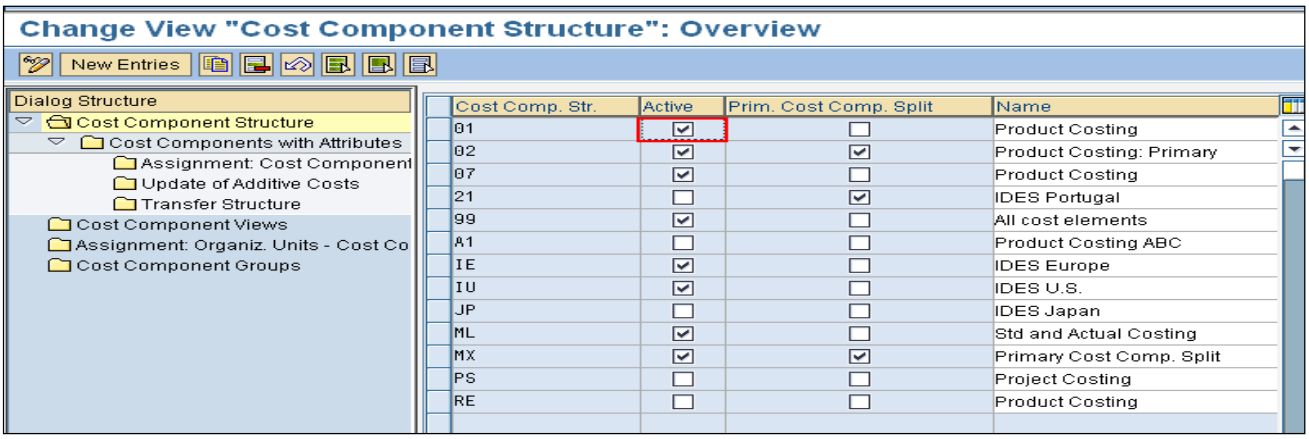
In above screen main table with cost elements and cost components. Now double click on "Cost Components with Attributes" under Dialog Structure
So it will display following screen:



In the above screen double click on "Raw Materials" so it will display the following screen:



In the above screen maintain the above parameters as you required and as I shown above.
Save the activity and click on "Cost Component Structure" under dialog structure
So it will display the following screen:



In the above screen select "Active" check box for "Cost.Comp.Str - 01".
Save the screen and back to SPRO screen.

Step 7: <u>Cost Estimation with Quantity Structure</u>

This cost estimate is a tool for planning material costs without reference to orders, and for setting prices for materials. It is used to calculate the cost of goods manufactured and cost of goods sold for each product unit.

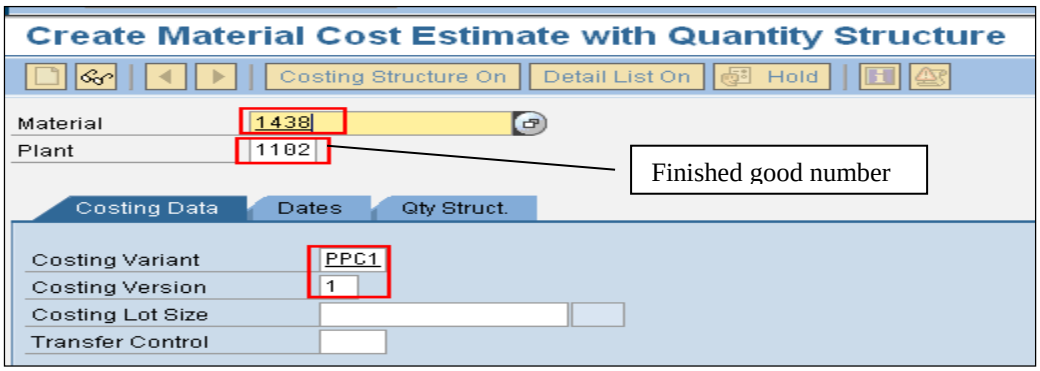
The following functions are available for material cost estimates with quantity structure:

- Cost Estimate with Quantity Structure for a Material
- Additive Costs for a Cost Estimate with Quantity Structure
- Costing Run for processing mass data
- Managing the Costing Results (such as saving, archiving, and deleting)
- Use of Existing Costing Data
- Parallel processing and background processing

The cost estimate with quantity structure enables you to calculate the non-order-related **cost of goods manufactured** and the **cost of goods sold** for products, based on the BOMs and routings (PP).

Path: Accounting→ Controlling→ Product Cost Controlling→ Product Cost Planning→ Material Costing→ Cost Estimate with Quantity Structure→ CK11N – Create

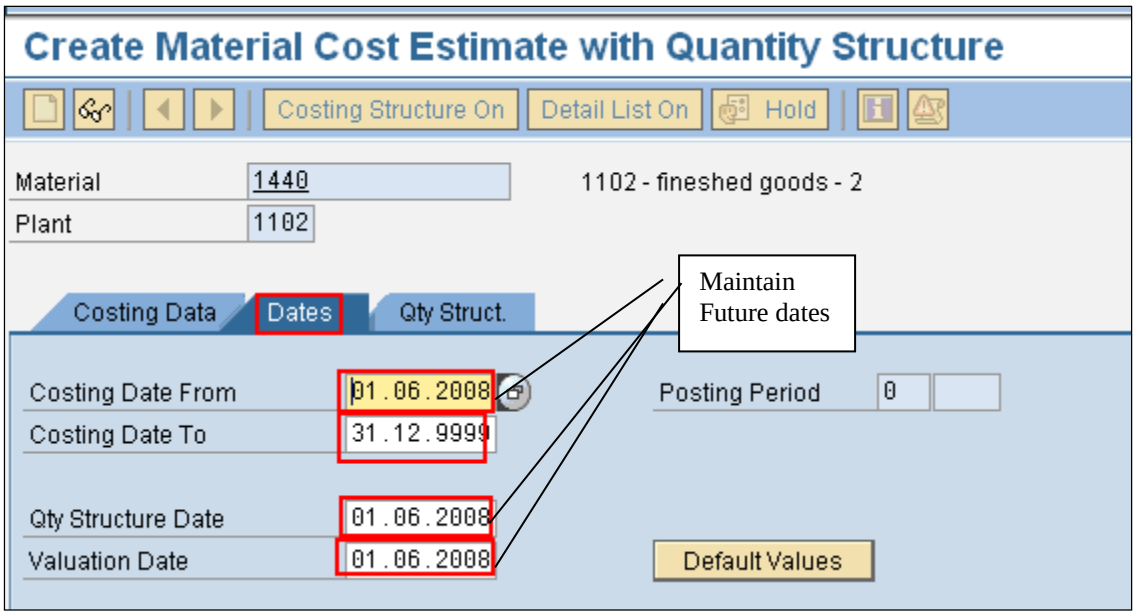
Enter into above transaction so it will display the following screen:



In the above screen enter your Finished good number, plant, Costing variant as "PPC1 (Standard Cost Estimation)" and Costing Version as "1"

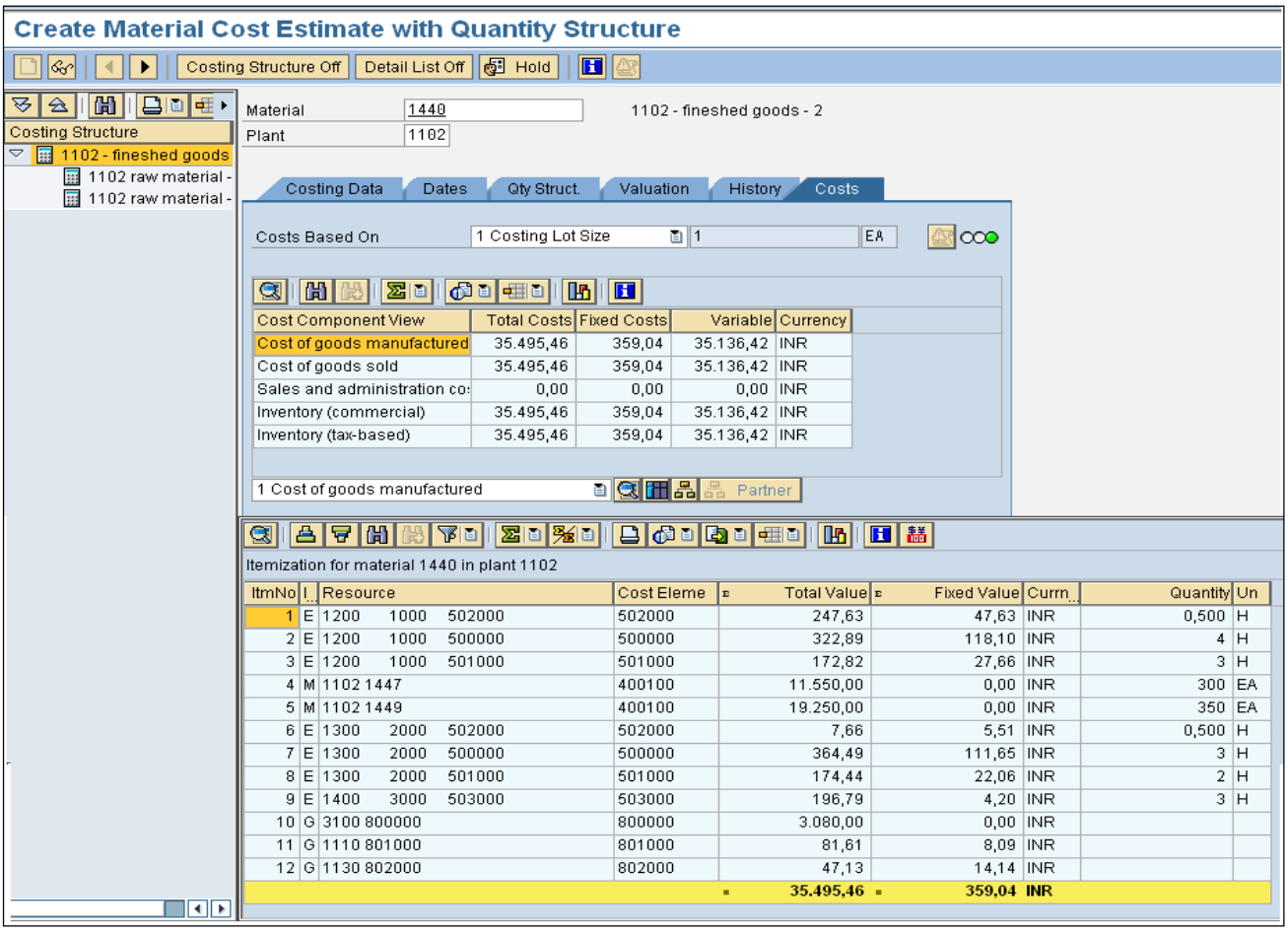
Now pres enter button

It takes you to following screen:



In the above screen under Tab "Dates" for "Costing Date from", "Qty Structure Date", "Valuation Date" should maintain future dates and "Costing Date To" should be maintain last date of plan of production.

Now pres enter button. So it will show the following screen:



Save the activity and back to easy access screen.

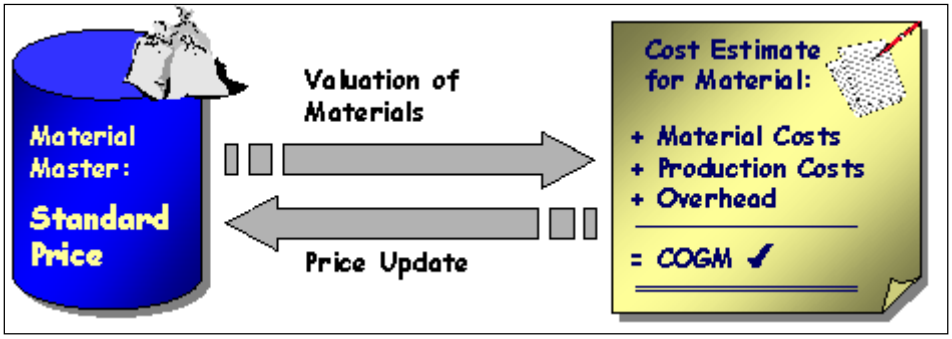
Step 8: Price Update

Updating the Standard Prices

You can update the results of the standard cost estimate in the material master record as the	**If you**
Future standard price	Mark the standard cost estimate
Current standard price	Release the standard cost estimate
Previous standard price	Release a new standard cost estimate. The current standard price becomes the previous standard price.

You can use the results of the standard cost estimate to valuate the materials for standard prices (see graphic). When you release the standard cost estimate, the price in the material master is updated as the standard price and the materials are revaluated. From this point on, all the material movements are valuated at the new price. However, this applies only to materials with S price control.

Costing can access the future or current standard price in the material master for material valuation purposes, provided you have defined the appropriate strategy in the valuation variant in Customizing for material valuation (see graphic). For more information, see *Define Valuation Variants* in the *Implementation Guide* for *Product Cost Planning*.



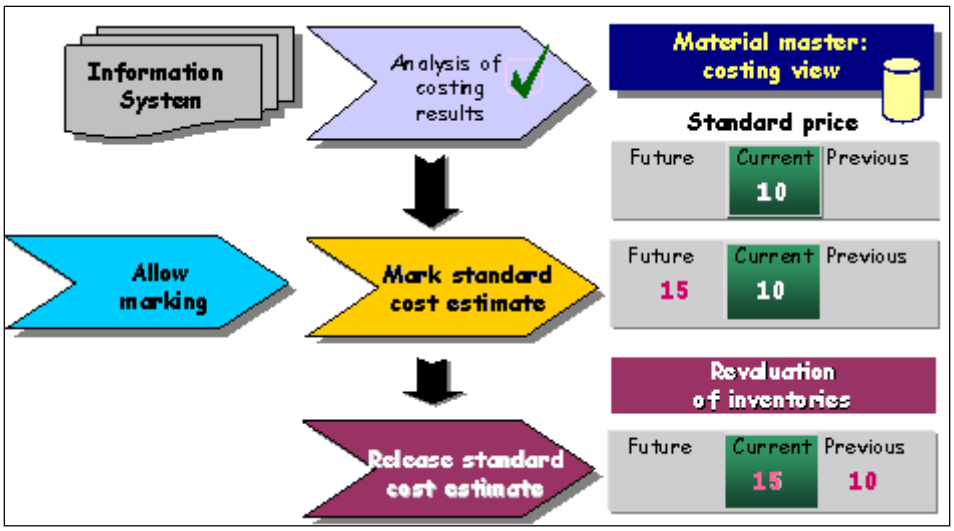
Prerequisites

To update the standard cost estimate results as the standard price in the material master record, the following conditions must be met:

- The cost estimate has the status *KA: Costed without errors*. Only the results of cost estimates without errors can be updated.
- The costing results have been saved to the database. To be able to save a cost estimate, you must ensure that the indicator *Saving allowed* is turned on in the **costing variant**.
- The setting has been made to update the costing results as the standard price. For this, the indicator *Standard price* indicator must be turned on in the **costing type**.
- In addition, the costing type must also specify that the date of costing is saved to the database, and that this date is always the **start of period**.

The **period of validity of the cost estimate** (*Costing date from*) must correspond with the current period in the material master. You cannot update the standard price for periods that have elapsed. To release the costing results, you must wait until the relevant posting period has arrived.

The following graphic provides an overview of updating the costing results as the standard price:



To set a new standard price in the material master, you must mark and release the standard cost estimate. Before you can mark and release a standard cost estimate, you must allow standard cost estimates to be marked and released in a company code.

If you **mark** a standard cost estimate for a material, the price calculated in the standard cost estimate is transferred into the material master record as the **future standard price** (see graphic). However, the materials with "S" price control continue to be valuated with the current standard price (see graphic).

If you **release** a standard cost estimate for a material, the marked price is transferred into the material master record as the **current standard price** for the current period. This price is then active for external accounting. The materials with "S" price control are valuated with the new standard price. The current standard price becomes the previous standard price (see graphic).

You can repeat the marking at any time. However, this can only be done **once** in a period. For this reason, you should check the costing results before marking and releasing. To do this, use the reports in the Product Cost Controlling Information System.

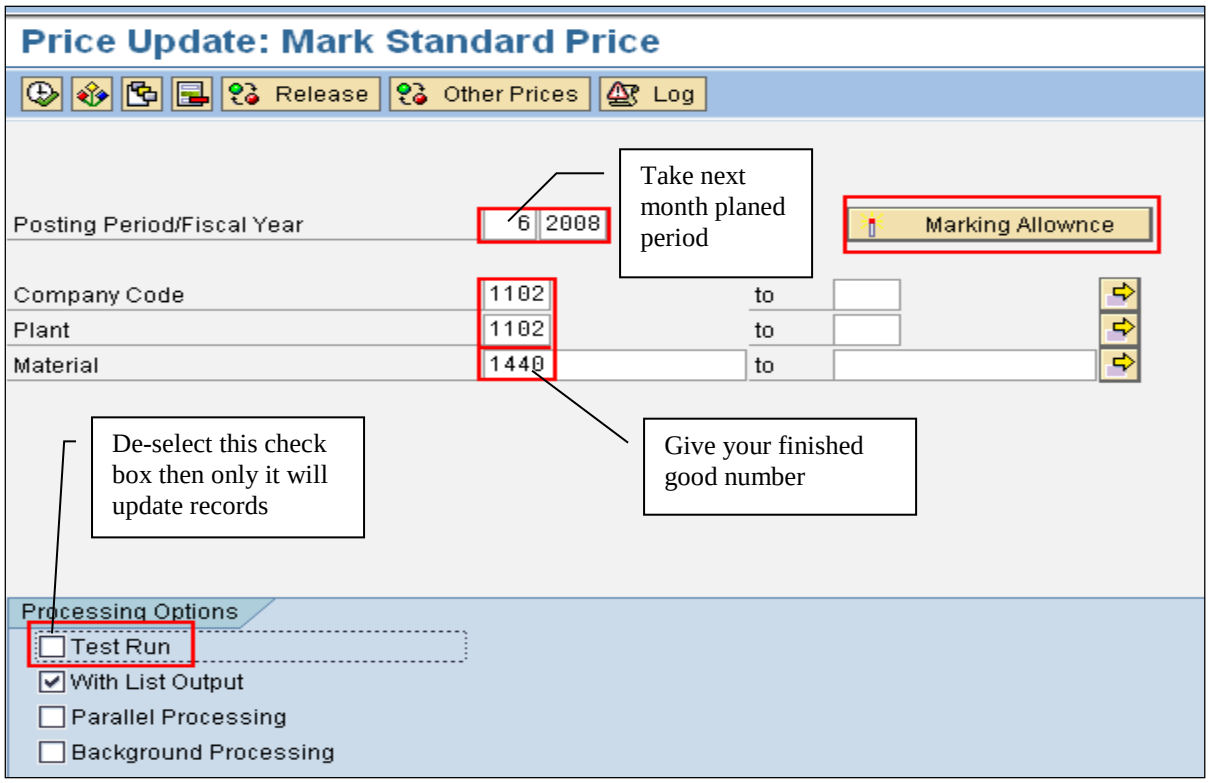
You can use the Information System to make comparisons, such as using a price from the material master, or the future or current standard price, to the costing results. This enables you to correct any variances before the materials are valuated with the new standard price.

Once you have released the cost estimate, you cannot create a new standard cost estimate in this period. Although you can delete a released cost estimate, the materials are still valuated with the released standard price. When a current standard cost estimate is deleted, the previous standard price no longer becomes the current standard price. To determine a new standard price, you have to carry out costing, marking and releasing afresh.

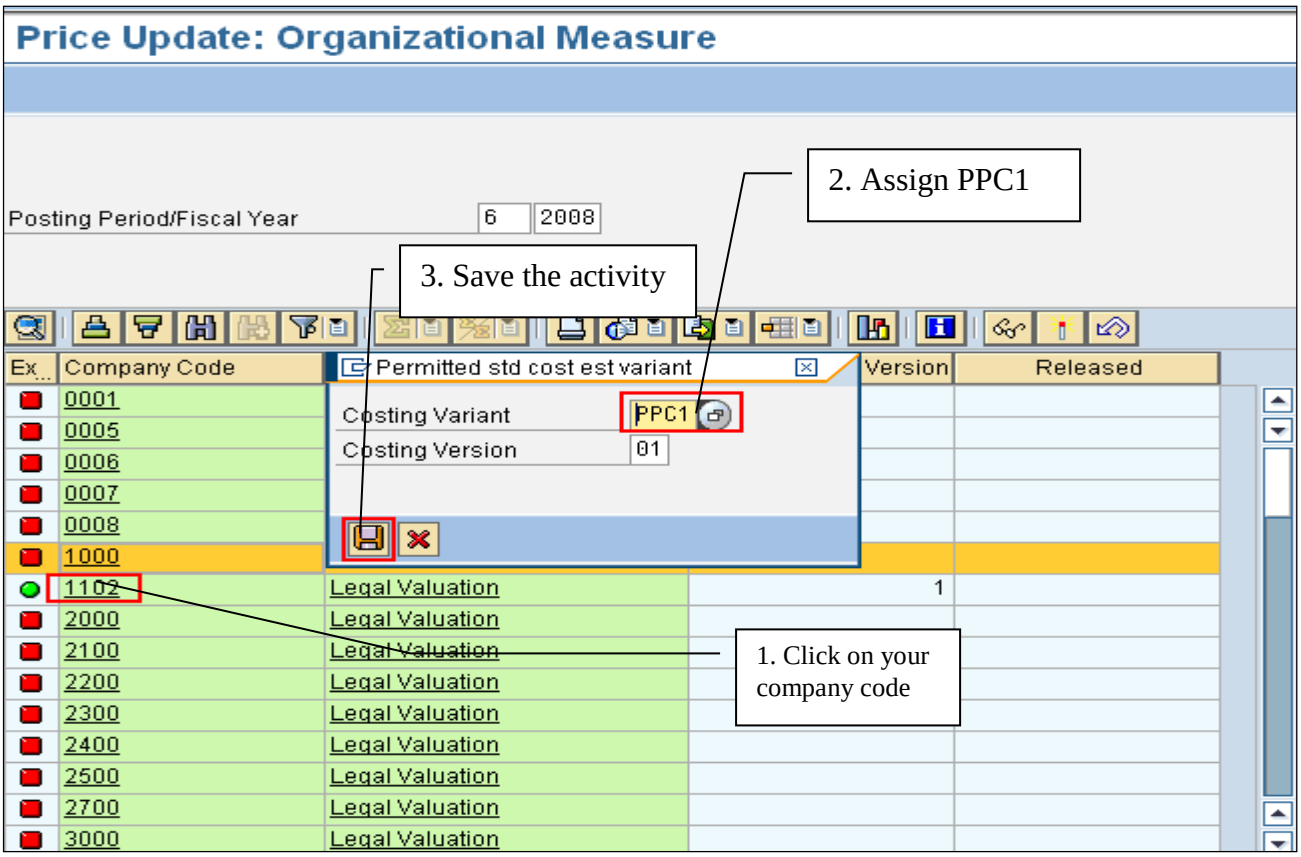
Marking, releasing, and marking allowance are protected by authorization checks. The person authorized to execute these functions must enter the authorization object *K_FVMK (CO-PC: Release/marking product costing)* in the user master record.

Path: Accounting→ Controlling→ Product Cost Controlling→ Product Cost Planning→ Material Costing→ CK24 - Price Update

By above transaction it displays the following screen:

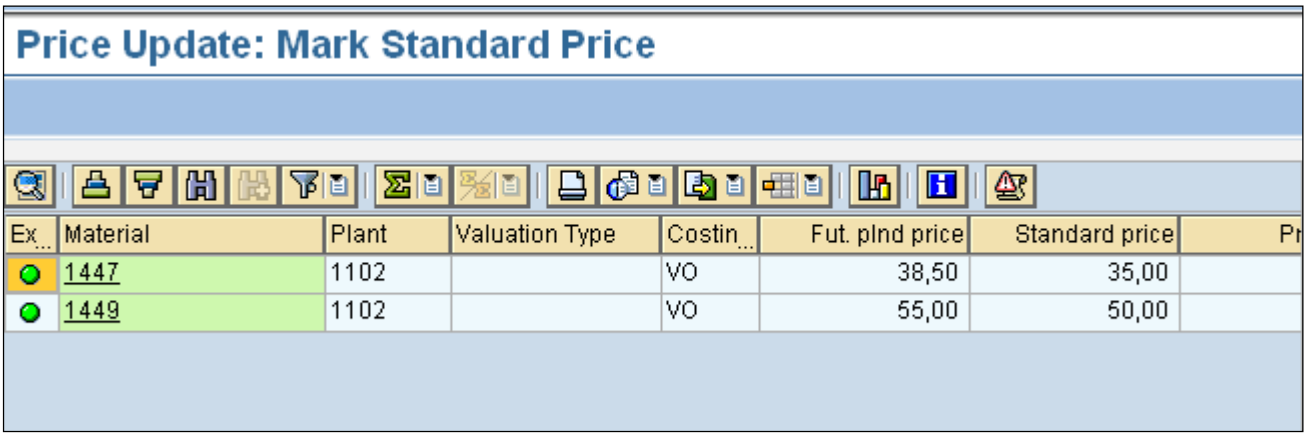


In the above window give future month periods details in "Posting period/Fiscal year" field and provide information to Company code, plant, Material and click on Marking Allownce button so it will display the below screen:



In the above screen click on your company code so it will display an small sindow in that window select "PPC1" as Costing variant and save the activity and back to main sceen.

In the main screen click on Executive button so it show as follow:



Now back to easy access screen.

Cost Object Controlling

Step 9: Define Order Type

Production Planning and Control (PP)
A production order used for discrete manufacturing.

Production Planning and Detailed Scheduling (SCM-APO-PPS)

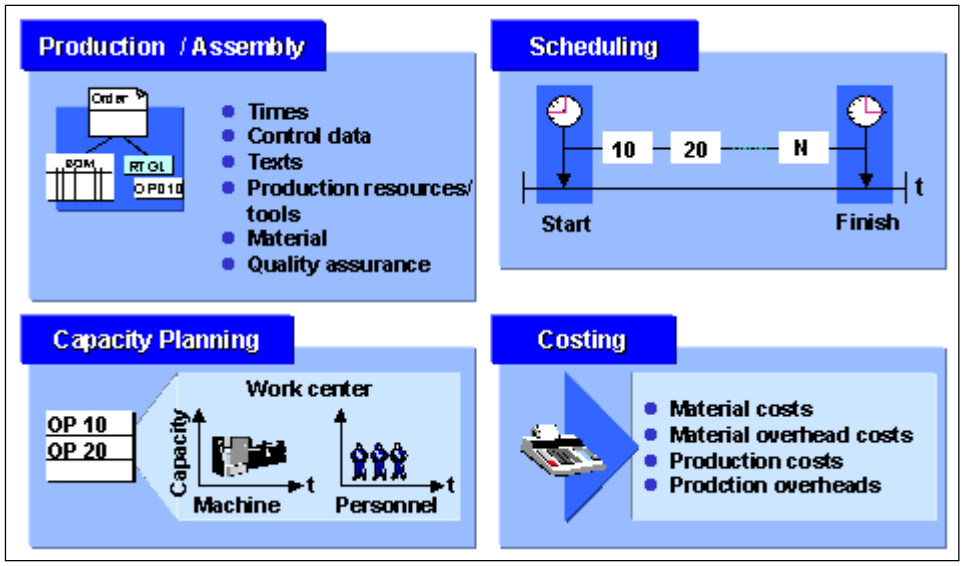
Production order used for discrete manufacturing.

Production orders can only be processed and back flushed in the linked. Planned orders that were created in APO are converted into production orders in the linked system. The current production order data relevant for planning is transferred from the R/3 or ERP system to APO.

Features

You can use the production order to specify:

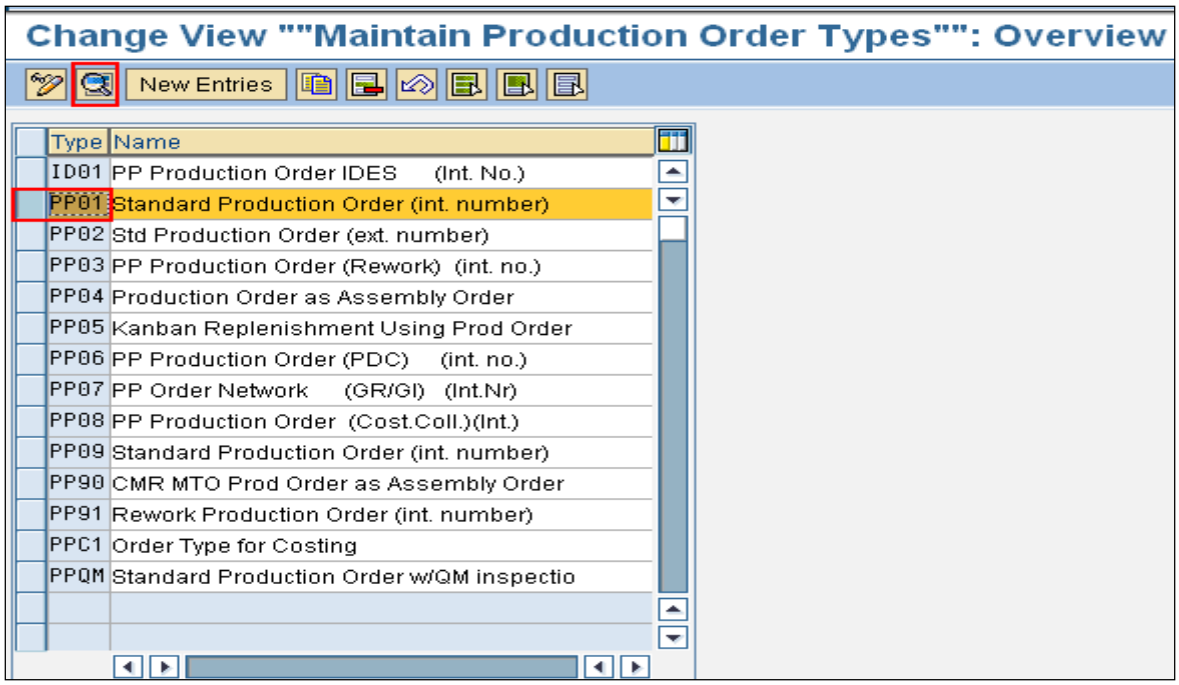
- What is to be produced?
- When production is to take place
- Which capacity is to process the order?
- How much production costs?



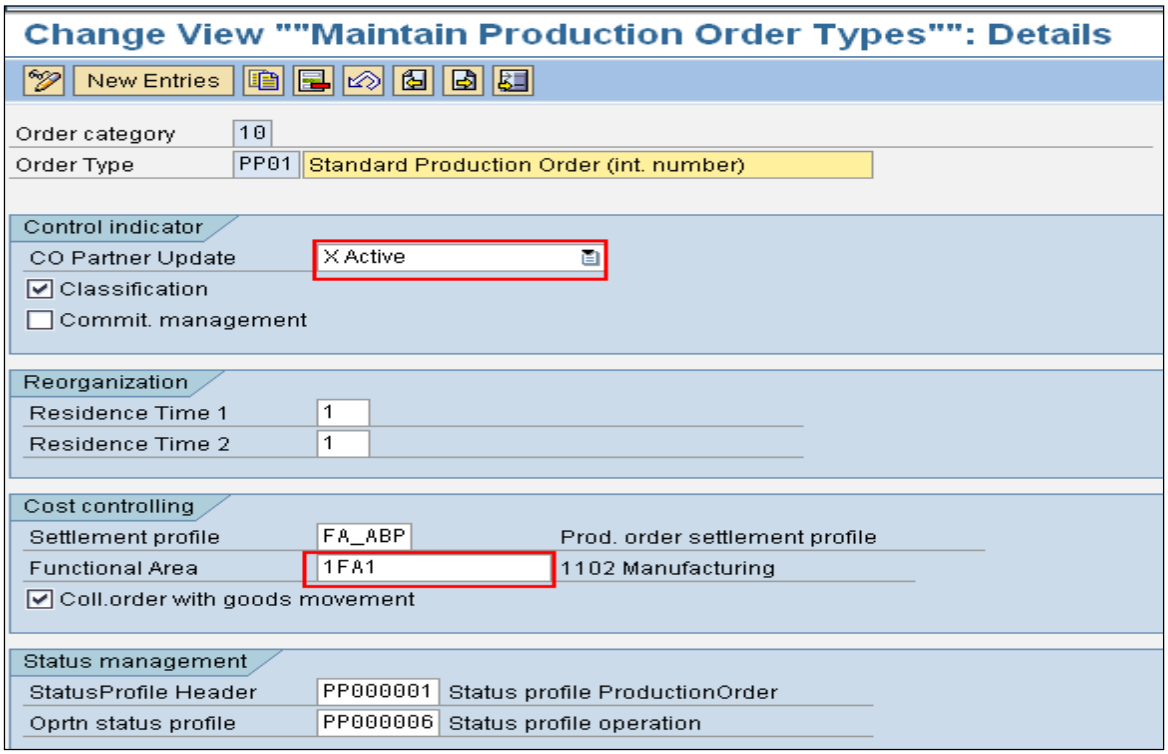
Path: SPRO→ Production→ Shop Floor Control→ Master Data→ Order→ Define Order Types

Transaction code: OPJ4
Database table: T003O, T003p

By the above transaction it will display the following screen:



In the above screen select "PP01" line and click on (Details) button so it will take you to other screen as below:



In the above screen "Co Partner update" make it "Active" and save the activity and back to SPRO Screen.

Step 10: <u>Define order type-dependent parameters</u>

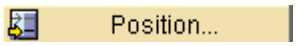
We define the data that influences master data selection or order master data maintenance:

- You can decide whether production versions are selected automatically or manually.
- The task list application is predefined as 'P'. However, you can also specify an additional task list application.
- The routing selection ID defines, for example, the ranking order for routing selection.
- Routing selection defines whether routings are to be selected and if so, how (manually or automatically) and whether reference operation sets can also be selected.
- Alternative sequences and sequence exchange define whether alternative sequences are permitted and how the sequences are to be exchanged.
- The task list type defines which routing type is permitted for production orders.
- Operation check defines whether operation detail screens are to be checked when the operations are transferred to the order.
- Routing text defines that the text from the routing header is copied into the order.
- You can activate the entry tool for operations to help you when you create operations.
- BOM application defines how the BOM alternatives are to be automatically selected.

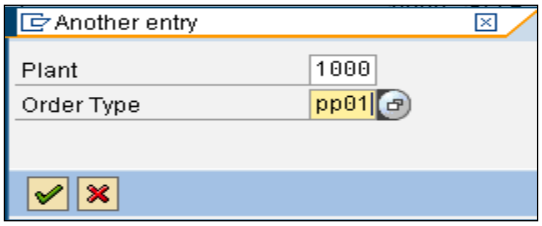
Path: SPRO→ Production→ Shop Floor Control→ Master Data→ Order→ Define order type-dependent parameters

Database table: T399X

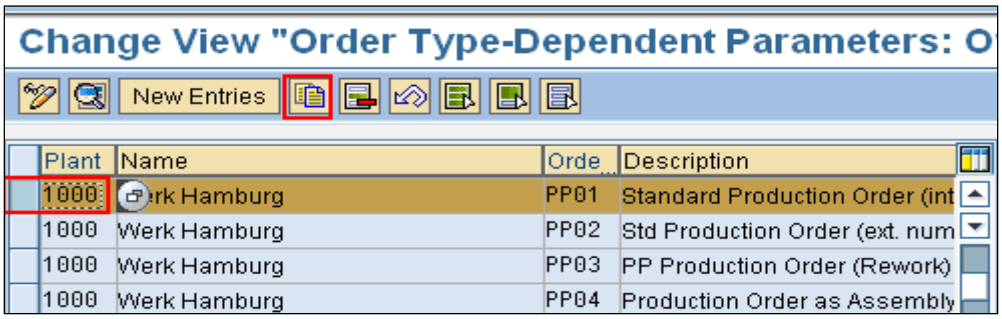
By the above transaction it will display the following screen:

In the displayed screen click on 

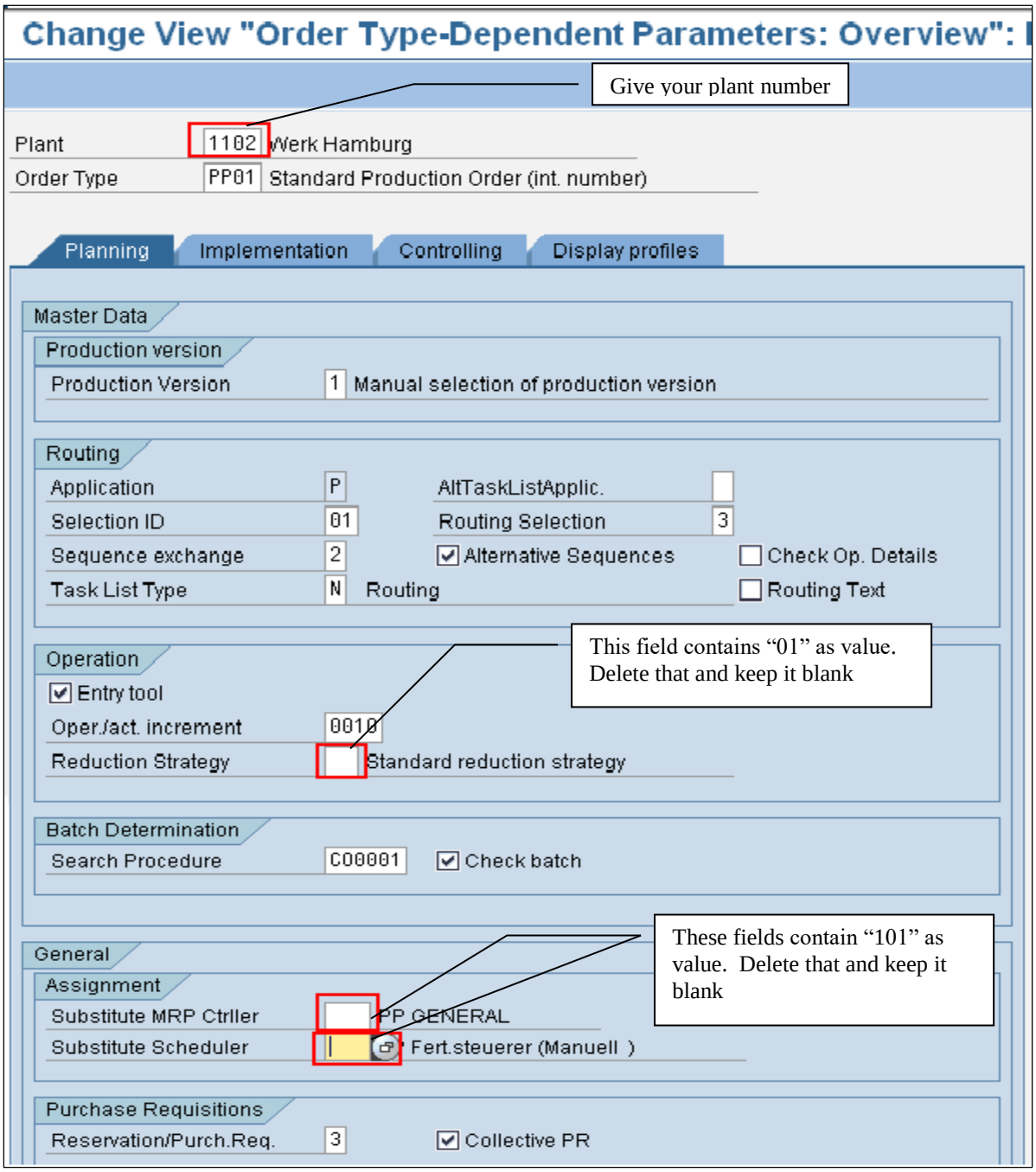
button so it will display the following window:



In the above window take plant as 1000 and Order Type as "PP01" and click on continue button or click on enter, so the selection plant 1000 will appears on the top of the window as below:



Now select the plant 1000 and click on  (Copy) button so it will display the below window:



In the above screen change Plant value to your plant value in above case my plant is "1102"and "Reduction Strategy" under Operation, "Substitute MRP ctrller" , "Substitute Scheduler" under "Assignment" should blank, so delete the values in these fields.

Now pres enter button so it will display previous screen now click on (save) button and back to SPRO screen.

Step 11: <u>Define Checking Control</u>

You can make the checking rule as well as the actual check itself dependent on the following parameters:

- Plant
- Order type
- Operation

The operation can have the following characteristics:

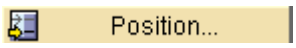
- Order created
- release (d) order

- Whether an availability check is to be carried out when you create or release an order
- Whether an availability check is to be carried out when you save an order that has been created or released
- Which checking rule is to be used?
- What affect a material shortfall is to have on the creation or release of an order

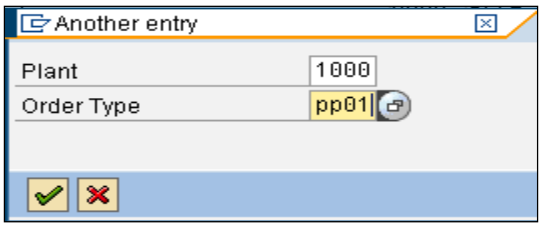
Path: SPRO→ Production→ Shop Floor Control→ Operations→ Availability Check→ Define Checking Control

Transaction code: OPJK
Database table: TCO11

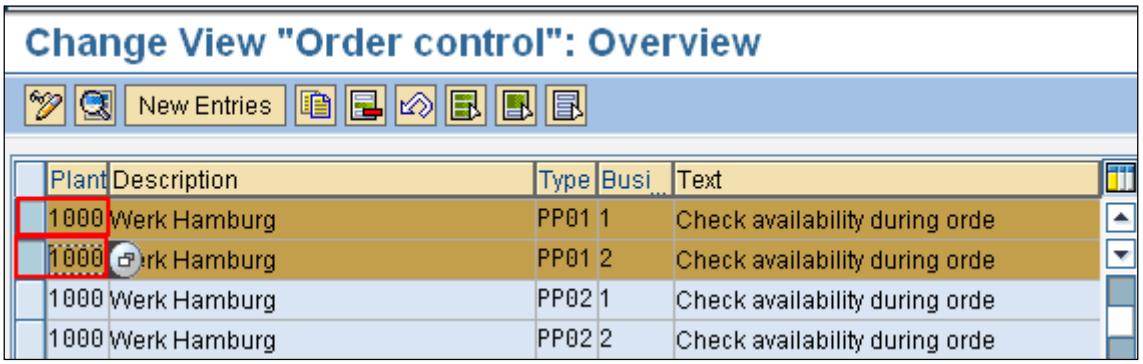
By the above transaction it will display the following screen:

In the displayed screen click on 

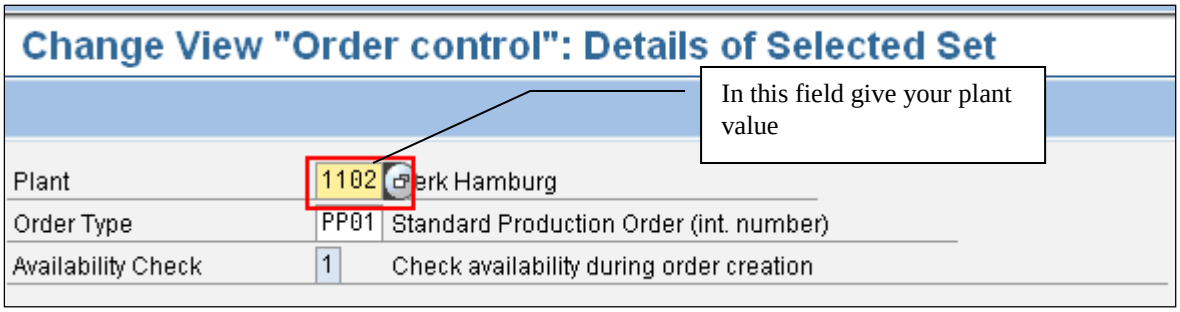
button so it will display the following window:



In the above window take plant as 1000 and order type as pp01 and pres enter button so it will display those values at the top to window as below:



Now like above screen showes select two values 1) 1000 (Plant), PP01 (Type) 1 (Business Function); 2) 1000 (Plant), PP01 (Type), 2 (Business Function) and click on (Copy) button.
So it will display below screen.



In the above screen to Plant field give your plant number and other all parameters are same and pres enter button so it will display another screen as below:

In the above screen to Plant field give your plant number and other all parameters are same and pres enter button so it will display another screen, save the activity and back to SPRO screen.

Step 12: Define Scheduling Parameters for Production Orders

the scheduling function calculates the production dates and capacity requirements for all operations within an order or a collective order.

A system function that determines the start and end time of a service assignment.

Scheduling is based on the start and end time and estimated duration of a service task, taking availability information for the service employee into account. Scheduling can be performed manually by the resource planner for the service center, or be executed by the system according to certain specifications.

Transportation and Distribution (IS-OIL-DS-TD)

The main objectives of the scheduling function of IS-Oil downstream are as follows:

- Group deliveries into shipments
- Assign shipments to an appropriate vehicle
- Optimize grouping of deliveries and shipment processing with respect to cost, efficiency, and customer service.

Production Planning and Control (PP)

The system calculates the start and finish dates of orders or of operations in an order.

Scheduling is performed in:

- Material requirements planning: In-house production times and delivery times specified in the material master record are taken into account.
- Capacity planning: Scheduling is performed using routings. A distinction is made between lead time scheduling in which capacity loads are not taken into account, and finite scheduling in which capacity loads are taken into account.
- Networks: Scheduling calculates the earliest and latest dates for the execution of the activities, and the capacity requirements and floats.

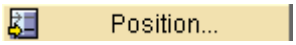
Scheduling types include:

- Forward scheduling: scheduling starting from the start date
- Backward scheduling: scheduling starting from the finish date
- Scheduling to current date: scheduling starting from the current date
- "Today" scheduling: a scheduling type for rescheduling an order if the start date is in the past

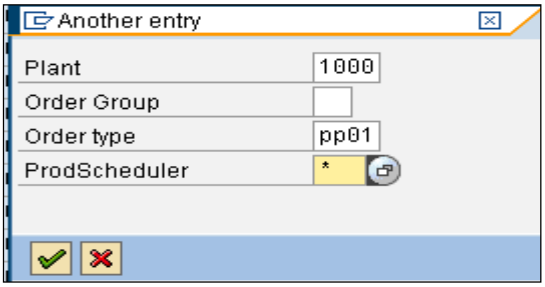
Path: SPRO→ Production→ Shop Floor Control→ Operations→ Scheduling→ Define Scheduling Parameters for Production Orders

Transaction code: OPU3
Database table: TCX00

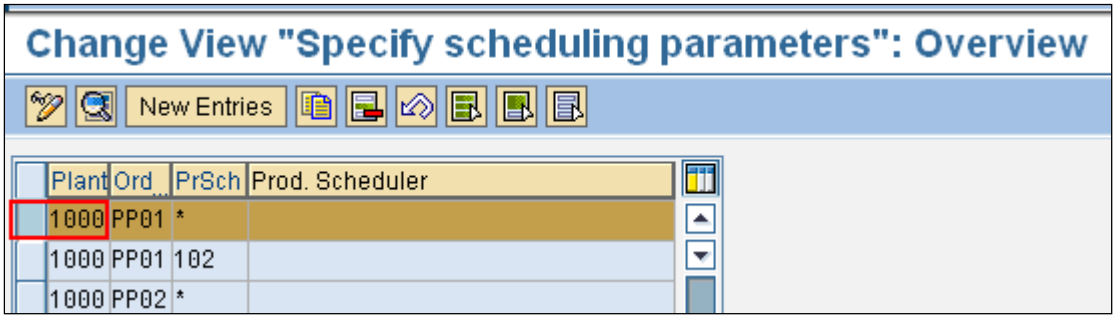
By the above transaction it will display the following screen:

In the displayed screen click on 

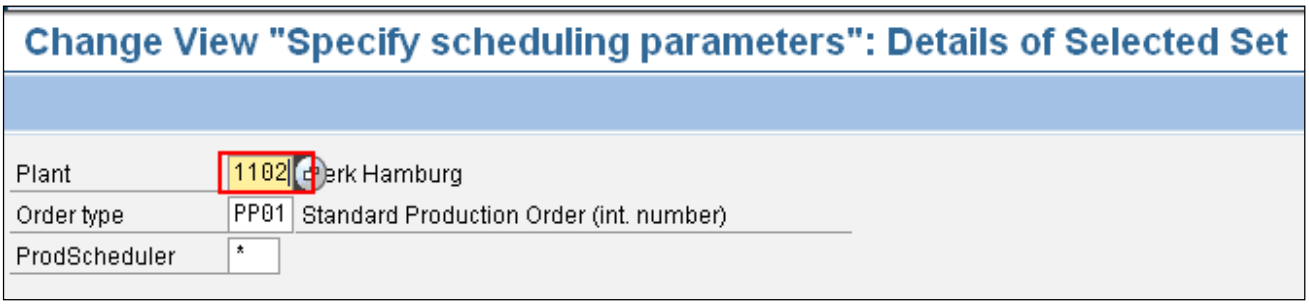
button so it will display the following window:



In the above small window provide required parameters as above and pres enter button so it will display the those at the top of window:



Now select the plant 1000 and click on  (Copy) button so it will display the below window:



In the above screen change plant number to your plant number and pres on enter button.
It will display the previous screen with your plant. Now save the activity and back to SPRO screen.

Step 12: <u>Define Confirmation Parameters</u>

We define the confirmation parameters for each plant and order type. The parameters are split up as follows on tab pages

- **Control**

  - The properties of the control key Process control are defined elsewhere in Customizing (it can also be called using the symbol next to the control key). It controls the execution of the confirmation processes.
  - You can define how quantities are determined for automatically generated confirmations (milestone/progress confirmation).

- **Checks**

  Using checks you can define

  - What happens when the sequence of operations is not adhered to during confirmation or
  - What happens when you want to confirm a larger quantity than was confirmed for the preceding operation You can choose between a termination message, an error message, a warning message and an information message.
  - whether you want the total confirmed quantity of an operation checked for under delivery or over delivery tolerance in the order header
  - What effect a QM result recording has on the confirmation.
  - whether dates (for example, posting date, end of lead time, etc) should also be displayed with a date that is further in the future than the time of creation

- **HR Update**

  - You can decouple HR and PP with the No HR update indicator.

- **Selection**

  - You specify that only open orders are selected in the collective order.

- **Propose time units**

  - You can select a time unit that is to be proposed during confirmation.

- **Goods movements**

  - Using the all components indicator, you can specify that the system should display all the components assigned to the operation in the goods movement overview (in other words, not only back flushed components). However, if you do not branch to the material overview at confirmation, the system only posts back flushed components.

General individual entry

- **Confirmation function**

  - You can define here whether a partial confirmation, a final confirmation or a final confirmation with clearing of open reservations is to be proposed for the confirmation.

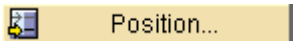
- **Error handling/logs**

  - You can use the indicator Actual costs to specify that the log is also displayed if there are no error messages (thus only warnings or information messages). You can use the Error handling indicator to specify that an error log is displayed for incorrect items in goods movements (for back flush or automatic goods receipts). You then have another opportunity to correct the items with errors before saving, with the aid of the material overview. Define the confirmation parameters for each plant and order type.

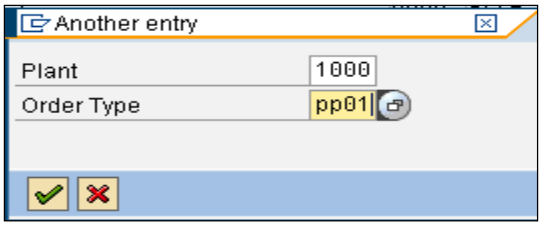
Path: SPRO→ Production→ Shop Floor Control→ Operations→ Confirmation→ Define Confirmation Parameters

Transaction code: OPK4
Database table: TCORU

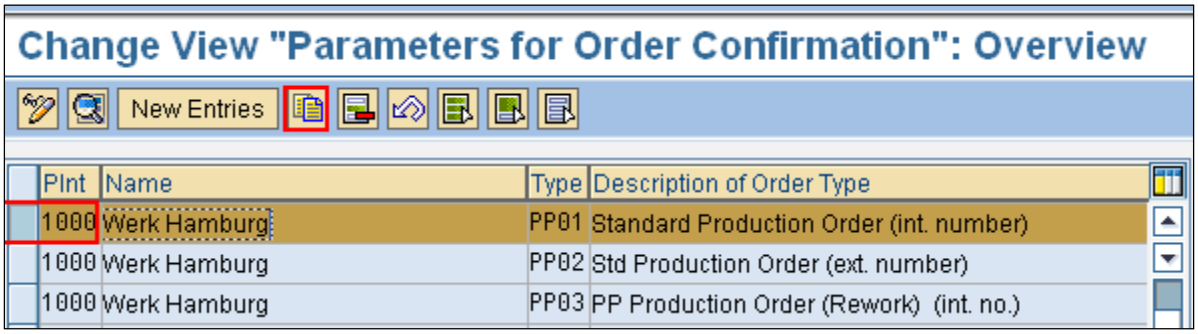
By the above transaction it will display the following screen:

In the displayed screen click on 

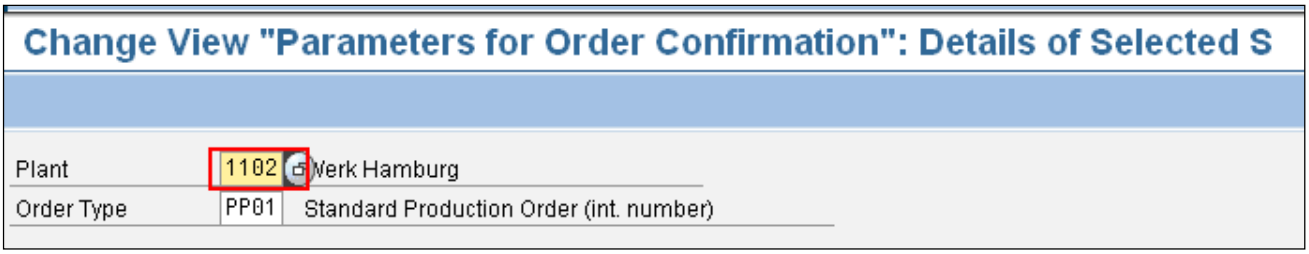
button so it will display the following window:



In the above window take plant as 1000 and Order Type as "PP01" and click on continue button or click on enter, so the selection plant 1000 will appears on the top of the window as below:



Now select the plant 1000 and click on  (Copy) button so it will display the below window:



In the above screen change plant number to your plant number and pres on enter button.
It will display the previous screen with your plant. Now save the activity and back to SPRO screen.

Step 13: <u>Check Costing Variants for Manufacturing Orders (PP)</u>

The costing variant contains the control parameters for the cost estimate.
In this step you check the costing variants that are used for the following in Product Cost by Order:

- o For the preliminary costing of manufacturing orders
- o For the simultaneous costing and final costing of manufacturing orders

The SAP standard system contains the following costing variants for manufacturing orders:

1) PPP1 Production Order - Plan
These costing variants consist of the following:

- **Costing type 06 - Production Order Plan**
  This costing type specifies that the costing results are updated as planned costs.

  - **Valuation variant 006 - Production Order – Plan**

This valuation variant controls which prices are used for the valuation of materials, external activities and subcontracting and which activity prices are used for the valuation of activity types and business processes. Furthermore, the costing sheet that you assign to this valuation variant is defaulted into the master data of the manufacturing order. This costing sheet is used for overhead calculation in preliminary costing for the manufacturing order and actual overhead calculation in period-end closing.

2) PPP2 Production Order – Actual

- **Costing Type 07 - Production Order, Actual**

This costing type specifies that the costing results are updated as actual costs.

- **Valuation variant 007 - Production Order – Actual**

This valuation variant determines which activity prices are used to valuate the activity types and business processes on which the following activites are performed in the actual data:

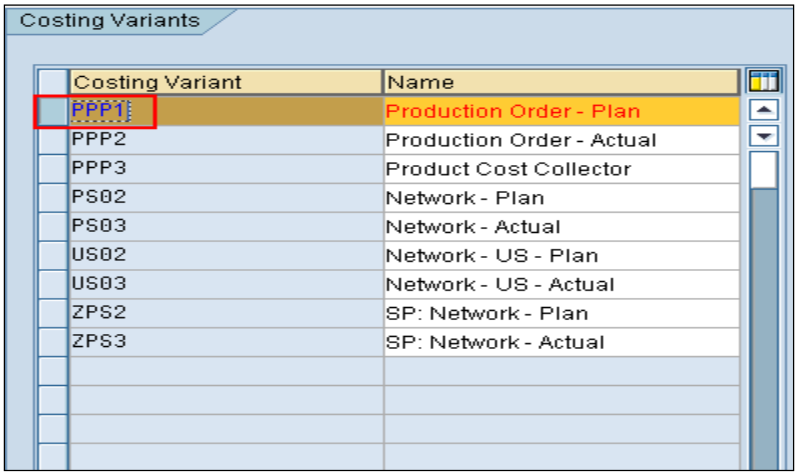
- Manual allocation
- Automatic allocation through confirmation in PP
- The manufacturing order is charged through the template allocation

Note: While it is technically possible to have two costing variants with the same costing type and valuation variant, this should be avoided to prevent data from being overwritten. This is because the key structure for the costing results in the database uses the costing type and the valuation variant, rather than the costing variant.

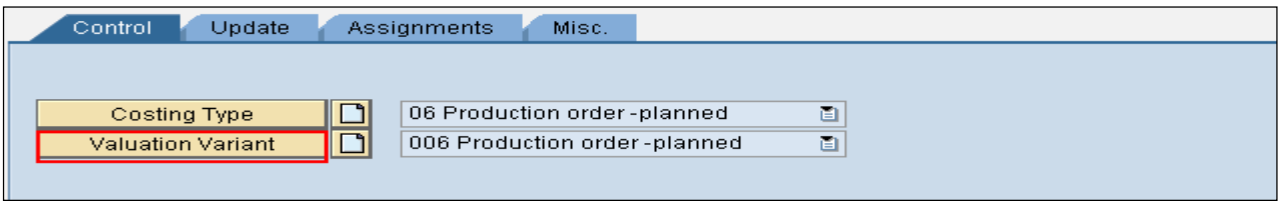
Path: SPRO→ Controlling → Product Cost Controlling→ Cost Object Controlling→ Product Cost by Order → Manufacturing Orders→ Check Costing Variants for Manufacturing Orders (PP)

Transaction code: OPL1
Database table: TCK05, TCK06

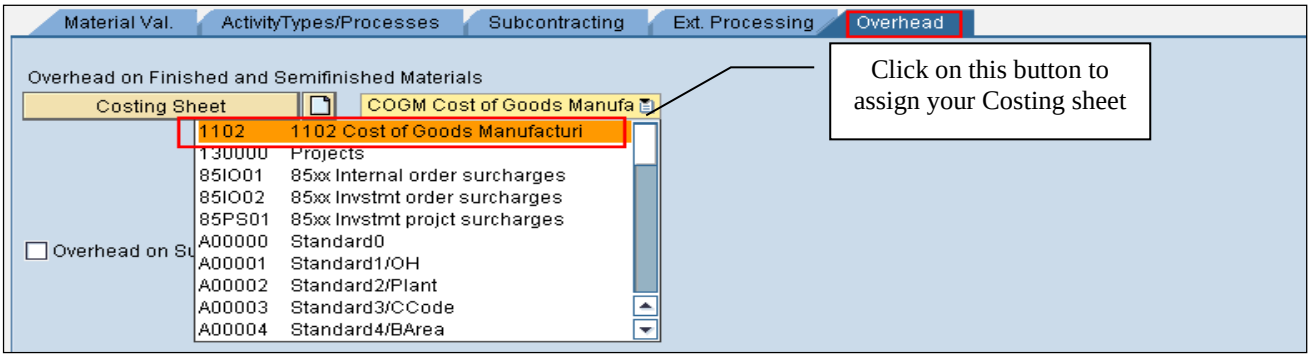
By the above transaction it will display the following screen:



In the above screen select "PPP1" Costing Variant and double click on that, so it will display the following screen:



In the above screen click on  button so it will display the following screen:



In the above screen first click on "Overhead" tab. In this screen against "Costing Sheet" button assigh your Costing sheet as above shown.

Now save the activity and back to SPRO screen.

Step 14: <u>Define Goods Received Valuation for Order Delivery</u>

This step is only relevant if your have specified price control V in the material master records of semifinished products or finished products.

In this step you specify how the receipts for materials with price control V are valuated.

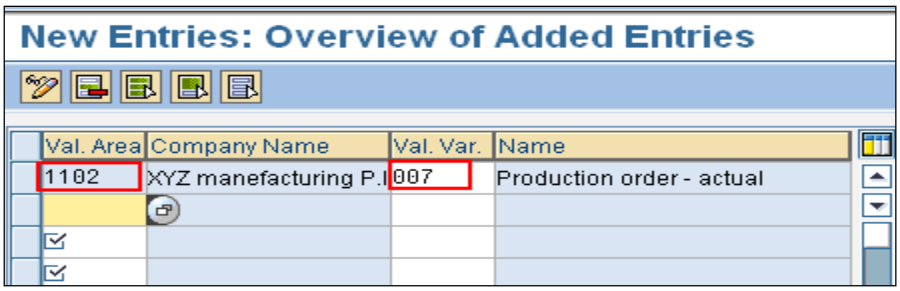
When the master record of a material specifies price control V, the value for the credit is determined using a valuation variant. You must define this valuation variant separately for each valuation area. The valuation variant determines which material price is used for the credit posting.

For materials with price control S, on the other hand, the credit posting is always made at standard price.If you deliver to stock at a price that is not the standard price, the system will report an output price variance in variance calculation.

Path: SPRO→ Controlling → Product Cost Controlling →Cost Object Controlling→ Product Cost by Order → Define Goods Received Valuation for Order Delivery

Transaction code: OPK9
Database table: TCO10

By the above transaction it will display the following screen, click on New Entries button.



In the above screen give your plant number under "Val.Area" and "Val.Var" as "007".

Now save the activity and back to SPRO screen.

Step 15: <u>Define Results Analysis Keys</u>

A key specifying that the object is to be selected during results analysis or when work in process is calculated.

A number of valuation control parameters are linked to this key.

- whether results analysis is revenue-based, quantity-based or manual
- On which basis (planned or actual data) results analysis is carried out
- How profits are realized
- whether the inventories, reserves and cost of sales are to be split

Each order for which you want to create work in process (WIP) must receive a results analysis key. The presence of a results analysis key in the order means that the order is included in WIP calculation during period-end closing.

The results analysis key can be specified as a default value for each order type and plant. It is then added to the order master record when an order of a particular order type is created.

For each combination of controlling area, results analysis version, and results analysis key, you then later specify the valuation methods according to status.

You can also assign the source cost elements under which an order is debited to different line IDs for each results analysis key. This updates the results analysis data under different results analysis cost elements. This is recommended when you are using multiple results analysis methods in parallel. For example, if you calculate work in process at actual costs in the Product Cost by Order component and want to calculate results analysis data in the Product Cost by Sales Order component, the results analysis data is updated under results analysis version 0. To enable different groupings of costs, you update the results analysis data according to the results analysis key. Whether you update the results analysis data according to the results analysis key is defined in the results analysis version.

WIP calculation determines the value of the unfinished products in the Product Cost by Period component and in the Product Cost by Order component. WIP calculation in Product Cost by Order or Period is used chiefly in make-to-stock production, sales-order-related production with a valuated sales order stock, and engineer-to-order environments with a valuated project stock.

Nonvaluated Special Stock

If you are using a nonvaluated sales order stock or a nonvaluated project stock, the work in process for orders that are assigned to a sales order item or project is normally calculated using results analysis for the sales order item or project.

However, you can use the indicator Calculate WIP for manufacturing orders in sales-order-related production or the indicator Calculate WIP for manufacturing orders in engineer-to-order in the results analysis version to specify that work in process can be calculated separately for the assigned orders. In this case the results analysis key in the order takes precedence:

- If no results analysis key is specified in the order, the actual costs for the order are included in results analysis for the sales order or project. Settlement is through the sales order or project.
- If a results analysis key is specified in the order, work in process is created and settled for the order in the amount of the actual costs incurred. These costs are not included in results analysis for the sales order or project. This method is particularly recommended when you are manufacturing across company codes.

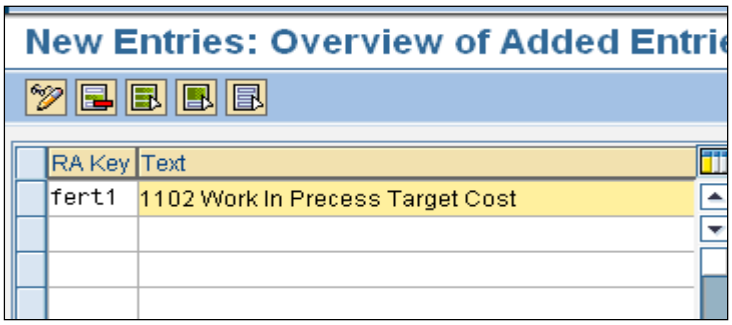
You control whether a sales order stock or a project stock is valuated or non valuated in the requirements class.

Path: SPRO→ Controlling → Product Cost Controlling →Cost Object Controlling→ Product Cost by Order → Period-End Closing→ Work in Process→ Define Results Analysis Keys

Transaction code: OKG1
Database table: TKKAA, TKKAD

By the above transaction it will display the following screen, click on 

button.



In the above key enter RA Key and Text. Now save the activity and back to SPRO screen.

Step 15: <u>Define Results Analysis Versions</u>

A version that enables multiple valuations of the same object (such as a sales order item) in results analysis and in the calculation of work in process.

Example

- For balance sheet purposes, the object is valuated using a method that determines the value of the unfinished products on the basis of the actual cost incurred to date.
- For internal analysis purposes, the value of the unfinished products is determined using a method that includes unrealized profits.

All results analysis data (work in process in the Product Cost by Period component, and work in process or reserves for unrealized costs in the Product Cost by Order component) calculated in results analysis is updated on the order with reference to the results analysis version. This enables you to calculate work in process on the basis of multiple results analysis versions simultaneously. This means that you can use different results analysis versions to do the following:

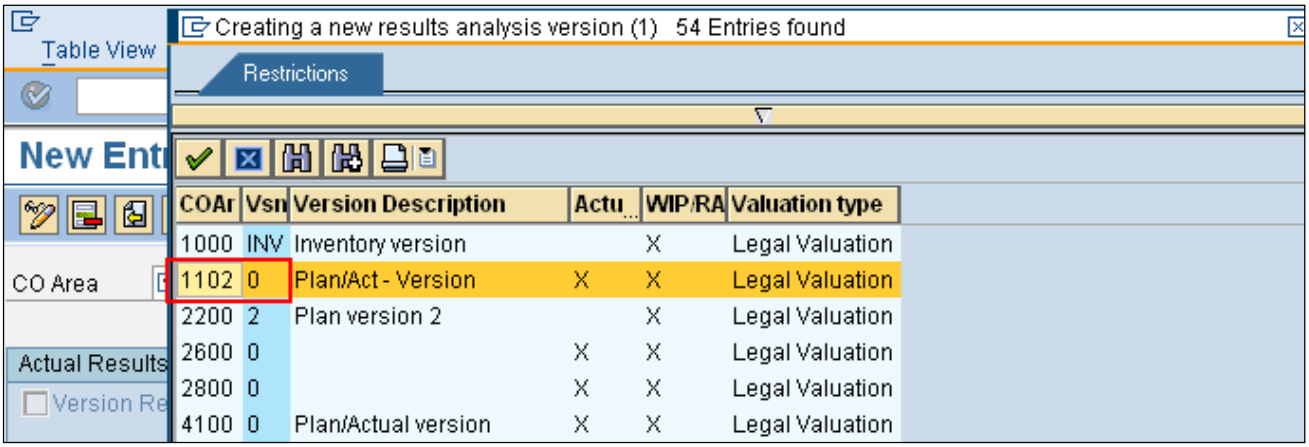
- Define different methods of WIP calculation You can create results analysis versions along with operational valuation that are based an "internal" results analysis version created for internal purposes, rather than on multiple valuation. This means that you can use different results analysis versions to:
  - Define different methods of WIP calculation
  - Define different amounts of work in process to be capitalized If you are operating in different countries, you can
  - Define different results analysis versions to take into account the different legal requirements in each country.
- Calculate work in process at actual costs in up to three valuation views in the Product Cost by Order component If you are using transfer prices, you can calculate the results analysis data in the following valuation views:
  - Legal view
  - Group view
  - Profit center view

In the Product Cost by Period component, the work in process at target costs is always calculated in the operational valuation view.

Path: SPRO→ Controlling → Product Cost Controlling →Cost Object Controlling→ Product Cost by Order → Period-End Closing→ Work in Process→ Define Results Analysis Versions

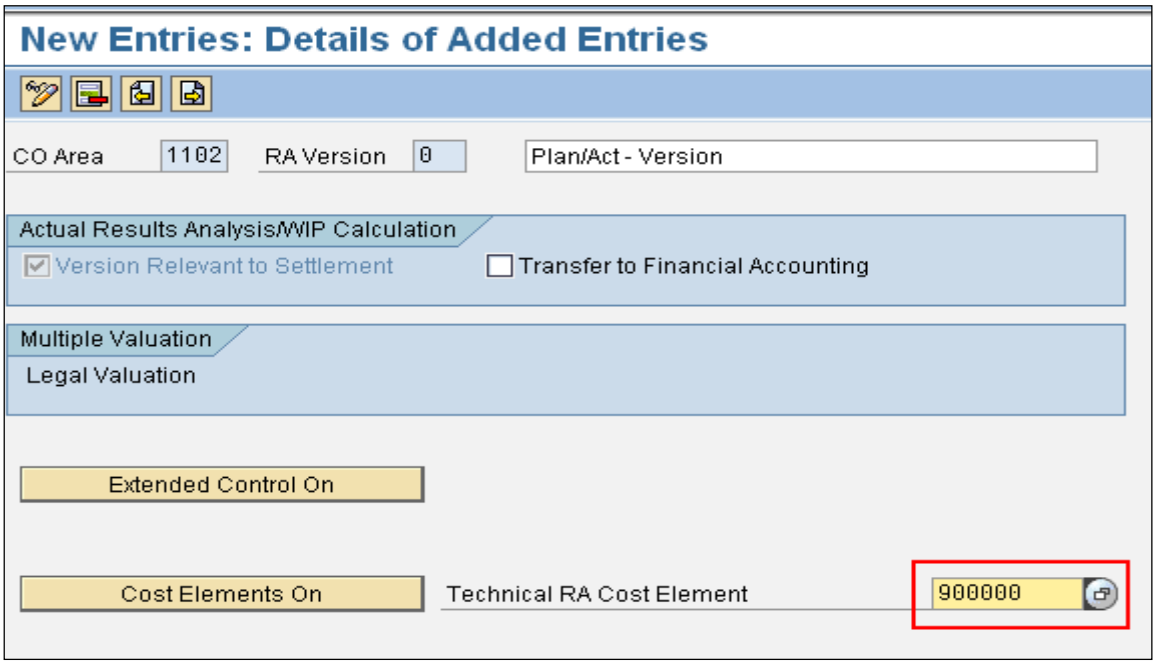
Transaction code: OKG9
Database Table: TKKAP, TKKAT

By the above transaction it will display the following screen, click on New Entries button.



In the above screen when you click on New Entries it will display an "Restrictions" window. In that window double click on your Controlling area.

So it will display the following window:



In the above window against "Technical RA Cost Element" assign your Secondary Cost element as I shown in above window.
Now save the activity and back to SPRO screen.

Step 17: <u>Define Valuation Method (Actual Costs)</u>

In this step you define a valuation method for the calculation of work in process.

This creates the link between the controlling area, the results analysis key, the results analysis version, and the system status.

When you create new valuation methods, you specify whether the work in process should be valuated at target costs or actual costs.

Work in Process at Target Costs

In the Product Cost by Period component the work in process is valuated at target costs. The valuation is made on the basis of the quantities confirmed at the operations or reporting points.

The system determines the following in each period:

- Which materials were delivered to stock
- Which materials were confirmed at the operations
- Which materials and activities are not included in WIP

calculation due to scrap confirmations at subsequent operations In the period-end closing activities in the Product Cost by Period component, the relevant quantities (WIP quantities) are valuated according to the valuation variant for work in process and scrap (target costs) and reported as work in process.

Work in Process at Actual Costs

In the Product Cost by Order component the work in process is normally valuated at actual costs. The value of the work in process is the difference between the debit and the credit of an order as long as the order has the status PREL (partially released) or REL (released).

Work in process at actual costs

The following status codes are relevant for WIP calculation in this component:

- PREL - The order is partially released.
- REL - The order is released.
- DLV - The order has been completely delivered.
- TECO - The order is technically completed.

If the status is PREL or REL, the system creates work in process in the amount of the actual costs with which the order is debited.

If the status is DLV or TECO, the system cancels the work in process. The difference between the debit through actual costs postings and the actual credit of the order from goods receipts is interpreted as a variance with this status.

If you want to calculate the work in process at actual costs, create a valuation method for each combination of controlling area, results analysis version, and results analysis key for the statuses that are relevant to WIP calculation. This valuation method must specify the following:

- How the work in process should be calculated when the order status is PREL
- How the work in process should be calculated when the order status is REL
- How the work in process should be calculated when the order status is DLV
- How the work in process should be calculated when the order status is TECO

If you valuate the work in process at actual costs, you must make sure that the work in process that is created and settled in a period can be canceled at a later time. You do this by defining valuation methods for the cancellation.

Work in process at target costs

In the Product Cost by Period component, the status management functionality is reduced. In the Product Cost by Period component, the following statuses are relevant in WIP calculation:

- PREL - The order is partially released. An order is partially released for which the individual operations are released.
- REL - The order is released

When an order has the status PREL and REL, in the Product Cost by Period component the system creates work in process by multiplying the WIP quantity by the target costs in accordance with the valuation variant for work in process and scrap (target costs).

If you want to calculate work in process at target costs, then for each combination of controlling area, results analysis version, and results analysis key, you must specify a valuation method for the statuses relevant to WIP calculation.

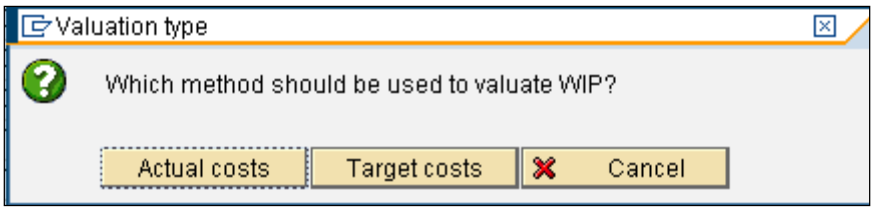
Proceed as follows:

- For the status PREL, enter the status number 1. The system generates a valuation method of results analysis type S (calculate work in process based on the target costs).
- For the status REL, enter status number 2. The system generates a valuation method of results analysis type S (calculate work in process based on the target costs).

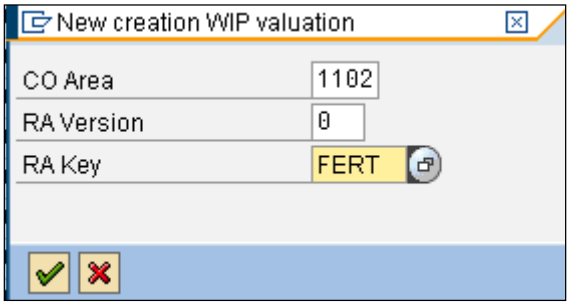
Path: SPRO→ Controlling → Product Cost Controlling →Cost Object Controlling→ Product Cost by Order → Period-End Closing→ Work in Process→ Define Valuation Method (Actual Costs)

Transaction code: OKG3
Database Table: TKKAS, TKKAS_L

By the above transaction it will display the following screen, click on New Entries button.

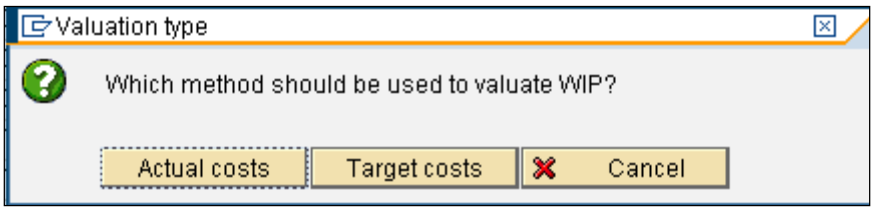


In the above "Valuation type" window click on "Actual Costs" so it will display the following screen:

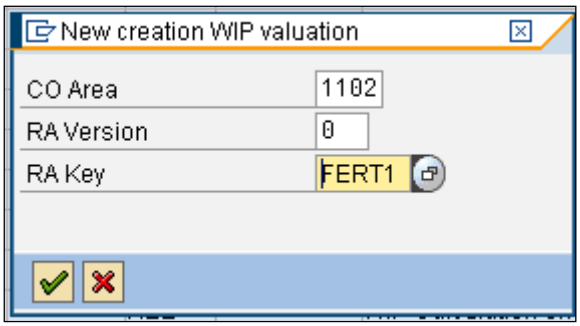


In the above window maintain parameters as in shown and click on continue button or click on enter button so it will take you to previous screen:

Now again click on New Entries button, it will display the "Valuation type" window.



In the above "Valuation type" window click on "Target Costs" so it will display the following screen:



In the above window maintain parameters as in shown and click on continue button or click on enter button.

Save the activity and back to SPRO screen.

Step 18: Define Line IDs

In this step you create line IDs. The line IDs group the work in process and reserves for unrealized costs according to the requirements of Financial Accounting.

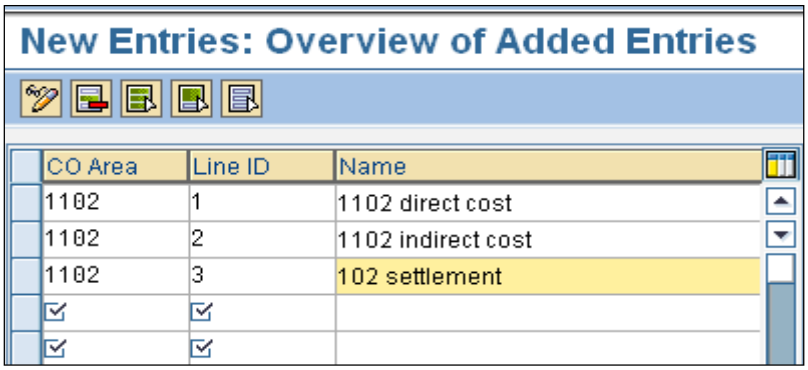
The work in process and reserves for unrealized costs are calculated as a total for each order and distributed to the line IDs. You can then define separately for each line ID whether the work in process for that line ID must be capitalized.

WIP calculation updates the work in process and reserves for unrealized costs on the order, grouped by line ID. To transfer the data to Financial Accounting, you must define posting rules that associate the data with G/L accounts.

Path: SPRO→ Controlling → Product Cost Controlling →Cost Object Controlling→ Product Cost by Order → Period-End Closing→ Work in Process→ Define Line IDs

Database Table: TKKAX, TKKAY

By the above transaction it will display the following screen, click on New Entries button.



In the above screen maintain above 3 parameters.

Save the activity and back to SPRO screen.

Step 19: Define Assignment

1. Determine which cost elements you have to assign to line IDs. To display the cost elements valid in your controlling area, go into Cost Center Accounting and select Reporting -> Master data index -> Cost elements.You must also assign settlement cost elements that you use in the allocation structure to a line ID. Example: Suppose you are using a nonvaluated sales order stock. You have not selected Settlement by cost element in the allocation structure. The

system settles the actual costs charged to manufacturing orders to a sales order item. Settlement is made under a settlement cost element that you have specified in the allocation structure. You must assign this settlement cost element to a line ID.

2. Enter the controlling area, your results analysis version and, if necessary, your results analysis key.

3. Enter the cost elements, as in your cost element list, under which the primary postings are to be written to the orders, or to the standard cost estimate. You can mask these entries. If you enter 00004+++++, for example, all cost elements from 400000 to 499999 will be included. If you want particular cost elements to be treated separately, enter them without masking (example: 0000415000). Numeric values must be entered right-justified. Alphanumeric values must be entered left-justified. For material costs, you can define separate line IDs for particular origin groups by entering origin groups in the costing views of the relevant material master records, and entering these origin groups with the relevant cost elements in the line IDs. If you don't want to differentiate the line IDs by origin group, mask the origin group (i.e., enter ++++).

4. Enter the secondary cost elements under which internal cost allocations are written to the orders or under which the cost estimate on which the the target cost calculation is based are updated. For production costs, you can define separate line IDs for particular cost centers, or cost centers and activity types, by entering a cost center and an activity type for secondary cost elements. If you want to differentiate the production costs only by cost elements, mask the cost center and activity type with ++++. If you want to create separate line IDs for the fixed and variable costs from Cost Center Accounting, you can enter "V" or "F" in the var-fixed costs column.

5. Enter a debit/credit indicator if appropriate.

6. Enter the validity dates of the assignment.

7. Enter the following:

- For each line ID, in one of the following columns:
  Requirement to capitalize
  Option to capitalize
  Prohibition to capitalize

- A percentage for the costs with a prohibition to capitalize

- A percentage for the costs with an option to capitalize

8. If you are valuating the work in process with actual costs, also enter the cost elements, as in your cost element list, under which debits from deliveries and partial deliveries are posted.

Path: SPRO→ Controlling → Product Cost Controlling →Cost Object Controlling→ Product Cost by Order → Period-End Closing→ Work in Process →Define Assignment

Transaction Code: OKG5
Database Table: TKKAZ

By the above transaction it will display the following screen, click on New Entries button.

Change View "Assignment of Cost Elements for WIP and Results Analysis"

CO	RA V	RA Key	Masked Cost	Ori	Masked Co	Mask	Business Proc.	D	V	Appor	Accou	Valid-Fr	ReqToC
1102	0		00004+++++		++++++++++	++++++		+	+		++	001.2000	1
1102	0		00005+++++		++++++++++	++++++		+	+		++	001.2000	1
1102	0		00007+++++		++++++++++	++++++		+	+		++	001.2000	3
1102	0		00008+++++		++++++++++	++++++		+	+		++	001.2000	2

After maintaining the above parameters save the activity and back to SPRO screen.

Step 20: Define Update

If you use a results analysis version that is in the standard system, you only have to enter the results analysis cost elements for the data to be calculated.

1. Enter the following:

   - Controlling area

   - Results analysis version

   - Results analysis key
     If you defined, in the results analysis version, that the update is to be carried out without reference to the results analysis key, the entry is blank.

2. Enter the following data for each line ID:

   - The category (K, A, or N)

   - The relevant results analysis cost elements

Work in Process at Actual Costs

The debits and credits of an order are grouped as follows:

o You must assign all debits, such as for material withdrawals, internal activates, external activities, and overhead to line IDs of category K (costs). The system creates work in process for each debit posting that is updated under one of these cost elements. These values are updated under the results analysis cost elements (cost element category 31) that you specify under Define update.

o You must assign all credits, such as for material issues and order settlement to line IDs of category A (settled costs). For each credit posting that is updated under one of these cost elements, the system reduces the work in process.

Work in Process at Target Costs

This category indicates whether the cost elements under which the costs are written in the cost estimate on which target cost calculation are based are relevant to WIP calculation. (See also: Define Valuation Variant for WIP and Scrap (Target Costs).

o Create line IDs of category K (costs) for costs relevant to valuation (such as, direct material costs).

o Create line IDs of category N (do not take into account) for costs for which no work in process is to be created (such as production overhead). If you do not create line IDs for these costs, the system issues an error message. The apportioned values are updated to the order under the cost elements that you specify here. For the specified cost elements you may have to do the following:

o Define reports that show the work in process and possibly the reserves according to you requirements

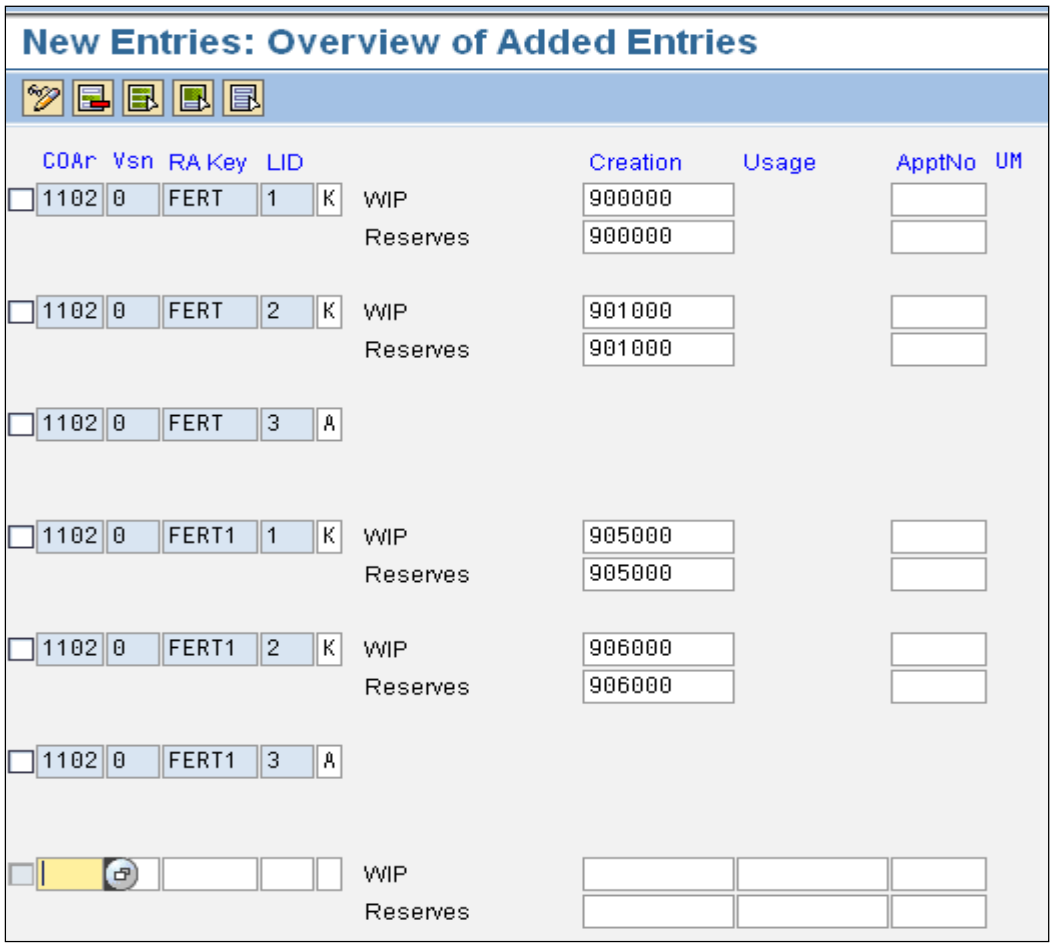
o Define posting rules that assign the work in process and reserves to G/L accounts so that these values can be passed on to Financial Accounting

Path: SPRO→ Controlling → Product Cost Controlling →Cost Object Controlling→ Product Cost by Order → Period-End Closing→ Define Update

Transaction Code: OKG4
Database Table: TKKAZ

By the above transaction it will display the following screen, click on 

button.



After maintaining the above parameters save the activity and back to SPRO screen.

Step 21: <u>Define Posting Rules for Settling Work in Process</u>

In this step you specify the G/L accounts in Financial Accounting to which the work in process is settled. You assign a results analysis cost element or a group of results analysis cost elements to two G/L accounts.

A posting document is generated in Financial Accounting on the basis of the settlement of work in process.

o Data is written to the balance sheet.

o Data is written to the profit and loss statement.

If you have specified a profit center in the order (product cost collector or manufacturing order) the data is also forwarded to Profit Center Accounting.

You can assign the results analysis data to the G/L accounts at the following levels:

o Results analysis categories
The results analysis categories are created on the basis of the assignment of the costs to line IDs:

- WIPR - Work in process with requirement to capitalize costs
- WIPO - Work in process with option to capitalize costs
- WIPP - Work in process with prohibition to capitalize costs

If you are calculating the work in process at actual costs, the system creates reserves for unrealized costs if the credit for the production order based on goods receipts is greater than the debit of the order with the actual costs incurred to date. In this case the following results analysis categories are created:

- RUCR - Reserves for unrealized costs (group must be capitalized)
- ROCU - Reseves for unrealized costs (group can be capitalized)
- RUCP - Reserves for unrealized costs (group cannot be capitalized)

Reserves for unrealized costs must be shown as a liability. If you create line IDs for all three results analysis categories through the assignment, you must define posting rules for all three categories.

1. Decide which G/L accounts you want to settle work in process to.
2. Define posting rules by entering the following data:
   - Controlling area
   - Company code
   - Results analysis version
   - Profit and loss account
   - Balance sheet account

You can also specify G/L accounts in the posting rules for which the Post automatically only indicator in the G/L account master is selected. If the G/L account you enter in the posting rules does not have the Post automatically only indicator selected, and if you have to make correction postings for results analysis data, (such as work in process), you have the following options:

- You can deselect the Post automatically only indicator in the G/L account master.
- You can use a different G/L account for the correction posting.

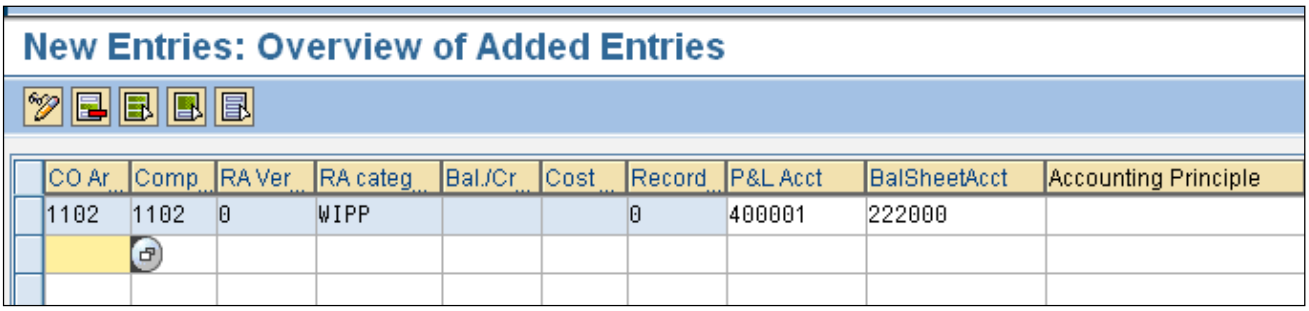
3. Enter a results analysis cost element or a results analysis category.
4. When you have finished this step, set the "Financial accounting" indicator for the results analysis version.
5. If you are using Profit Center Accounting, you also define posting rules for the work in process that cannot be capitalized.

Path: SPRO→ Controlling → Product Cost Controlling →Cost Object Controlling→ Product Cost by Order → Period-End Closing→ Define Posting Rules for Settling Work in Process

Transaction Code: OKG8
Database Table: TKKAB

By the above transaction it will display the following screen, click on 

button.



After maintaining the above parameters save the activity and back to SPRO screen.

Step 22: Creation of Production Order

When a production order is created the following actions are carried out:

- A routing is selected, its operations and sequences are transferred to the order
- The bill of materials is exploded and the items in the bill of material are transferred to the order
- Reservations are generated for bill of material items held in stock
- The planned costs for the order are generated
- The capacity requirements are generated for the work centers
- Purchase requisitions are generated for non-stock items and externally-processed operations

A production order specifies which material is to be produced, where it is to be produced, which operations are required to do this and on which date production is to take place. It also defines how the order costs are to be settled.

As described in this procedure, production orders can be created manually without being previously requested. Alternatively, they can be automatically created by converting a planned order. During requirements planning (MRP run), planned orders are created at every BOM level to cover requirements. For materials produced in-house, a secondary requirement is also generated when the BOM is exploded, which is necessary for producing the end product or assembly. For externally produced materials, an ordering transaction is initiated when a purchase requisition is generated.

Planned orders generated in the MRP run can be converted individually into production orders from the current stock/requirements list. They can also be grouped together by the MRP run and converted into production orders together. These production orders can be released together.

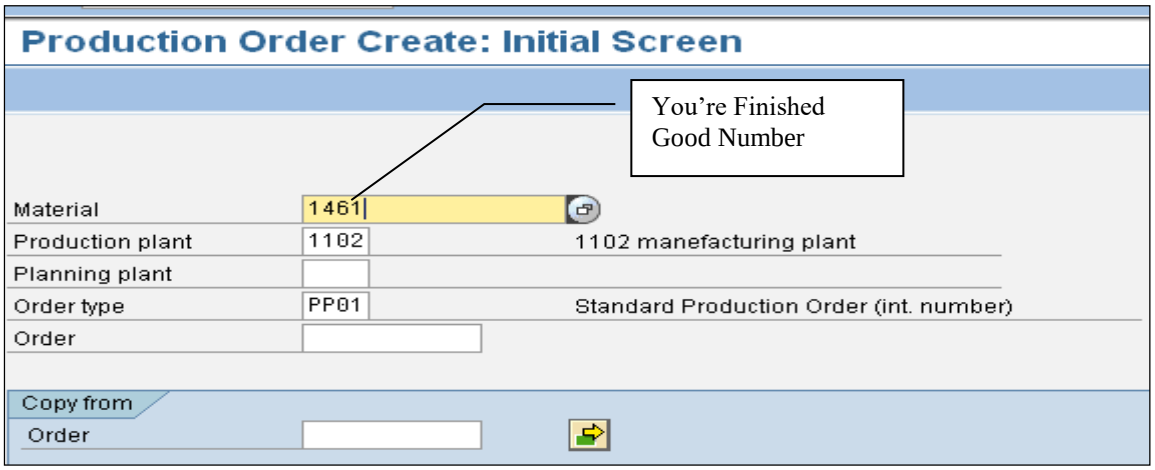
1. Enter the required data on the *General* tab page.

Field name	Description	R/O/D	User action and values	Comments
Total quantity	Total quantity of the material to be produced	R	Change, if necessary	
Scrap portion	Scrap quantity that occurs during production	O	Enter, if required, in the base unit of measure	The system increases the order by this proportion
Order finish date	Date on which the required quantity of the material is available (requirements date)	D	Retain, if necessary	
Order start date	Earliest date on which order execution can start	D	Retain, if necessary	
Scheduling type	Key which specifies the scheduling type for detailed scheduling (backward, forward and so on)	R	Retain, if necessary	Defines which date is entered by the user and which date is calculated

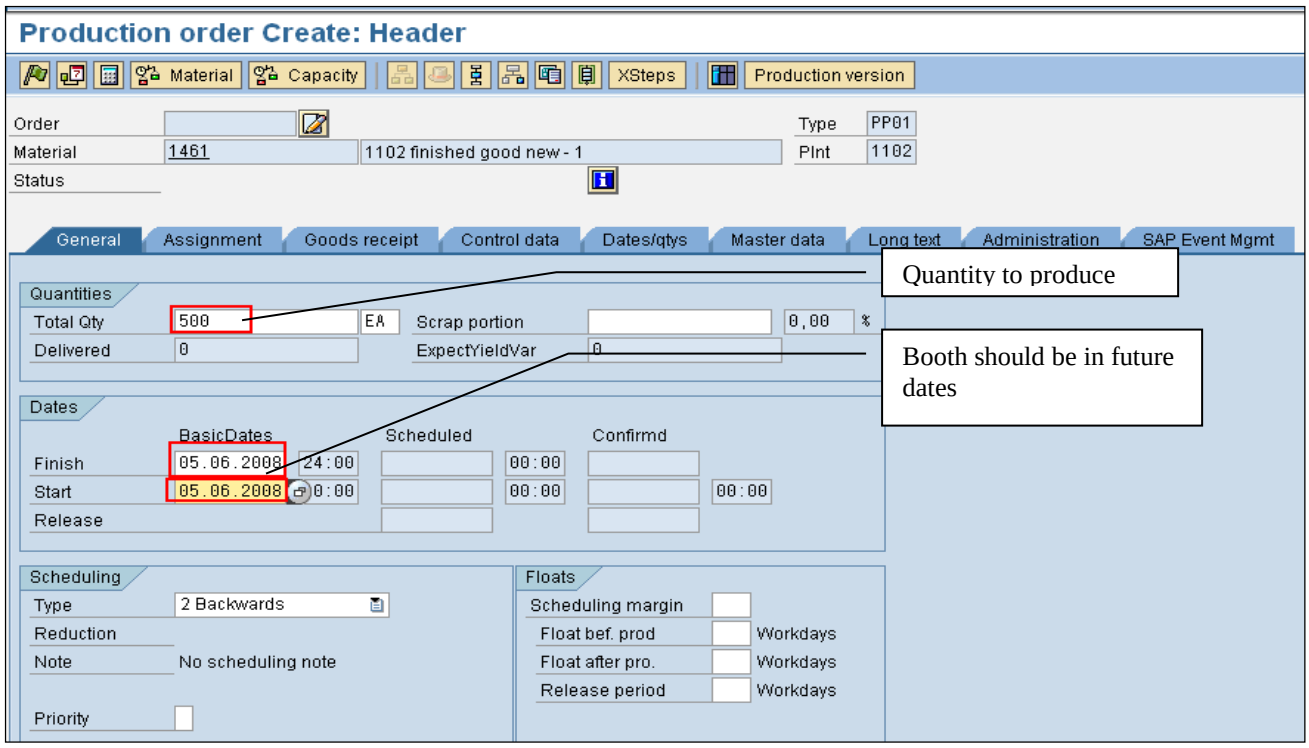
				by the system
Priority	Priority of an order, for information purposes	O	Retain, if necessary	
Scheduling margin key	Key with which the system determines the required floats (opening period, float after production, float before production, release period)	R	Retain, if necessary	

Path: Logistics → Production→ Shop Floor Control→ Order→ Create→ CO01 - With Material

Transaction Code: CO01
By the above transaction it will display the following screen:



Enter the above parameters and pres enter button.



In the above screen enter Total quantity to be produced and under "Dates" enter future dates to "Finish, Start" and pres enter button.

It will give you a message:

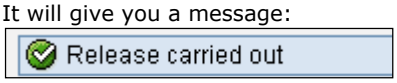
Now go to Manu bar " Goto – Cost – Cost comp. structure"
By the above it will display the following table:

Production order Create: Header

Order %00000000001
Material 1461 1102 finished good new - 1
Plant 1102 1102 manefacturing plant
Lot size 500 EA Each
Cost Base 500 EA Each

C...	Name of Cost Comp.	Overall	Fixed	Variable	Crcy
10	Raw Materials	42.500,00		42.500,00	INR
20	Purchased Parts				INR
25	Freight Costs				INR
30	Production Labor	214.430,09	28.898,72	185.531,37	INR
40	Production Setup	255,29	53,14	202,15	INR
50	Production Machine	360.885,64	120.625,29	240.260,35	INR
60	Production Burn-In				INR
70	External Processing				INR
75	Work Scheduling				INR
80	Material Overhead	4.250,00		4.250,00	INR
90	Equipment Internal				INR
95	Equipment External				INR
120	Other Costs	98.396,94	2.099,24	96.297,70	INR
200	Process "Production"				INR
210	Process"Procurement"				INR
		720.717,96	**151.676,39**	**569.041,57**	**INR**

The above table shows the cost of production. Back to main screen.
Now to release the order either pres "Ctrl+F1" or in the Manu bar "Functions – Release"
It will give you a message:



Now save the activity.
When you saves the order it will display the following message with order numbher.

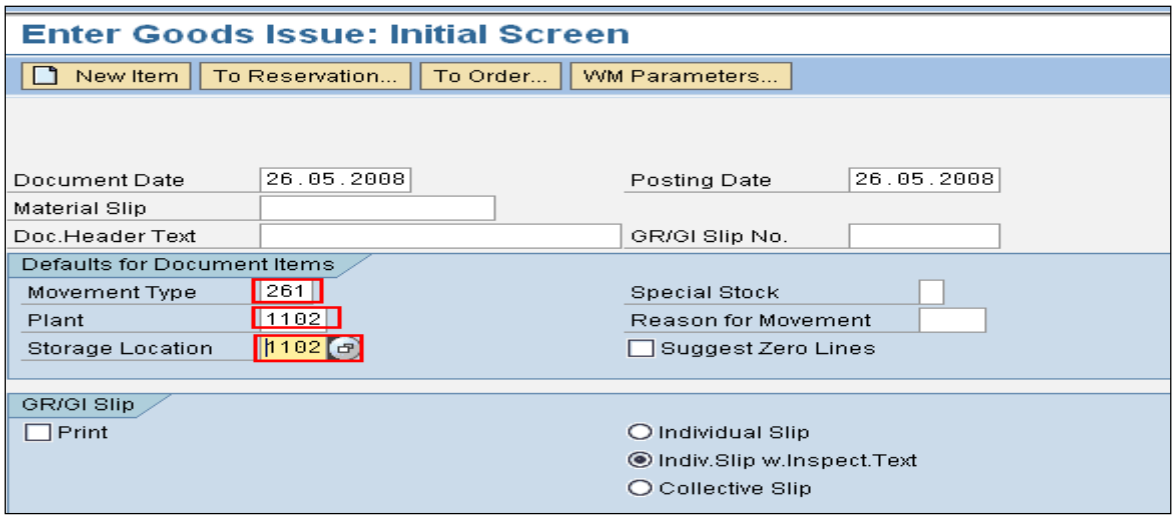
Make a note of the order number and back to easy access screen.

Step 22: <u>Goods Movements</u>

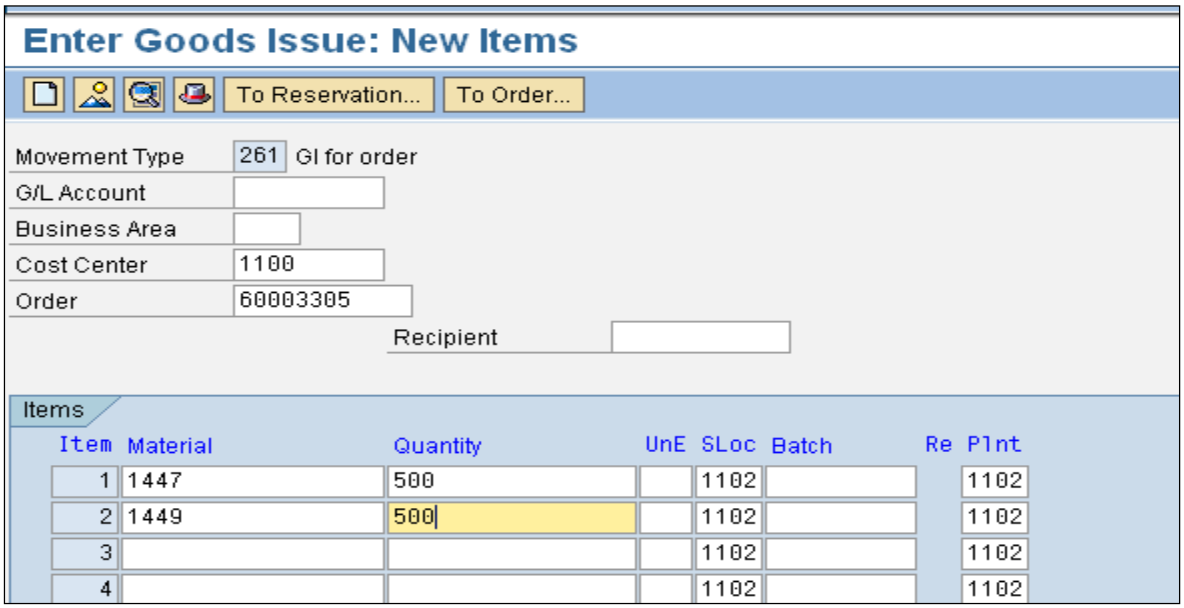
Path: Logistics → Production→ Shop Floor Control→ Goods Movements → MB1A - Goods Issue

Transaction Code: MB1A

By the above transaction it will display the following screen:



In the above screen give Movement Type is "261", plant and Storage Location. Now pres enter button.
It will display the following screen:



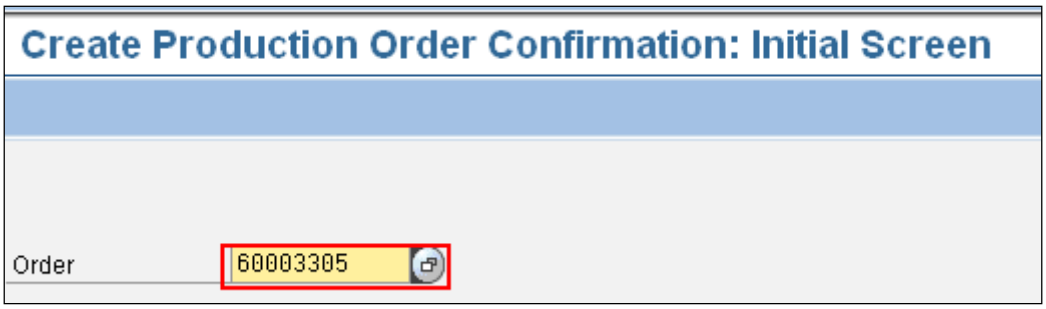
In the above screen enter the Cost Center, Order number which you got from above step, raw material numbers (raw material number which are used in creation BOM)and quantity.
Pres enter button and save the screen.
Back to easy access.

Step 23: <u>Confirmation</u>

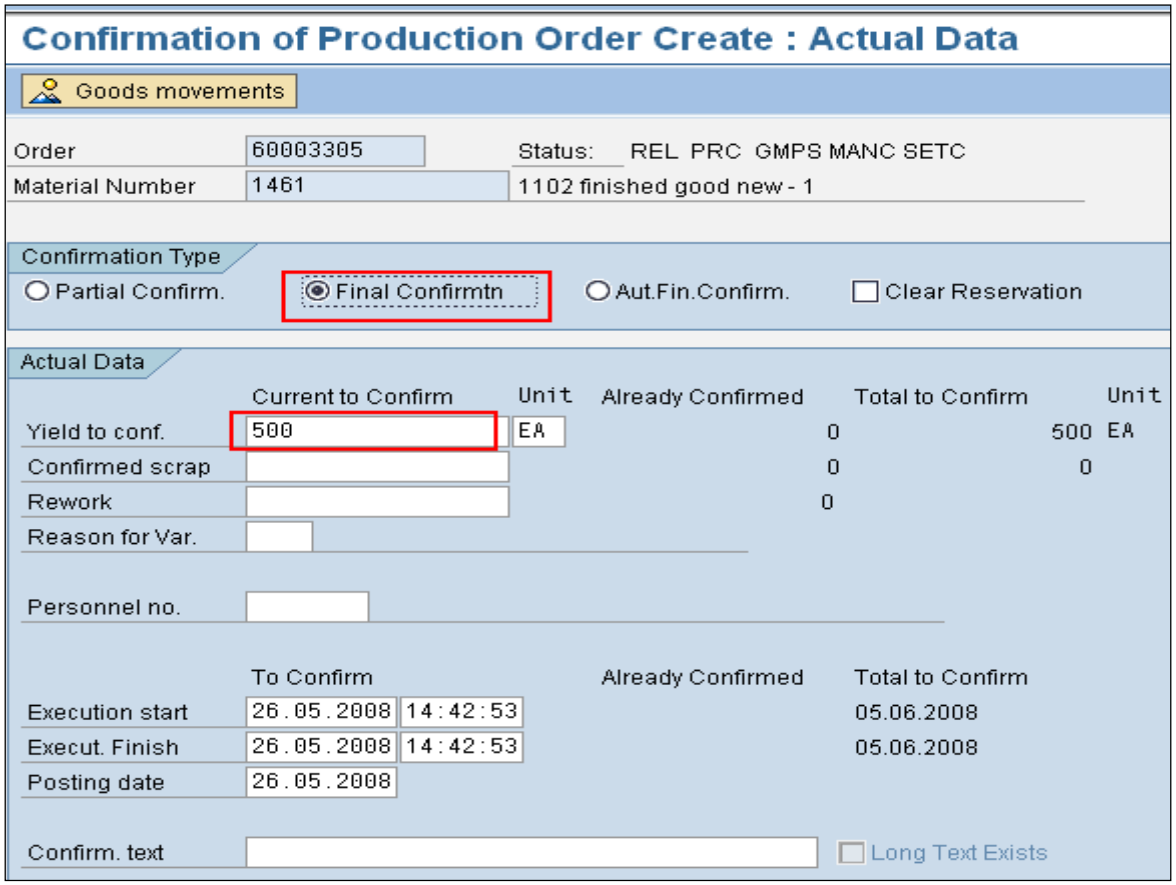
Path: Logistics → Production→ Shop Floor Control→ Confirmation→ Enter→ CO15 - For Order

Transaction Code: CO15

By the above transaction it will display the following screen:



In the above screen enter your Production order number and pres enter:



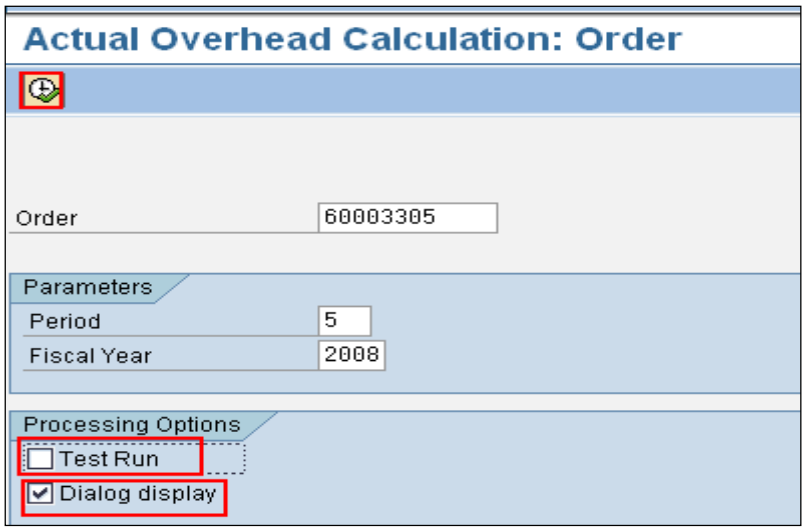
In above screen under "Confirmation Type" take "Final Confirmtn" radio button.
Yield to Conf is "500"
Now save the activity and back to easy access.

Step 24: <u>Overhead Calculation</u>

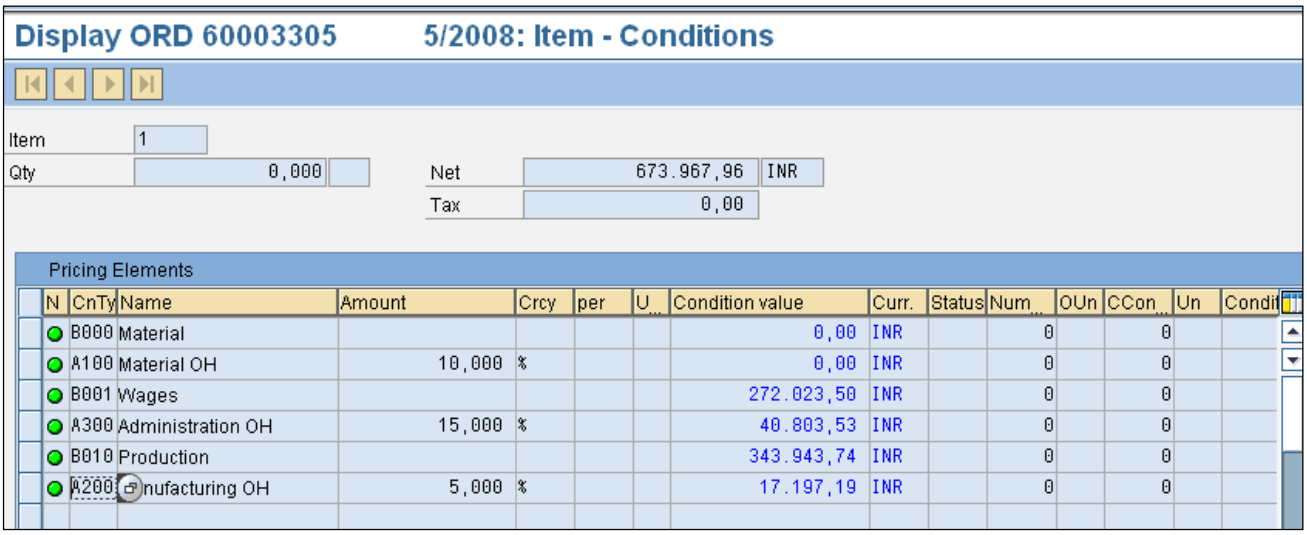
Path: Logistics → Production→ Shop Floor Control→_Period-End Closing_→ Overhead Calculation→ KGI2 - Individual Processing

Transaction Code: KGI2

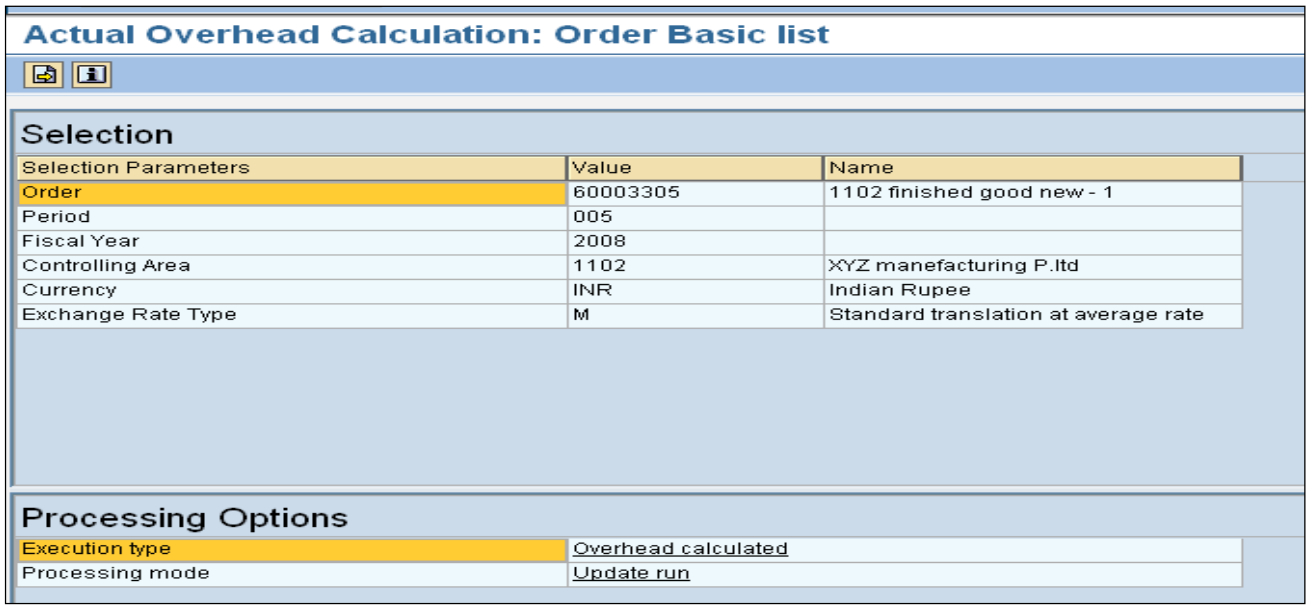
By the above transaction it will display the following screen:



In the above screen maintain period, de-select "Test Run" and select "Dialog Display" check box and execute



In the above screen it show the cost of production
Back from this screen.



Actual Overhead Calculation: Order Basic list

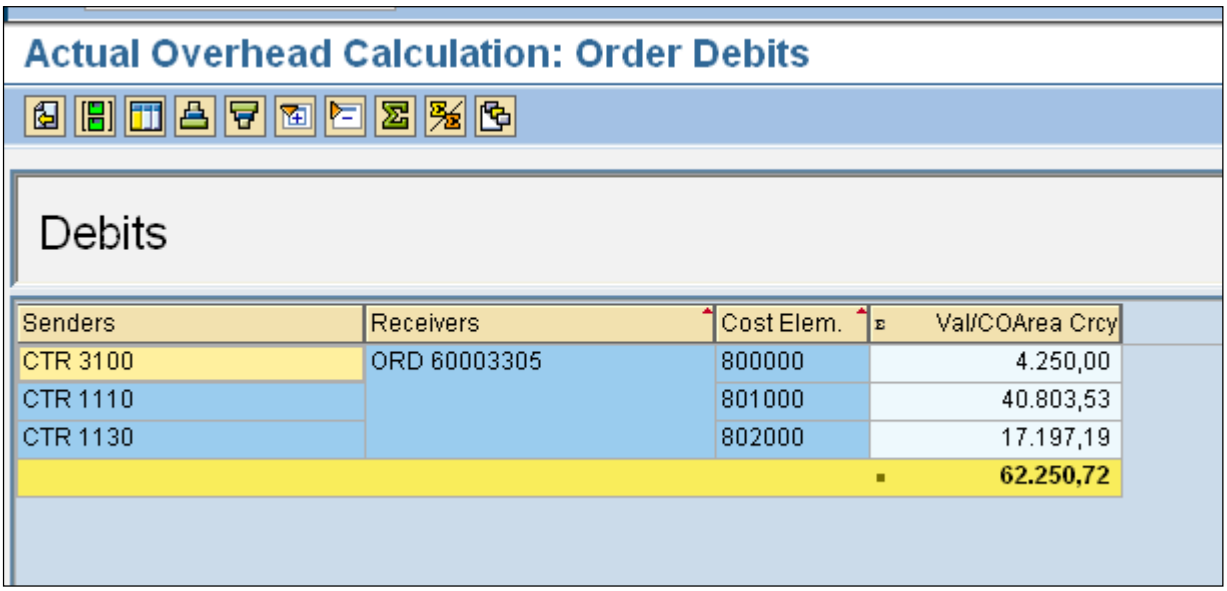
Selection

Selection Parameters	Value	Name
Order	60003305	1102 finished good new - 1
Period	005	
Fiscal Year	2008	
Controlling Area	1102	XYZ manefacturing P.ltd
Currency	INR	Indian Rupee
Exchange Rate Type	M	Standard translation at average rate

Processing Options

Execution type	Overhead calculated
Processing mode	Update run

In the above screen click on  next list level.



Actual Overhead Calculation: Order Debits

Debits

Senders	Receivers	Cost Elem.	Val/COArea Crcy
CTR 3100	ORD 60003305	800000	4.250,00
CTR 1110		801000	40.803,53
CTR 1130		802000	17.197,19
			62.250,72

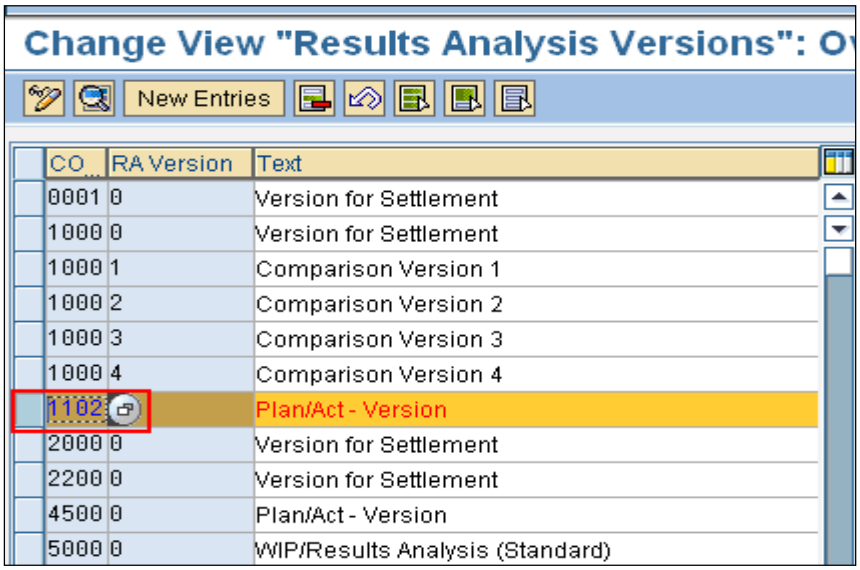
.

Back to Easy access.

Step 25: <u>Specify Transfer to Financial Accounting:</u>

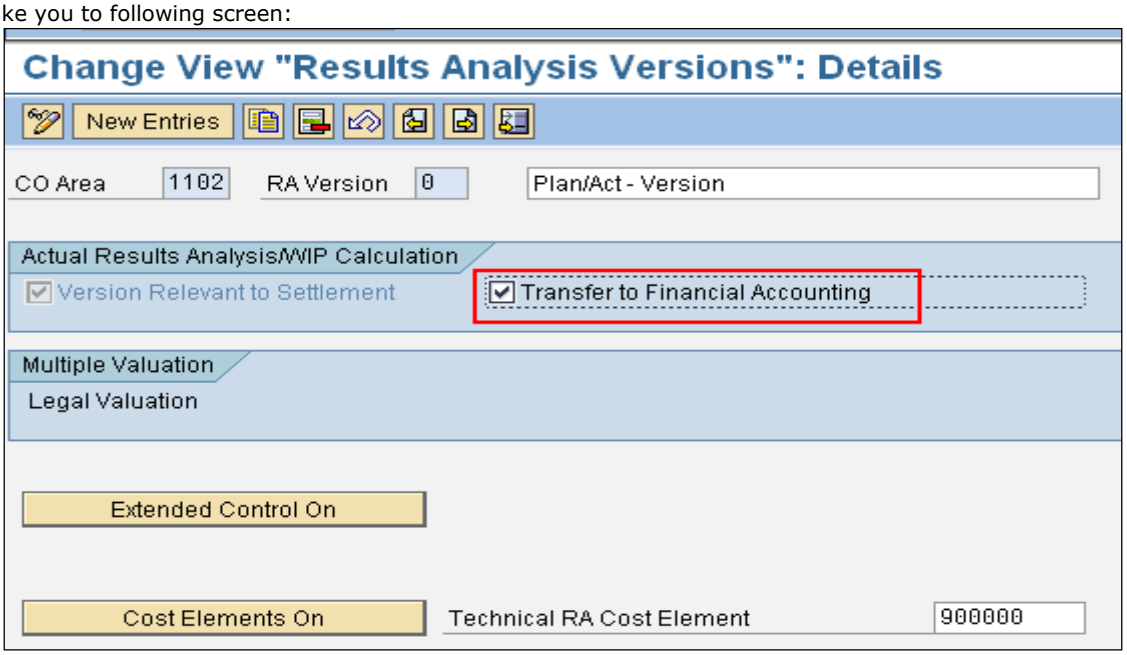
Transaction Code: OKG9

By the above transaction it will display the following screen:



In the above screen select your Co.Area and click on Details Button.

It will take you to following screen:



In the above screen flag the check box of "Transfer to financial Accounting".

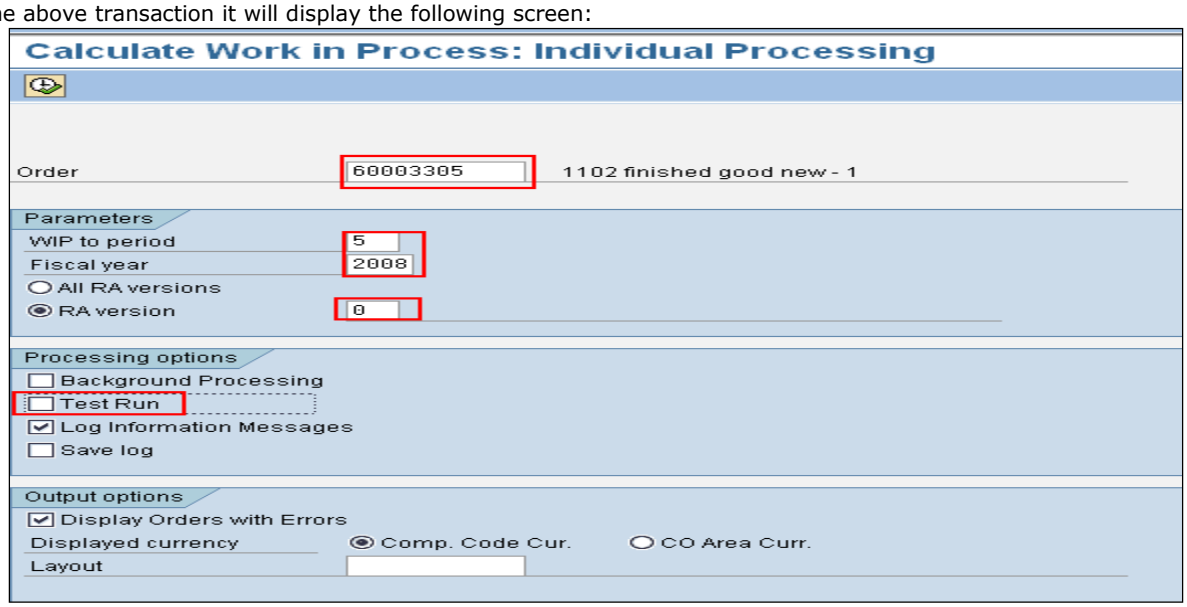
Save the activity and back.

Step 26: Calculation of Work in Process

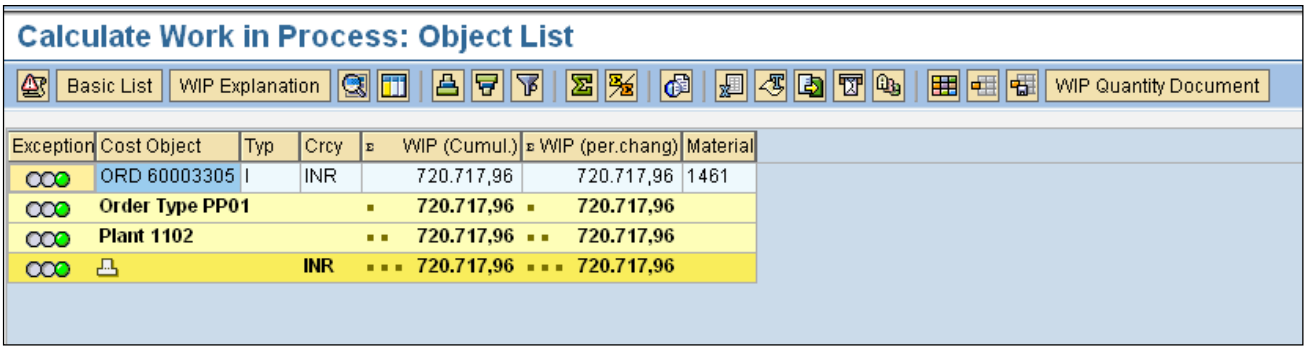
Path: Accounting→ Controlling→ Product Cost Controlling→ Cost Object Controlling→ Product Cost by Order→ Period-End Closing→ Single Functions→ Work in Process→ Individual Processing→ KKAX - Calculate

Transaction Code: KKAX

By the above transaction it will display the following screen:



Just pres enter it will display the following screen:



Now place your curser on "ORD 60003305" and go to Man bar "Goto – Wip report".

It will display WIP report as below:

Order	60003305 000000000000001461
Order Type	PP01 Standard Production Order (int. number)
Plant	1102 1102 manefacturing plant
Material	1461 1102 finished good new - 1
Planned Quantity	500 EA Each
Target Cost Version	0
Results Analysis Ver	0 Plan/Act - Version

Cumulative Data
Legal Valuation
Controlling Area Currency

Cost Elem.	C...	C...	O	Transaction	O...	Crcy	Total plan costs	Plan fixed costs	Plan variable costs	Plan cost debit	Plan fxd cost debit	Plan variable cost debit
400000			P	Goods Receipt		INR	75.000,00-	0,00	75.000,00-	0,00	0,00	0,00
400100			P	Goods Issues		INR	42.500,00	0,00	42.500,00	42.500,00	0,00	42.500,00
500000			S	Confirmations	H	INR	161.443,40	59.051,40	102.392,00	161.443,40	59.051,40	102.392,00
500000			S	Confirmations	H	INR	182.245,05	55.827,30	126.417,75	182.245,05	55.827,30	126.417,75
501000			S	Confirmations	H	INR	86.408,36	13.827,71	72.580,65	86.408,36	13.827,71	72.580,65
501000			S	Confirmations	H	INR	87.218,20	11.027,80	76.190,40	87.218,20	11.027,80	76.190,40
502000			S	Confirmations	H	INR	247,63	47,63	200,00	247,63	47,63	200,00
502000			S	Confirmations	H	INR	7,66	5,51	2,15	7,66	5,51	2,15
503000			S	Confirmations	H	INR	98.396,94	2.099,24	96.297,70	98.396,94	2.099,24	96.297,70
800000			S	Overhead		INR	4.250,00	0,00	4.250,00	4.250,00	0,00	4.250,00
801000			S	Overhead		INR	40.803,53	4.043,21	36.760,32	40.803,53	4.043,21	36.760,32
802000			S	Overhead		INR	17.197,19	5.746,59	11.450,60	17.197,19	5.746,59	11.450,60
900000			P	Goods Issues		INR	0,00	0,00	0,00	0,00	0,00	0,00
901000			P	Goods Issues		INR	0,00	0,00	0,00	0,00	0,00	0,00

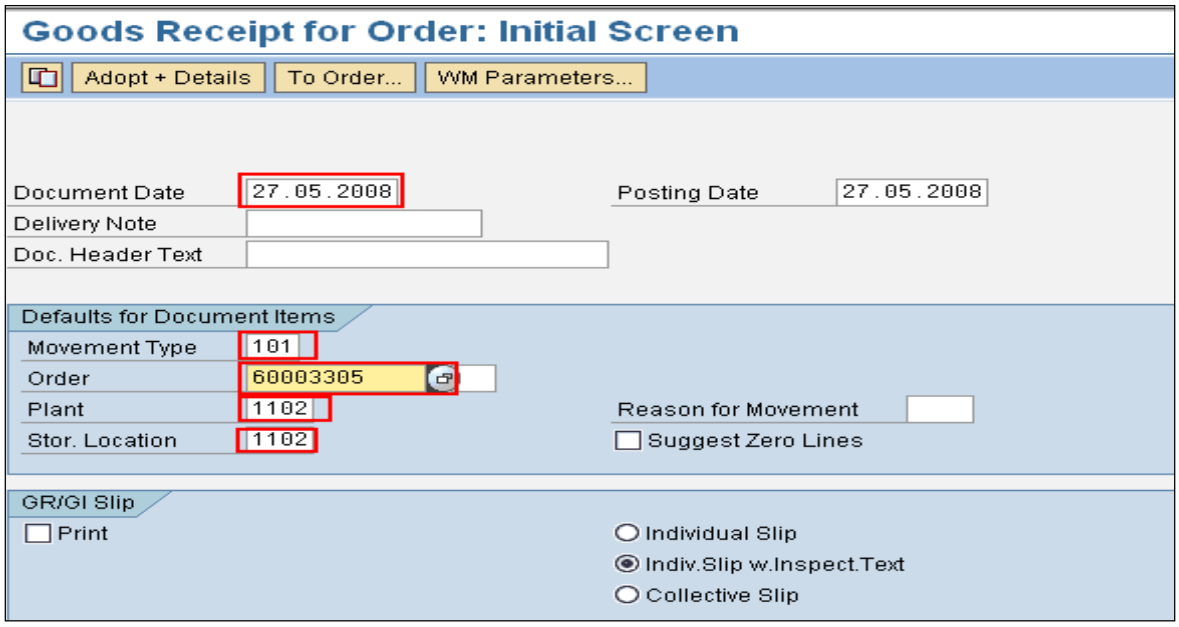
Back to easy access screen.

Step 27: <u>Goods Receipt for Production Order</u>

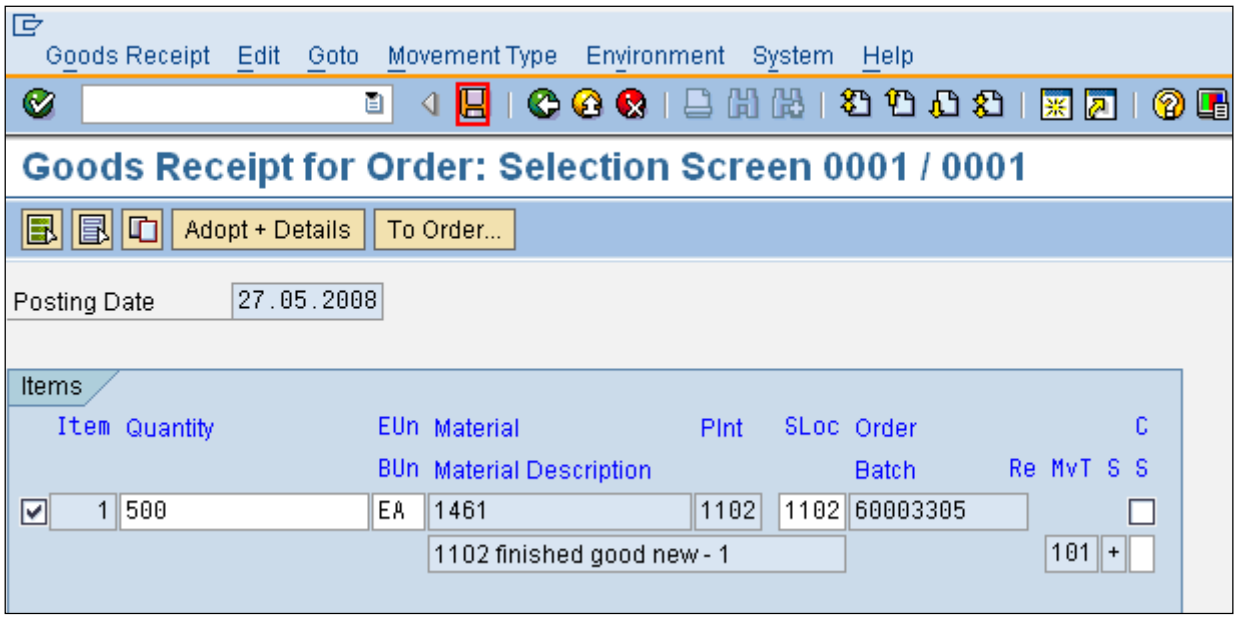
Path: Logistics→ Materials Management→ Inventory Management→ Goods Movement→ Goods Receipt→ MB31 - For Order

Transaction Code: MB31

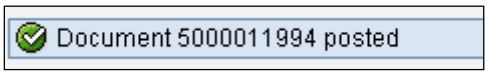
By the above transaction it will display the following screen:



In the above screen maintain required parameters as above and pres enter.
So it will display the following screen:



In the above screen pres enter button and save the screen. so it will issue the following message.



Back to easy access

PROFITABILITY ANALYSIS

PROFITABILITY ANALYSIS

Profitability Analysis (CO-PA) enables you to evaluate market segments, which can be classified according to products, customers, orders or any combination of these, or strategic business units, such as sales organizations or business areas, with respect to your company's profit or contribution margin.

The aim of the system is to provide your sales, marketing, product management and corporate planning departments with information to support internal accounting and decision-making.

Two forms of Profitability Analysis are supported: **costing-based** and **account-based**.

- **Costing-based Profitability Analysis** is the form of profitability analysis that groups costs and revenues according to value fields and costing-based valuation approaches, both of which you can define yourself. It guarantees you access at all times to a complete, short-term profitability report.

- **Account-based Profitability Analysis** is a form of profitability analysis organized in accounts and using an account-based valuation approach. The distinguishing characteristic of this form is its use of cost and revenue elements. It provides you with a profitability report that is permanently reconciled with financial accounting.

Using the SAP master data (customer, product, customer hierarchy) or CO-PA derivation rules, the system can derive additional characteristics based on the ones entered manually or transferred from primary transactions. The combination of characteristic values forms a multidimensional **profitability segment**, for which you can analyze profitability by comparing its costs and revenues.

The actual postings represent the most important source of information in CO-PA. You can transfer both sales orders and billing documents from the Sales and Distribution (SD) application component to CO-PA in real time. In addition, an interface program is available to let you transfer external data to the SAP system. You can also transfer costs from cost centers, orders and projects, as well as costs and revenues from direct postings (G/L account postings in FI, orders received in MM, and so on) or settle costs from CO to profitability segments.

In costing-based CO-PA, you can valuate incoming sales orders or billing documents to automatically determine anticipated sales deductions or costs. You can also revaluate your data periodically to adjust the initial, real-time valuation or add the actual costs of goods manufactured.

In CO-PA Planning, you can create a sales and profit plan. Whereas both types of Profitability Analysis can receive actual data in parallel, there is no common source of planning data. Consequently, you always plan **either** in accounts (account-based CO-PA) **or** in value fields (costing-based CO-PA). In costing-based CO-PA you can use automatic valuation to calculate planned revenues, sales deductions and costs of goods manufactured based on the planned sales quantity.

Structures

To use Profitability Analysis (CO-PA), you have to create structures first. The possible valuation levels are determined in the creation of structures.

To create the structures, you need to define the operating concern as well as the characteristics and value fields belonging to the operating concern.

From a technical point of view, you are actually creating different tables. To find out how these tables are related to each other, you can consult the section Database Tables for CO-PA Transaction Data.

In the operating concern, you can define your structures so that the revenues and sales deductions (= value fields) that are shown correspond to the respective levels (customer, customer group, sales office, and product (= characteristics)).

Characteristics

The characteristics in Profitability Analysis represent those criteria according to which you analyze your operating results and your sales and profit plan.

Valid values of these characteristics are combined to form profitability segments. You can use concepts within the SAP System, such as "Customer" and "Sales organization," to define characteristics. In addition, you can manually define your own characteristics when you customize your SAP System.

The characteristics you define are stored in a field catalog. Using the function *Maintain operating concern*, you can select characteristics from this field catalog to define your operating concerns.

The semantic meaning of a characteristic is determined by the data element to which it is assigned. The data element contains the texts that appear on the screen and in lists for the characteristic.

Standard Characteristics in the SAP System

- **Fixed characteristics**

A number of fundamental characteristics are automatically predefined in every operating concern. These include the product number, company code, billing type, business area, sales order, customer, and the controlling area, to name but a few.

In addition, each type of Profitability Analysis has its own fixed characteristics:

- Record type (costing-based CO-PA)
- Cost element

- **Predefined characteristics**

In addition to the fixed characteristics, a number of other predefined characteristics are available in the field catalog. Such characteristics include customer group, customer district, and country, and they can be added to your operating concern if desired.

Customer-Defined Characteristics

In addition to these predefined characteristics, you can also define your own additional ones. You define these in the field catalog— independent of any client or operating concern —and can later add them to your operating concerns.

- **Adopting characteristics from SAP tables**

You can define your operating concerns by using characteristics that already exist in other applications. For example, you can select fields from the tables for customer master records, material master records, and sales documents. You can also select the partner roles defined in the structure PAPARTNER in the Sales and Distribution (SD) application and use them as characteristics in Profitability Analysis.

The table that you take a characteristic from is referred to as that characteristic's origin table. Characteristics that you take from the SAP table are then derived automatically from the key fields in the SAP table. The system creates the necessary derivation steps automatically.

Your operating concern contains the characteristic Customer district, which comes from the sales data in customer master table KNVV. The key fields of this table are the customer number, sales organization, distribution channel, and division. When you make a posting that contains these four characteristics, the system automatically derives the correct customer district.

- **Custom Characteristics**

If the characteristic categories are insufficient for your needs, you can define completely new characteristics from scratch for exclusive use in Profitability Analysis. To derive values for these newly defined characteristics, you need to create your own derivation rules.

To define such a characteristic, you need to specify the technical name, a description, a short text, a title, and the data type and length of its values. The texts you enter for this characteristic are used to identify the characteristic on transaction screens and in lists.

Value fields

The value fields contain values and quantities that were updated or planned for particular objects.

In costing-based profitability analysis, value fields represent the highest level of detail at which you can analyze quantities, revenues, sales deductions, and costs for profitability segments in profitability analysis or contribution

margin accounting. You are able to define the revenues and costs that go into specific value fields for profitability reports or sales and profit planning when you set up your SAP System.

Example

- You can define your sales deductions to reflect the structure of sales deductions in SD conditions.
- For the cost of goods manufactured, costs can be represented in accordance with the costing sheet in material costing (or summaries thereof).

Value fields are only required in costing-based Profitability Analysis. These are the fields that contain the currency amounts and quantities that you want to analyze in CO-PA. They represent the structure of your costs and revenues.

The semantic meaning of a value field is determined by the data element to which it is assigned. The data element contains the texts that appear on the screen and in reports for the value field.

There are two types of value fields:

· Value fields that contain amounts in currencies are also referred to as "amount fields". All amount fields in a single line item use the same currency.

· Value fields that contain quantities are referred to as "quantity fields".

Each quantity field is assigned a field containing a unit of measure. Consequently, each quantity field in a line item can use a different unit.

Value fields can be categorized according to how and when they are defined:

· **Predefined value fields**

Value fields that are used frequently are predefined in the standard system. These include fields such as revenue, sales quantity, incoming freight, outgoing freight, and others. You can select those predefined value fields that you wish to transfer into your own operating concern.

· **User-defined value fields**

In addition to the predefined value fields, you can also define your own value fields. You define these in the field catalog— independent of any client or operating concern — and can later add them to your operating concerns.

The definition of a value field consists of its name, texts, a rule defining how it is aggregated over characteristics of time, and whether it is an amount field or a quantity field. There are two texts for each value field —a "description" and a "short text". These texts are displayed on the screen to label the value field.

The aggregation rule determines how the values in a value field are to be handled when data is aggregated over multiple periods in planning and in reports. This does not affect the posting logic. You can choose from three aggregation rules: Addition, Average, and Last value. In most cases, you will want to add the values. Only no cumulative values, such as the number of employees, require the other options.

Define Operating Concern

A representation of a part of an organization for which the sales market is structured in a uniform manner.

By setting off the costs against the revenues, you can calculate an operating profit for the individual market segments that are defined by a combination of classifying characteristics (such as product group, customer group, country, or distribution channel). The market segments are called profitability segments.

You can assign multiple controlling areas to one operating concern.

All the characteristics in the operating concern are used in the line item. However, you can restrict the characteristics for a profitability segment that forms the basis for valuation. This is because it is unnecessary and impractical for a profitability segment to use characteristics that are almost always populated and each has a different value. You should deactivate such characteristics when creating a profitability segment. Otherwise the data volume of the profitability segments is too large and hampers system performance.

One characteristic that should not be used in profitability segments is the sales order in repetitive manufacturing.

Before you can execute some of the functions for Profitability Analysis (CO-PA), you first need to specify the operating concern for which the function is to be performed and the type of Profitability Analysis (costing-based or account-based) you wish to use.

You set the operating concern by defining its settings and specifying the desired type of Profitability Analysis in a dialog box. The settings in this dialog box are then valid until you log out of the system or reset the operating concern.

There are two ways of accessing the dialog box:

- By choosing Environment --> Set Operating Concern in the CO-PA menu
- By choosing Structures --> Set Operating Concern in CO-PA Customizing

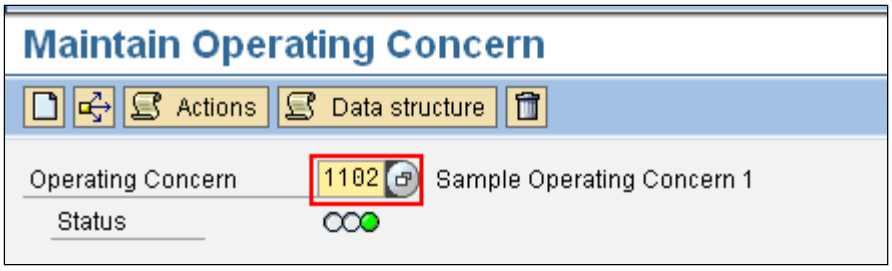
When you first call up a function that requires an operating concern, the dialog box appears automatically if the operating concern has not yet been set.

If you only have one operating concern or generally only work with one operating concern, it makes sense to enter this operating concern and the required type of Profitability Analysis in your user master data. By doing so, the dialog box will no longer appear, even when you logon again to the system. The system then uses the operating concern and the type of Profitability Analysis stored in the user master record. Moreover, you can call up the dialog box at any time to switch to a different operating concern or to the other type of Profitability Analysis. The entries stored in the user master record then apply all the while you are still logged on to the system.

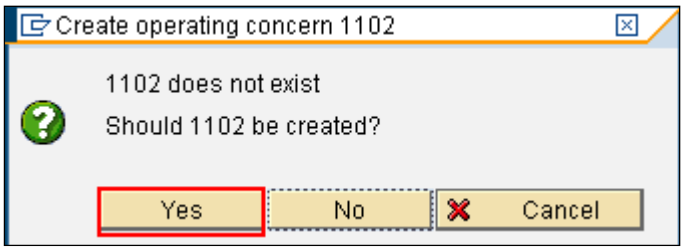
Path: SPRO→Controlling → Profitability Analysis→ Structures→ Define Operating Concern →Maintain Operating Concern

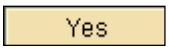
Transaction Code: KEA0

By above transaction it will display the following window:

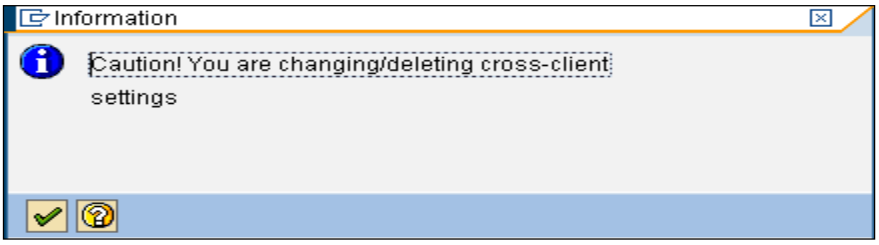


In the above window give new name to "Operating concern", and click enter button so it will display the following information window:

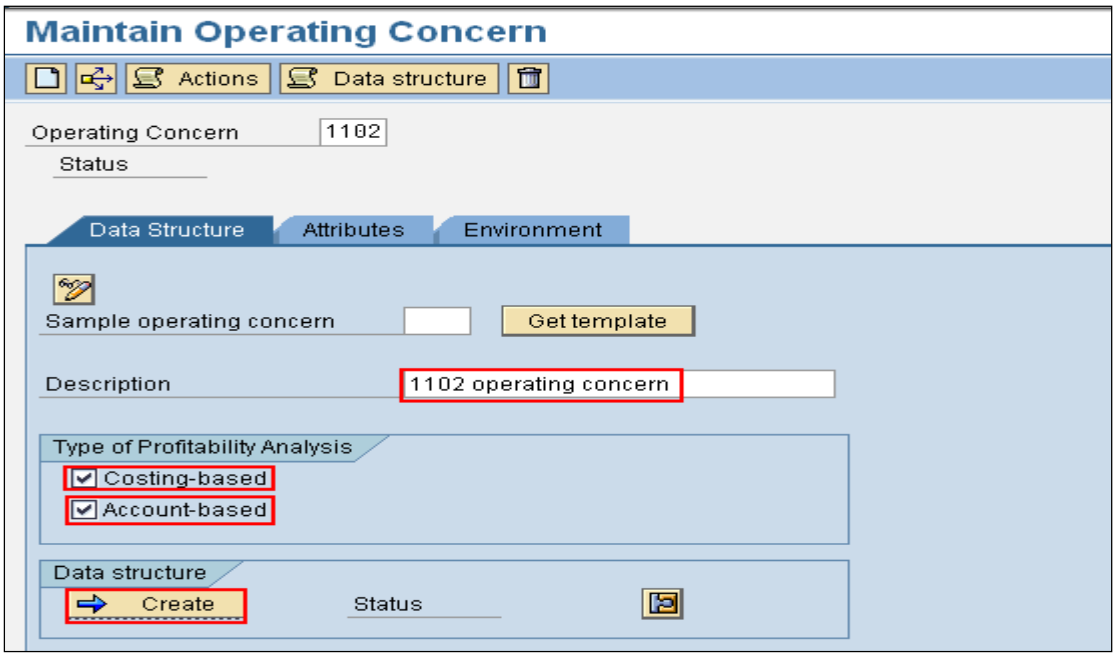


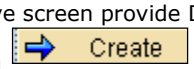
In the above box click on 

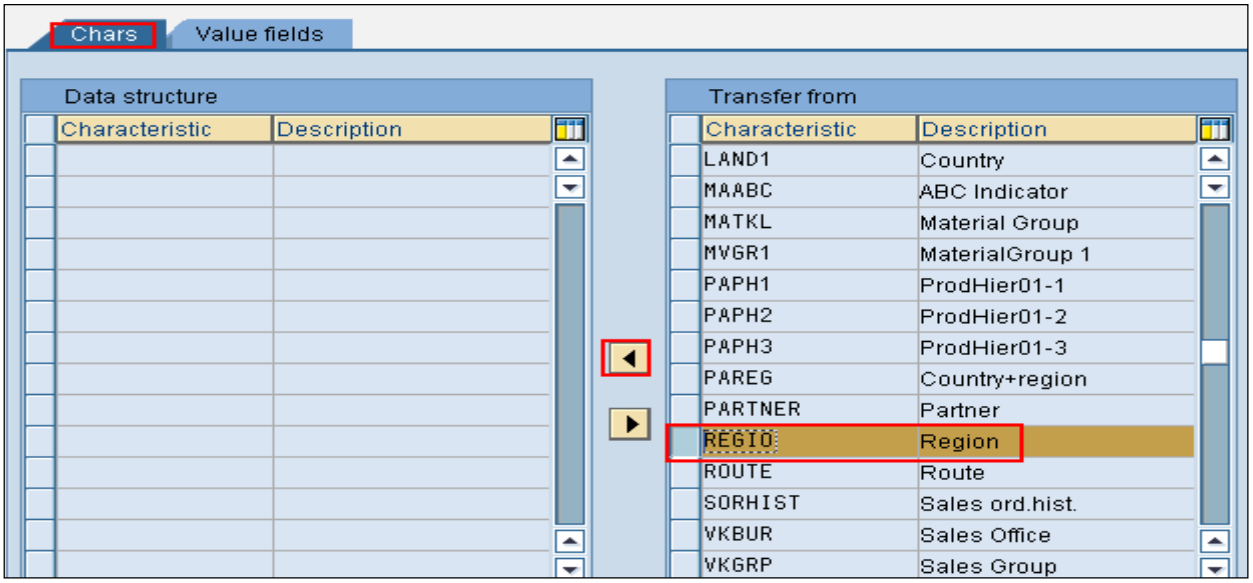
button, it display an information box as below:



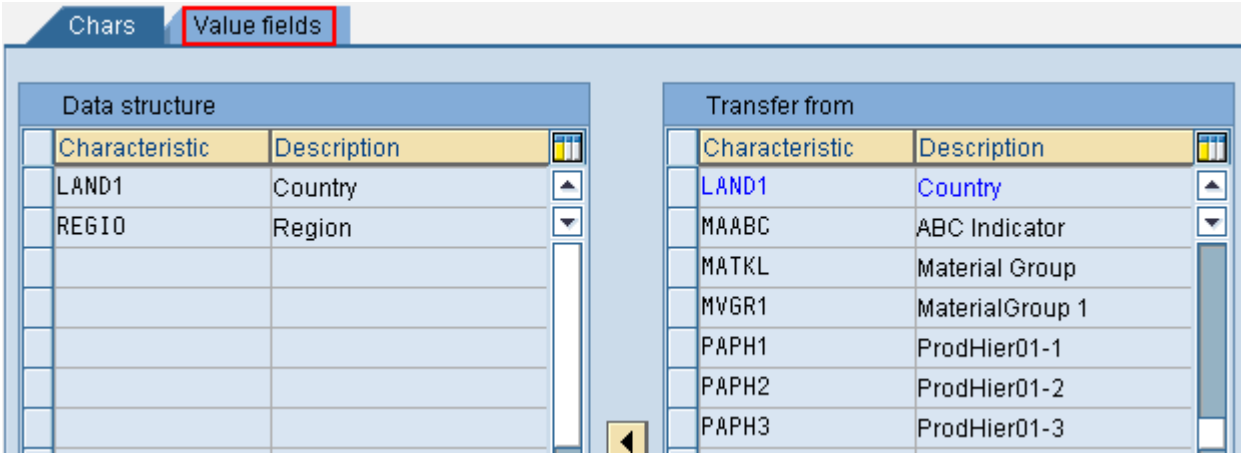
In the above box just pres enter button.
So it will activate the window as below:



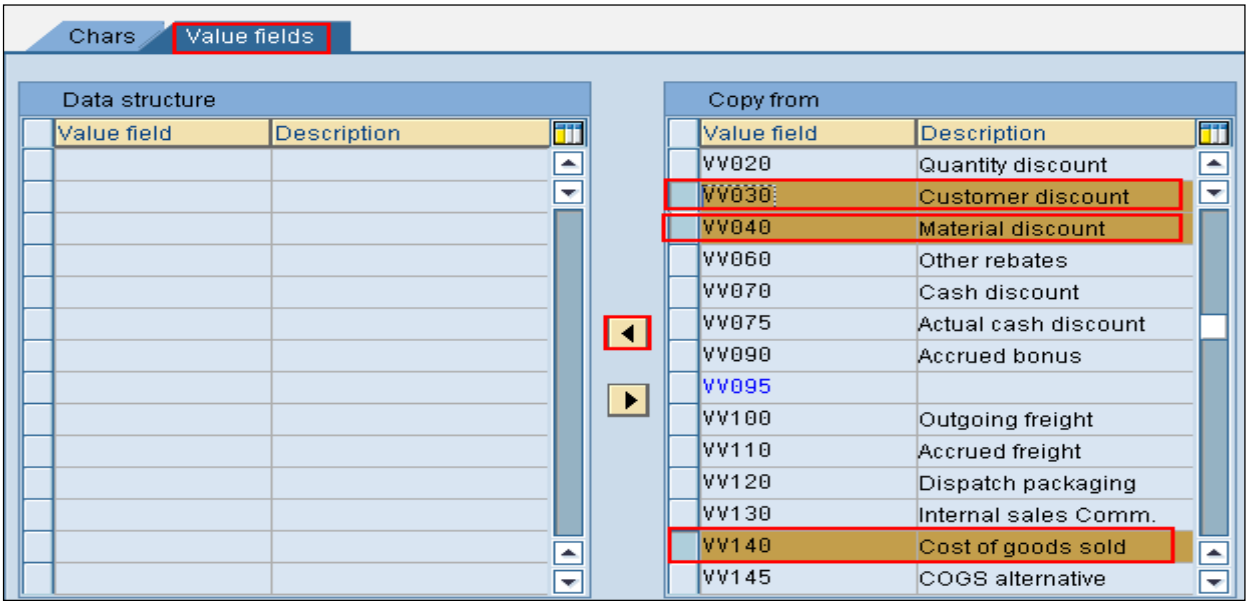
In above screen provide Description, flag check boxes "Costing-based", "Account-base" and first save the activity and click on  button.
It will display another screen below:



In the above window in "Chars" tab under "Transfer from" select "REGID – Region" as I shown above and click on  (Transfer Fields) so the field will transfer to "Data Structure" window as below:



Now click on "Value fields" tab.
It will display the following screen:

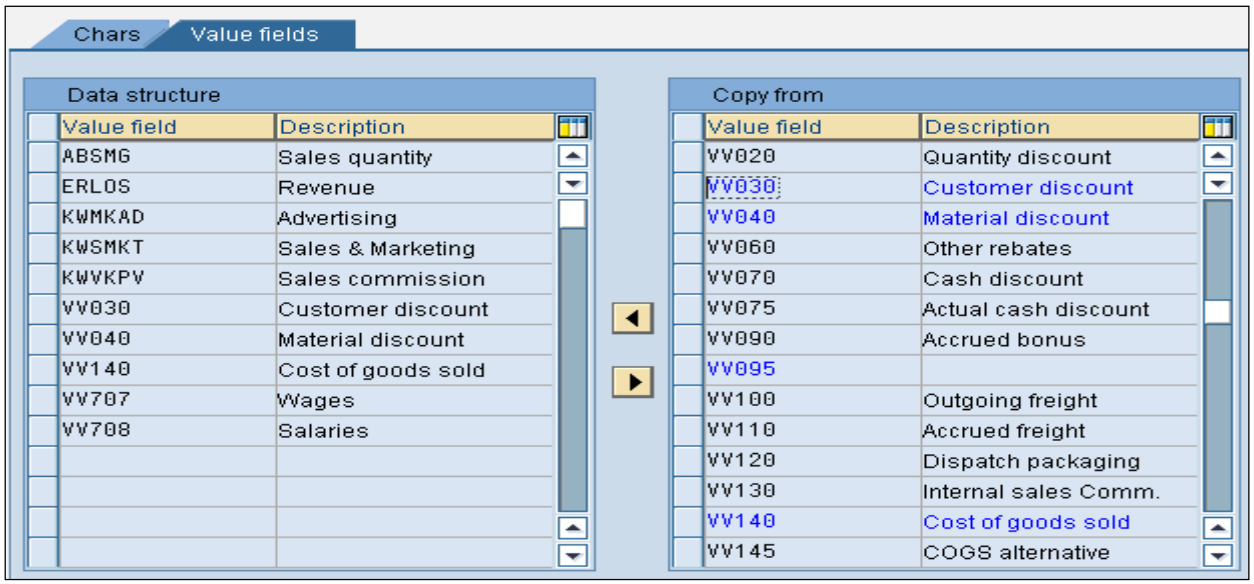


In the above screen in "Value Fields" tab under "Copy from" window select required Value fields.

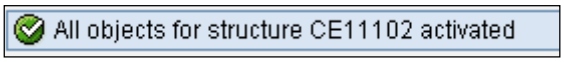
Required Value fields are:

1. ABSMG - Sales Quantity
2. ERLOS - Revenues
3. KWMKAD - Advertisement
4. KWSMKT - Sales & Marketing
5. KWVKPV - Sales Commission
6. VV040 - Material Discount
7. VV030 - Customer Discount
8. VV140 - Cost of Goods Sold

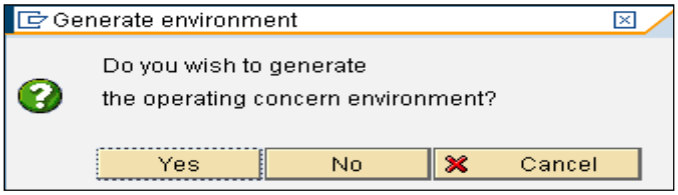
As the above list base on your requirement select Value Fields as I shown above and click on  (Transfer Fields) so the field will transfer to "Data Structure" window as below:



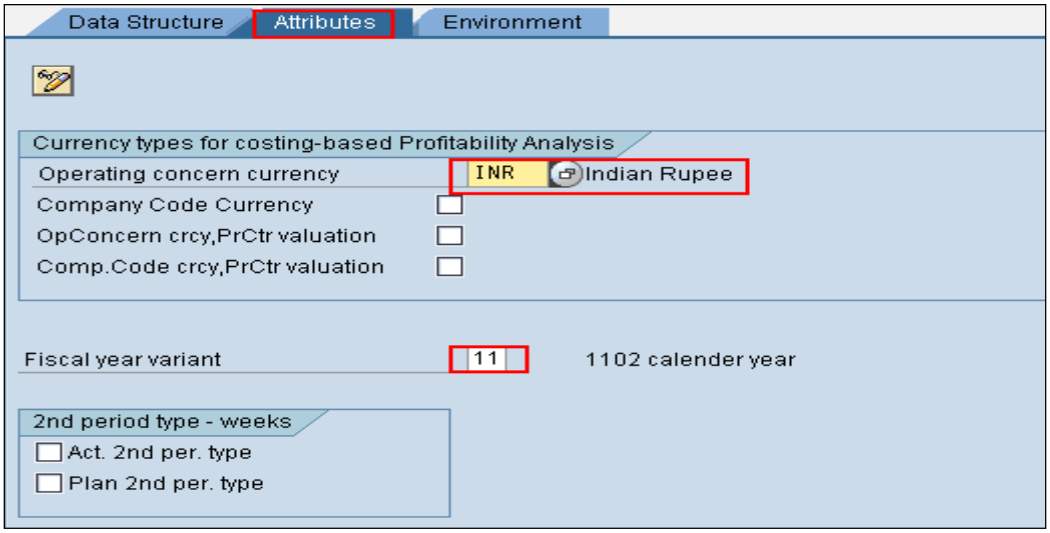
Now click on  (Active) button to activate the activity



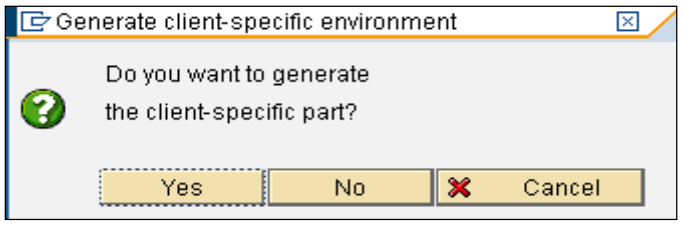
It issues the above conformation message as the activity is activated.
Now click on  back button, it will display the following message:



In the above window click on yes button.
It will display another window in that window select "ATTRIBUTS" tab and enter parameters as below;



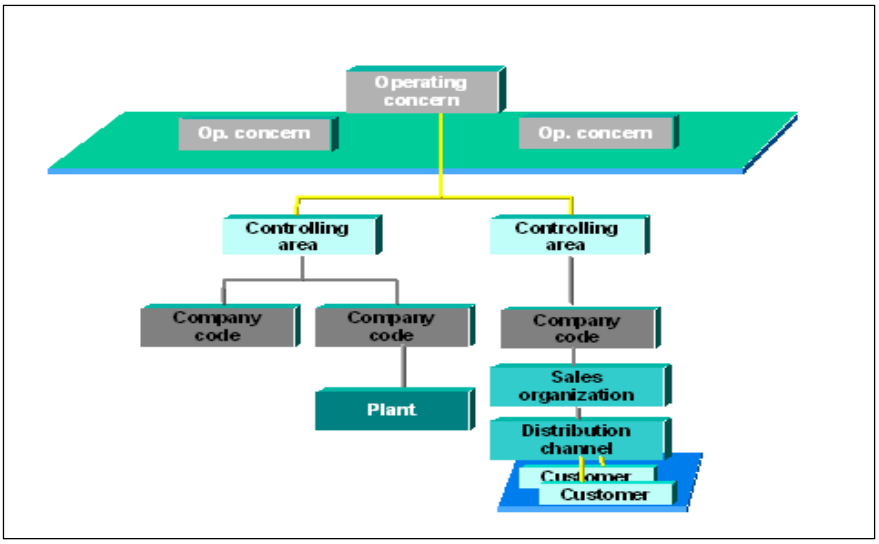
In the above screen under "ATTRIBUTES" tab provide "Operating Concern Currency", "Fiscal Year Variant" and click on save button, it will give you the following box with a message:



In the above window click on yes button.
Back to SPRO screen.

Assign controlling area to operating concern

When you transfer data to Profitability Analysis, the system derives the appropriate **operating concern** from the **controlling area**, and derives the controlling area, in turn, from the **company code**. In Customizing, therefore, you have to assign each operating concern at least one controlling area. Generally, you assign several controlling areas.



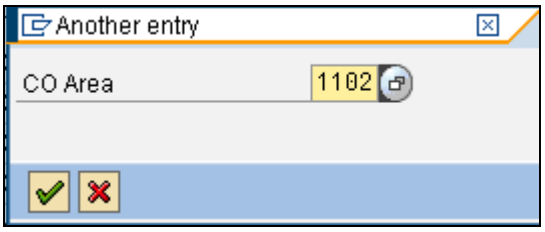
Path: SPRO→ Enterprise Structure→ Assignment→ Controlling→ Assign controlling area to operating concern

Transaction code: KEKK

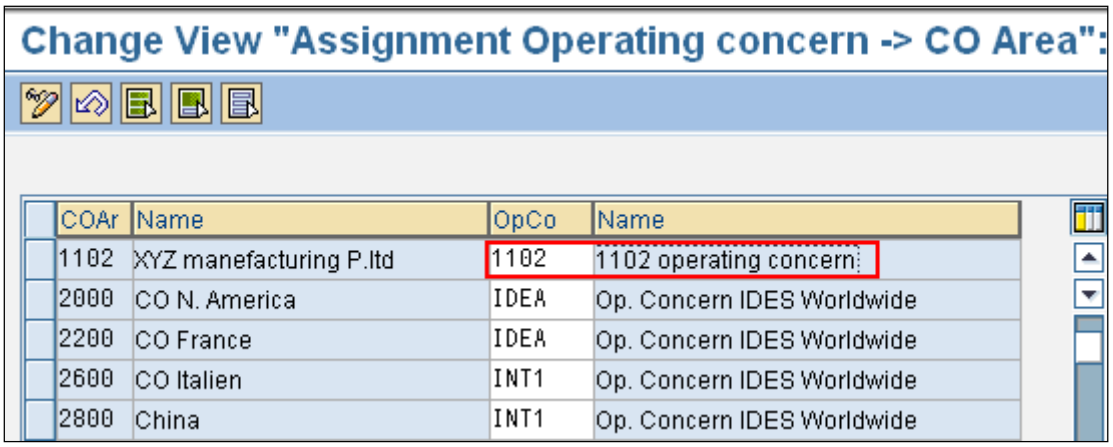
Database Table: TKA01

By the above transaction it will display an screen in that click on 

.
It will display the following screen:



in the above window give your controlling area and pres enter so it will appears you controlling area on the top to window.



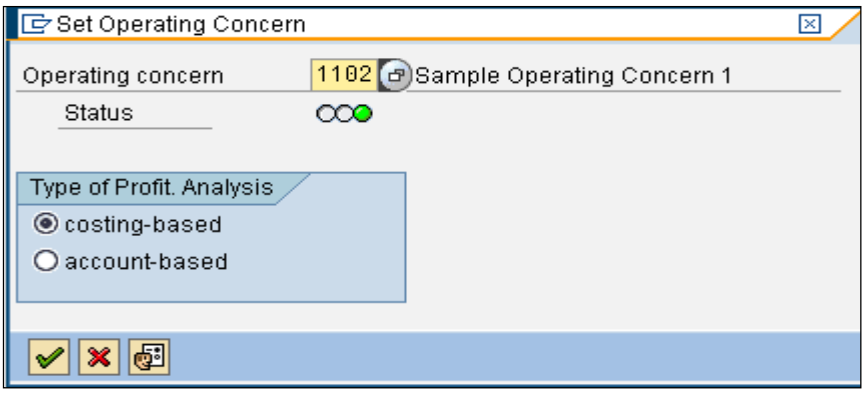
In the above screen your controlling area is at top so assign your "Operating Concern" now save the activity and back to SPRO screen.

Set Operating Concern

Path: SPRO→ Controlling→ Profitability Analysis→ Structures→ Set Operating Concern

Transaction Code: KEBD

With above transaction it will display the following window:



In the above window enter your Operating Concern and click on enter button.

Assign Value Fields

All revenues, sales deductions and other values (such as transfer prices) are defined as conditions in SD. In this step, you assign these conditions to the corresponding CO-PA value fields.

Note that certain limitations exist on the transfer of condition values of billing documents to CO-PA.

1. To transfer condition types for sales revenues and sales deductions to CO-PA, you need to make sure that the condition types and linked to an account in FI that is also defined as a cost element of the category "11" (revenue element) or "12" (sales deduction) in CO. These condition types must be assigned to a CO-PA value field. Condition types linked to FI accounts that are defined as cost elements of another category are not transferred to CO-PA, even when the condition type has been assigned to a CO-PA value field.

2. Condition types such as "VPRS" ("Cost") that are defined as statistical in SD are always transferred to CO-PA if they are assigned to a value field.

3. All condition types that you want to transfer to CO-PA must be active in the SD pricing procedure. Inactive conditions in a billing item are not transferred. If all the conditions in a billing item are inactive, that item is not transferred to CO-PA. Conditions do not need to be active, however, to be transferred with sales order items, since the transfer of incoming sales orders is always statistical.

It is also possible to transfer conditions from MM to update billing data in pooled payment in the IS Retail system. These are transferred according to the same rules as SD conditions.

Conditions from SD are always transferred to CO-PA with "+" signs, with the exception of credit memos and returns. The reason for this is that the signs for revenues are handled differently in the different applications of the system. For example, revenues are positive in SD, while they are negative in FI. Consequently, CO-PA accepts all the values as positive, and then subtracts deductions and costs from revenues in the information system.

Note that the indicator Transfer +/- signs is not used to compare the different use of +/- signs between FI or SD and CO-PA. If you activate this indicator, only the positive and negative values for the condition in question will be balanced. his guarantees that the sum of the negative and positive condition values is displayed as a correct total value in the value field assigned to that condition.

Prerequisites:

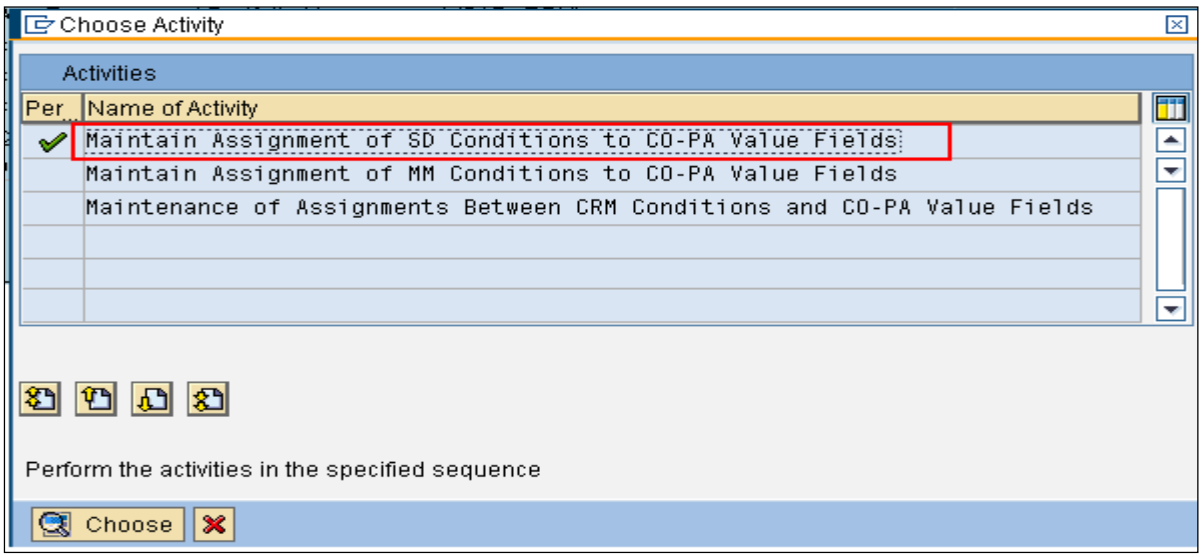
- The level of detail of the valuation in the SD billing document must meet the requirements for value fields in Profitability Analysis.
- The pricing procedure must be defined in SD.
- The condition types must be defined in SD.

It is not necessary to activate the conditions for transferring sales order data, since this transfer is solely for statistical purposes.

Path: SPRO→ Controlling Profitability Analysis→ Flows of Actual Values→ Transfer of Billing Documents→ Assign Value Fields

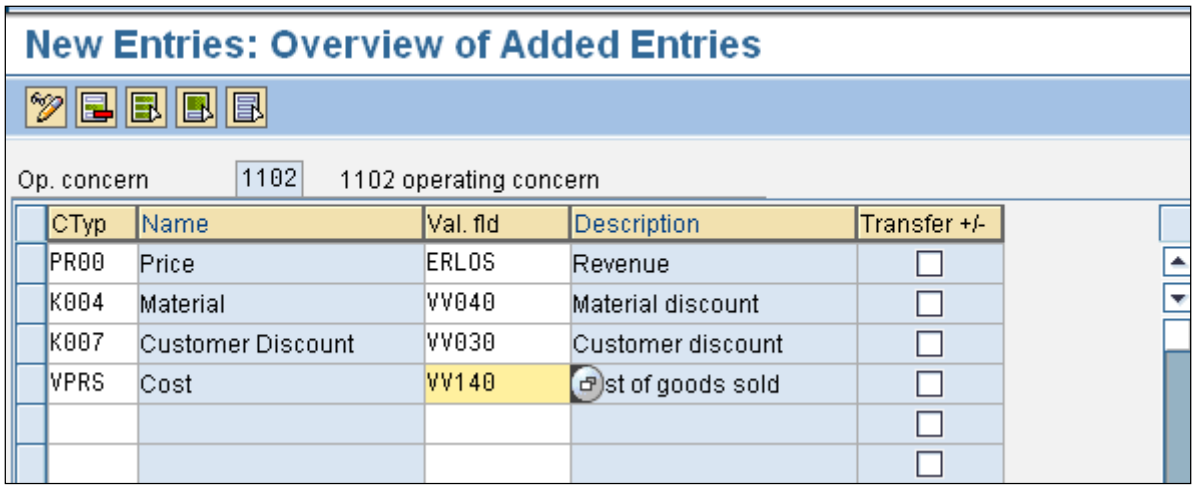
Transaction Code: KE4I
Database Table: T258I

By the above transaction it will display the following screen:



In the above screen double click on "Maintain Assignment of SD Conditions to CO-PA Value Fields"

So it will display the following screen in that click on New Entries button:



Maintain the above parameters and save the activity and back to SPRO screen.

Assign Quantity Fields

A number of quantity fields are defined and used in the SD billing system. In this step you assign these to the corresponding quantity fields in costing-based Profitability Analysis (CO-PA).

Assign all the quantity fields you want to transfer from the billing system to costing-based CO-PA. Additional Information

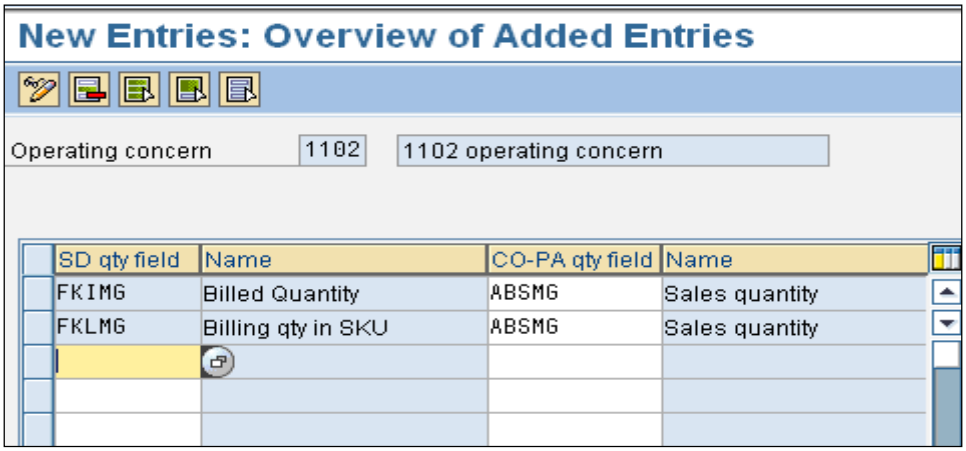
You can transfer the billed quantity to costing-based CO-PA using the sales unit as well as the stock keeping unit. The assignment you make here is valid for both profitability planning and for actual postings.

This assignment is particularly important for planning, because the system can automatically derive the unit for the quantities you plan manually for individual products.

Path: SPRO→ Controlling Profitability Analysis→ Flows of Actual Values→ Transfer of Billing Documents→ **Assign** Quantity Fields

Transaction Code: E4MI
Database Table: T258M

In the following screen in that click on New Entries button:



In the above screen select the relevant fields, save the activity and back to SPRO screen.

Direct Posting from FI/MM

You can transfer direct primary postings from Financial Accounting (FI) and Materials Management (MM) to profitability segments.

- You post special direct costs from sales, such as transport insurance for a certain delivery, and would like to assign these primary costs directly to a profitability segment.
- You post an invoice for promotional events and you want this invoiceto appear statistically in the responsible marketing cost center, and at the same time assign it to a profitability segment in Profitability Analysis. In this case, you would assign the invoice to both a cost center and a profitability segment.
- You create automatic postings in Materials Management and you want these revenues and expenses from the evaluation of material stocks to be posted automatically to Profitability Analysis. This instance also requires that you define "Automatic assignment to a profitability segment".

Maintain PA Transfer Structure for Direct Postings

In this activity, you define the PA (Profitability Analysis) transfer structure FI, which you use to post costs and revenues directly to profitability segments. In the PA transfer structure "FI", you specify how the cost elements are to be defined to the CO-PA value fields.

You can choose to transfer the posted amount to CO-PA as well. For this, include in the assignment the corresponding quantity field along with the value field(s).

Since this maintenance dialog is also used in the definition of PA transfer structures for other allocations, there are several selection options that do not apply to the PA transfer structure "FI". These options are discussed below under "Activities".
Activities

1. Define the PA transfer structure "FI".

2. Divide your cost elements according to how you want to group them in Profitability Analysis, and create assignment lines accordingly. Note: The indicator for quantity billed/delivered is not relevant for PA transfer structure FI and hence should not be activated.

3. For each assignment line, enter the cost element or the cost element group to be assigned. As the source, activate the "Costs/Revenues" option.

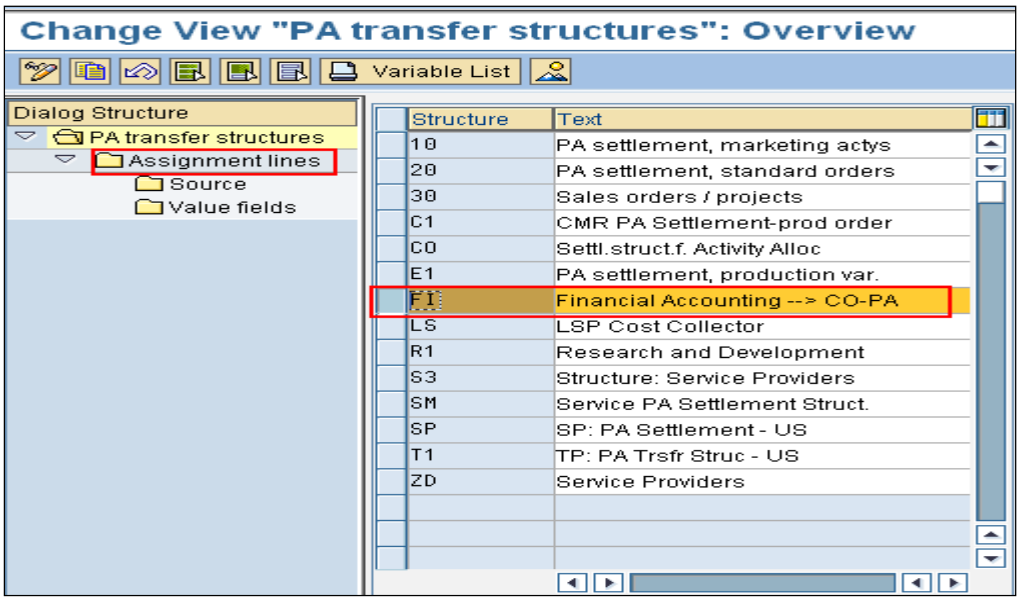
4. For each assignment line, enter the value field (or, if the costs are split into fixed and variable portions, both value fields) into which costs/revenues are to be imported.

Path: SPRO→ Controlling→ Profitability Analysis→ Flows of Actual Values→ Direct Posting from FI/MM→ Maintain PA Transfer Structure for Direct Postings.

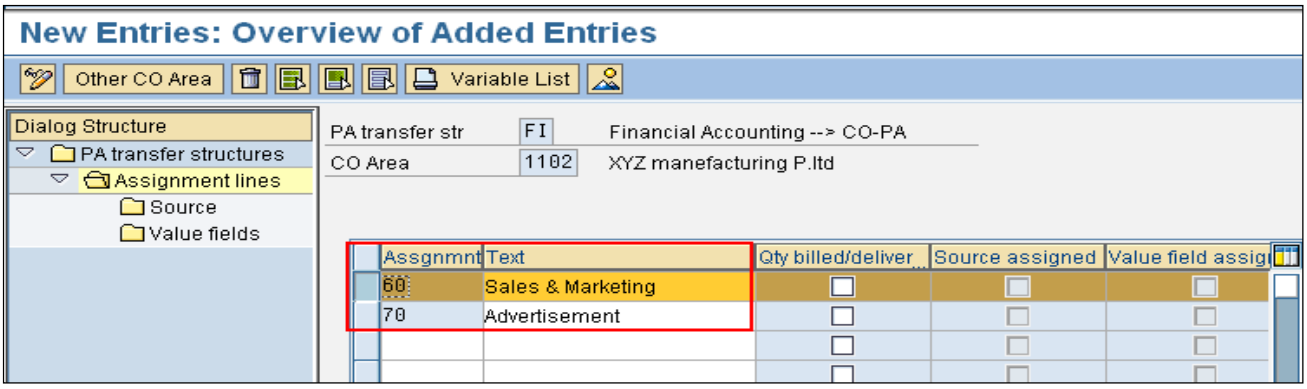
Transaction code: KEI2

Database table: TKB9C, TKB9D, TKB9F, TKB9G

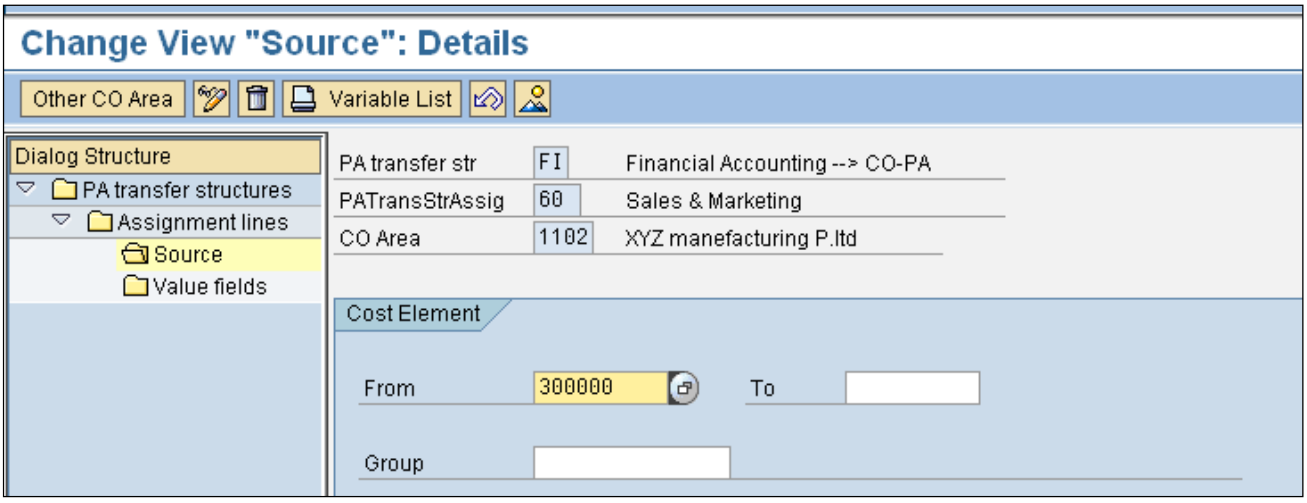
By the above transaction it displays the following screen:



In the above screen select "FI – Financial Accounting --> CO-PA" and click on "Assignment lines" under Dialog Structure.
It will display the following screen:
On that click on New Entries button:

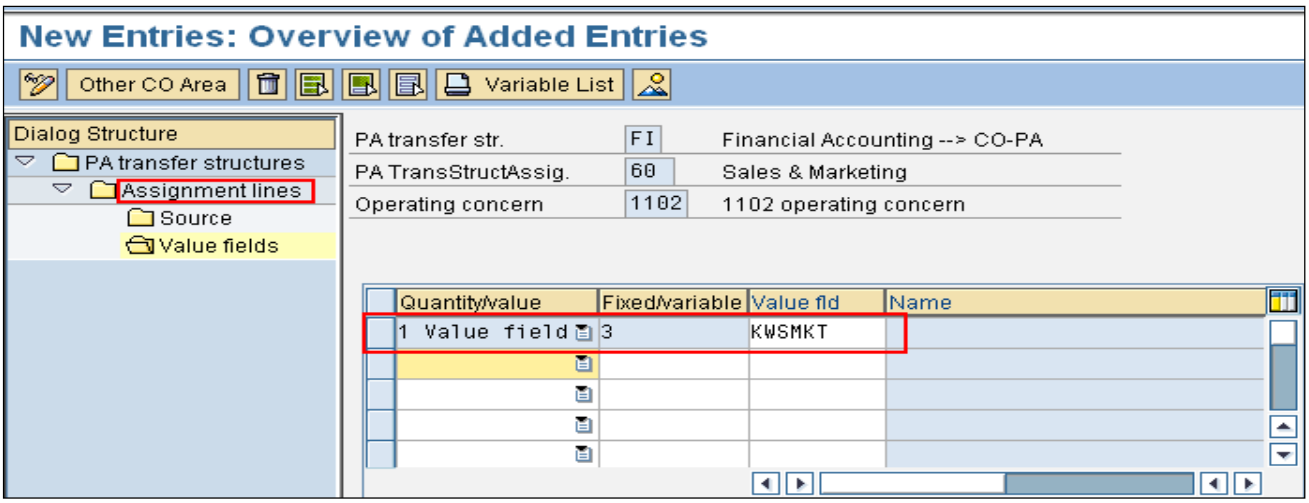


In above screen enter new Assgnmnt values like "60,70" with Text and save the activity.
Now select "Assgnmt line 60" and click on "Source" under Dialog Structure
It will display the following screen:

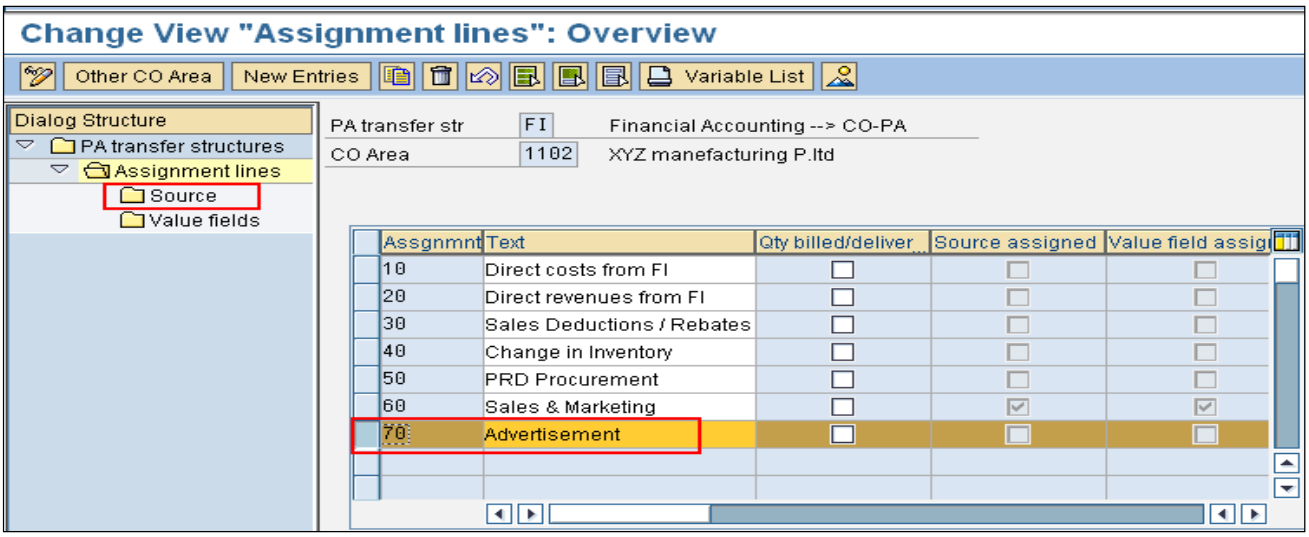


In the above screen enter Cost Element values and click on "Value Fields" under Dialog Structure.

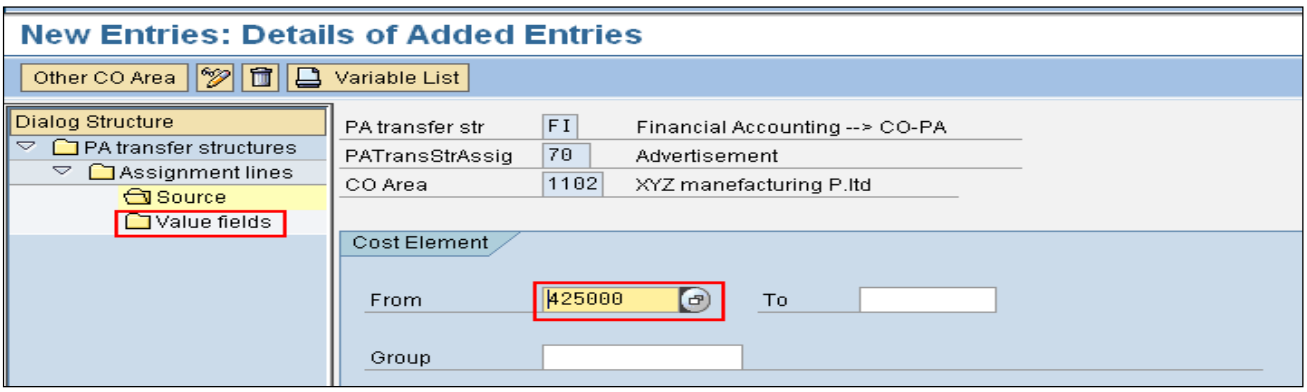
It will display another screen in it click on New Entries button.



In the above screen provide parameters as I shown and click on "Assignment lines" under Dialog Structure.
It will display the following screen:

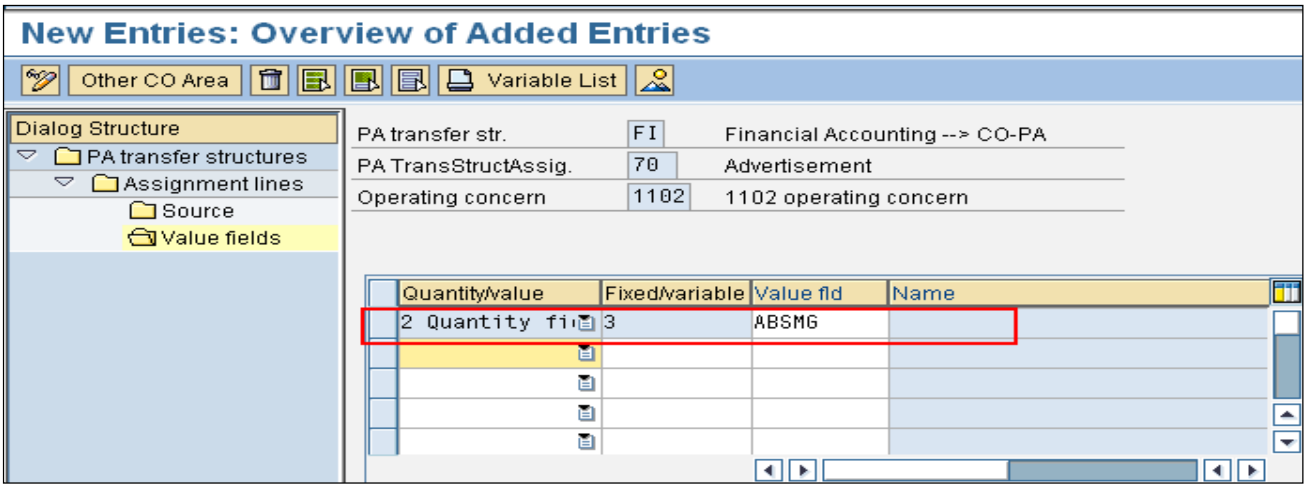


In the above screen select "70 – Advertisement" and click on "Source" under Dialog Structure,
It will display the following screen:



In the above screen enter Cost Element values and click on "Value Fields" under Dialog Structure.

It will display another screen in it click on New Entries button.



Enter above parameters in above screen.
Save the activity and back to SPRO screen.

Define Structure of Cost Center Assessment/Process Cost Assessment

In this step you define rules for allocating cost center costs and process costs to Profitability Analysis (CO-PA) in the form of cycles.

Define your assessment cycles. In doing so, observe the following:

1. The header of the cycle contains the parameters that are valid for the entire cycle. This includes the sender selection type, where you specify for actual data whether you want to assess all costs together or fixed and variable costs separately.

2. The segments contain the combinations of sender cost centers/sender processes and receiver profitability segments that are processed using a single distribution rule.

    - Specify either an assessment cost element or an allocation structure, which determines more than one assessment cost element for each cost element group. The sender cost centers/sender processes are credited using these secondary cost elements (cost element category 42). In account-based CO-PA, the receiver profitability segments are also credited using this cost element.

    - Specify either single value fields for the fixed and variable costs, respectively, or a PA transfer structure that determines more than one value field for each cost element group.

    - Specify the rule which you want to use to credit the sender.

Note that, for technical reasons, you can only use an allocation structure or a PA transfer structure with sender rule "1" (posted amounts).

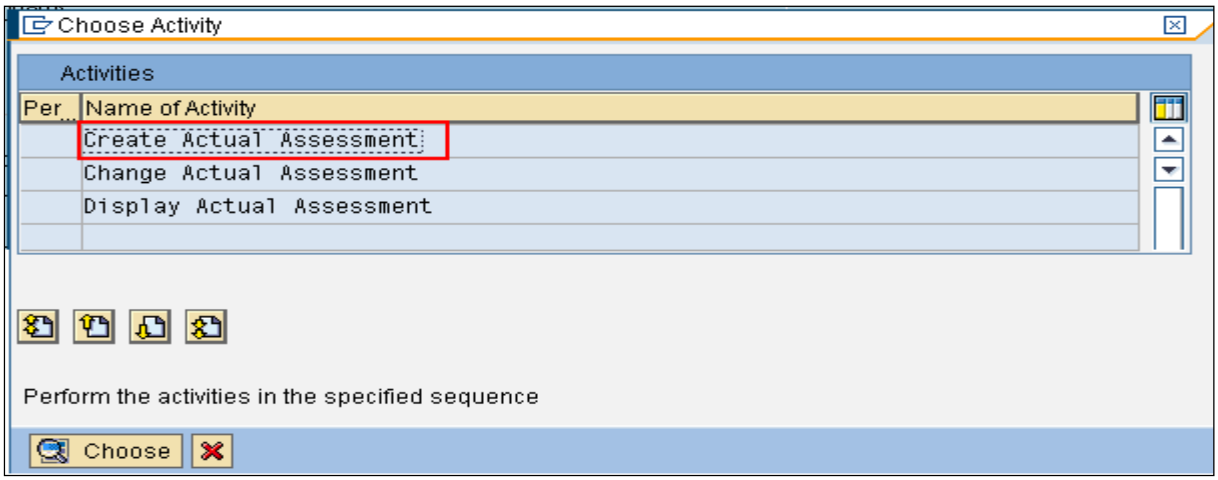
- Define the tracing factor, the rule which determines how the values are distributed to the receivers. For example, you can distribute certain percentages to the different receivers or distribute using certain values (such as the quantity sold or the revenue) as an allocation base. If you choose to use an allocation base, choose the receiver rule "Variable portions".

- Specify the senders and receivers in the allocation characteristics.

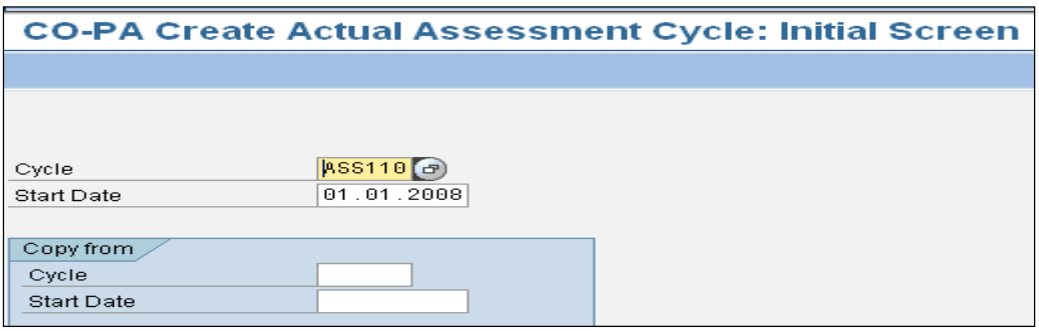
Path: SPRO→Controlling→ Profitability Analysis →Flows of Actual Values→ Transfer of Overhead→ Assess Cost Center Costs / Process Costs→ Define Structure of Cost Center Assessment/Process Cost Assessment

Transaction Code: KEU1
Database table: T811C, T811F, T811G, T811IA, T811K, T811L, T811P, T811PT, T811R, 11ST

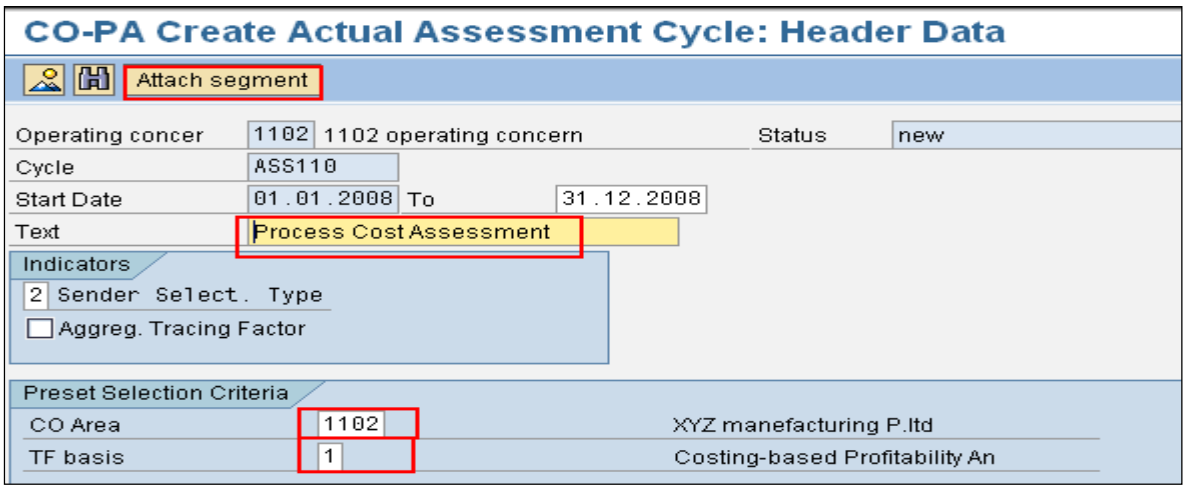
By the above transaction it will display the following screen:



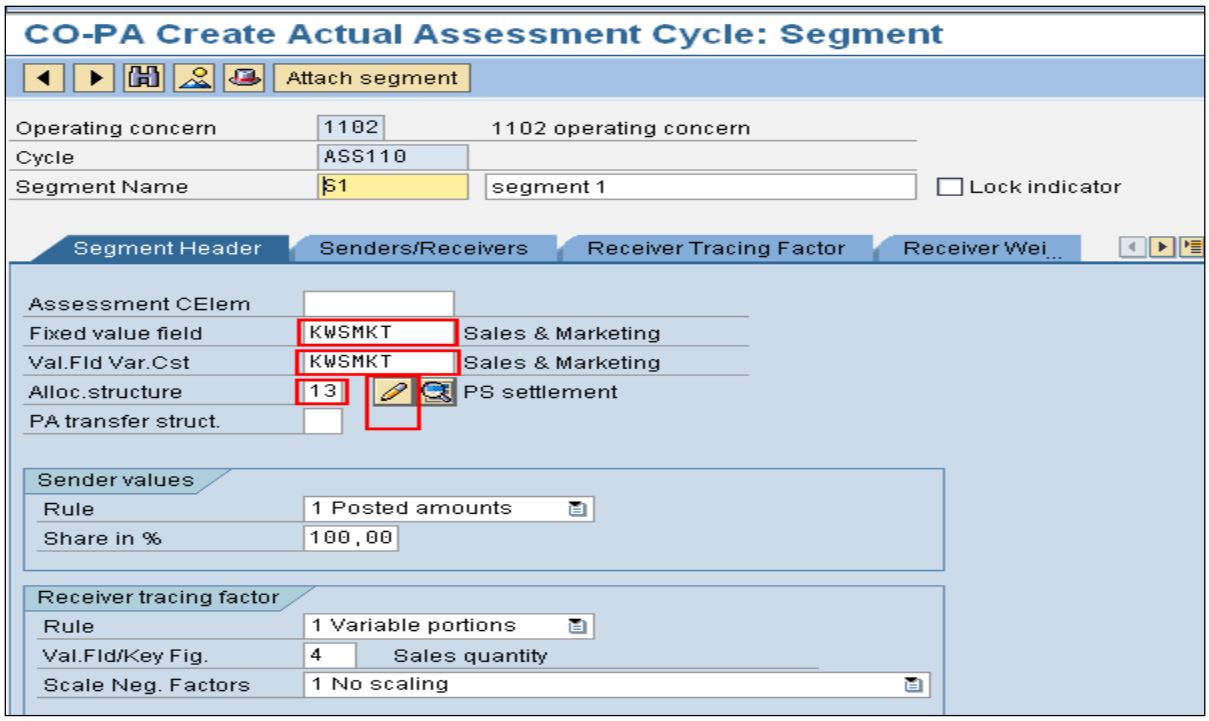
In the above screen double click on "Create Actual Assessment", it will display the following screen:



In the above screen provide Cycle name to "Cycle" field and enter "Start Date" pres enter butto so it will take you to following screen:



In the above screen enter values to "Text", CO Area", and "TF basis" as I shown above and click on "Attach Segment" Button.
It will display another screen as below:

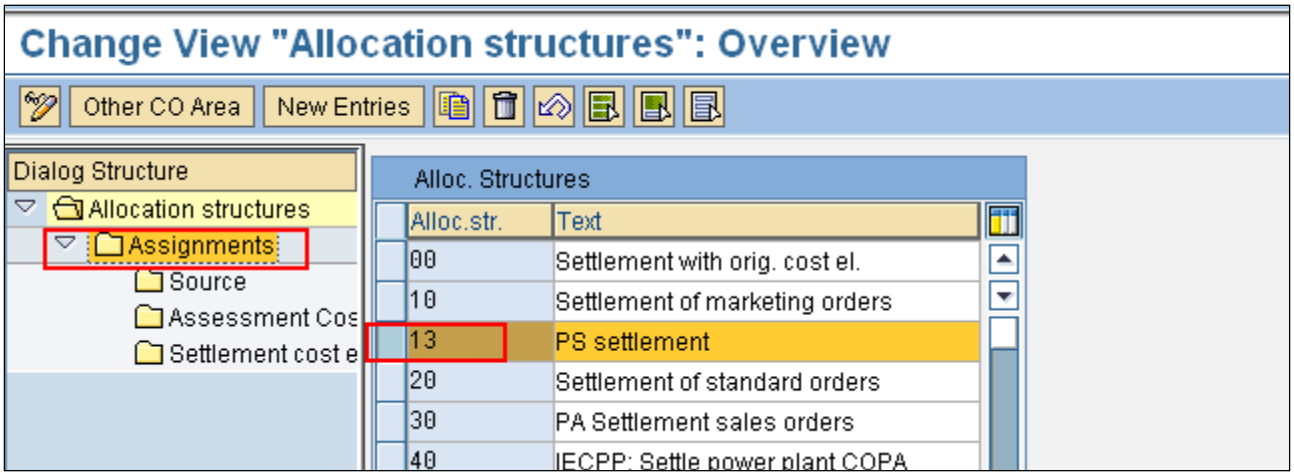


In the above screen enter value to :

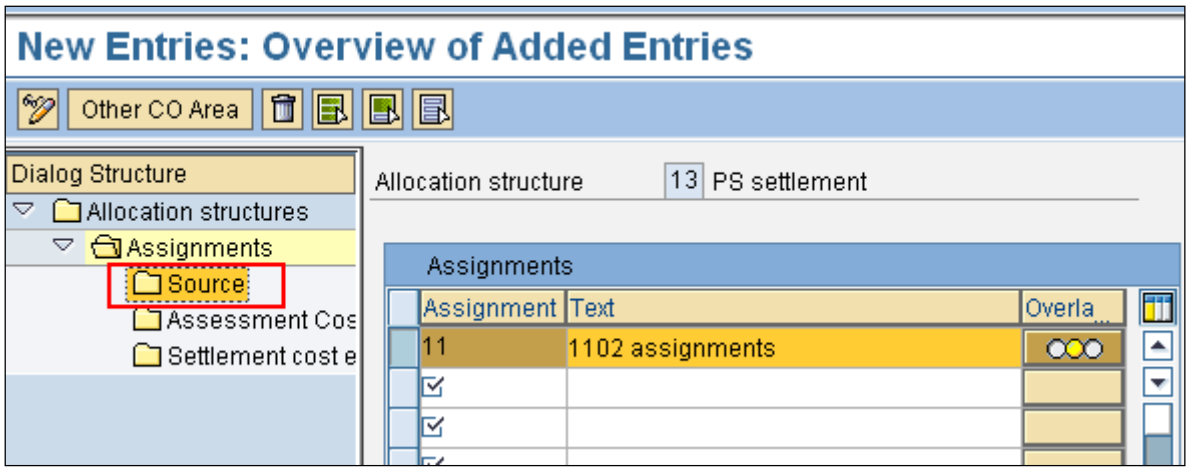
Segment Name
Fixed value field
Val.Fld Var.Cst
Alloc.Structure

After you enter those values pres enter button and click on  change allocation structure button so it will display the following screen:

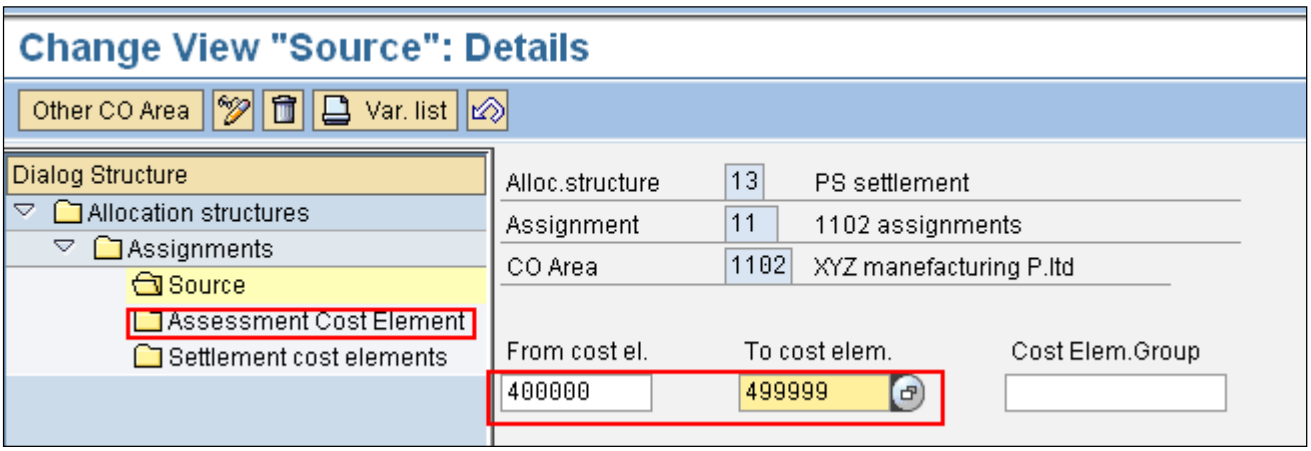
Database Table : KB5AL, TKB5C, TKB5D, TKB5E, TKB6



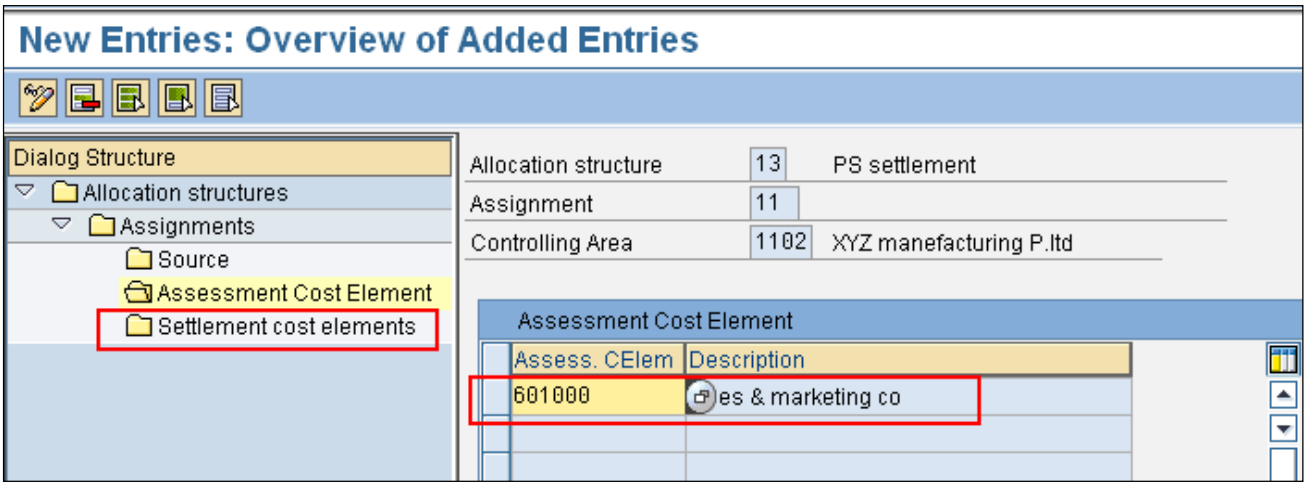
In the above screen select "13 – PS Settlement" under Alloc. structure and double click on "Assignments" under Dialog Structure, so it will display the following screen click on New Entries.



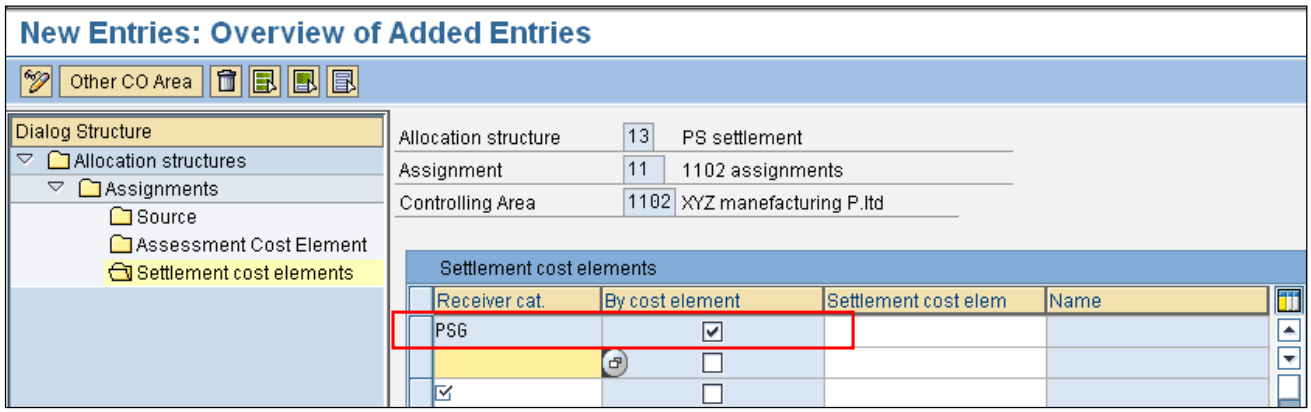
In the above screen enter new assignment with text and pres enter button.
Select above assignment line which we just enter and click on "Source" under dialog structure, it will display the following screen:



In the above screen enter cost elements and click on "Assessment cost element" under dialog structure, it will display the following screen:

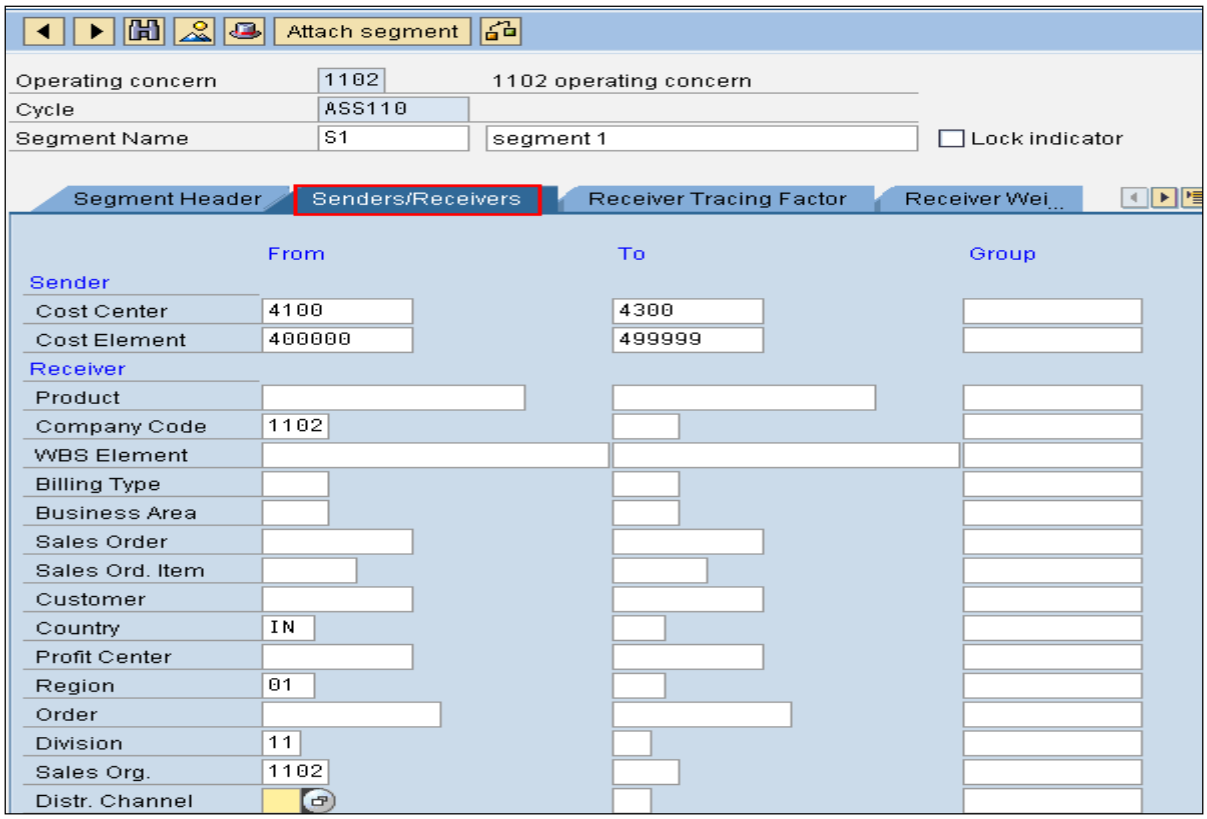


In above screen click on  and assign Assessment cost element.
Click on "Settlement cost elements" so it will display the following screen:

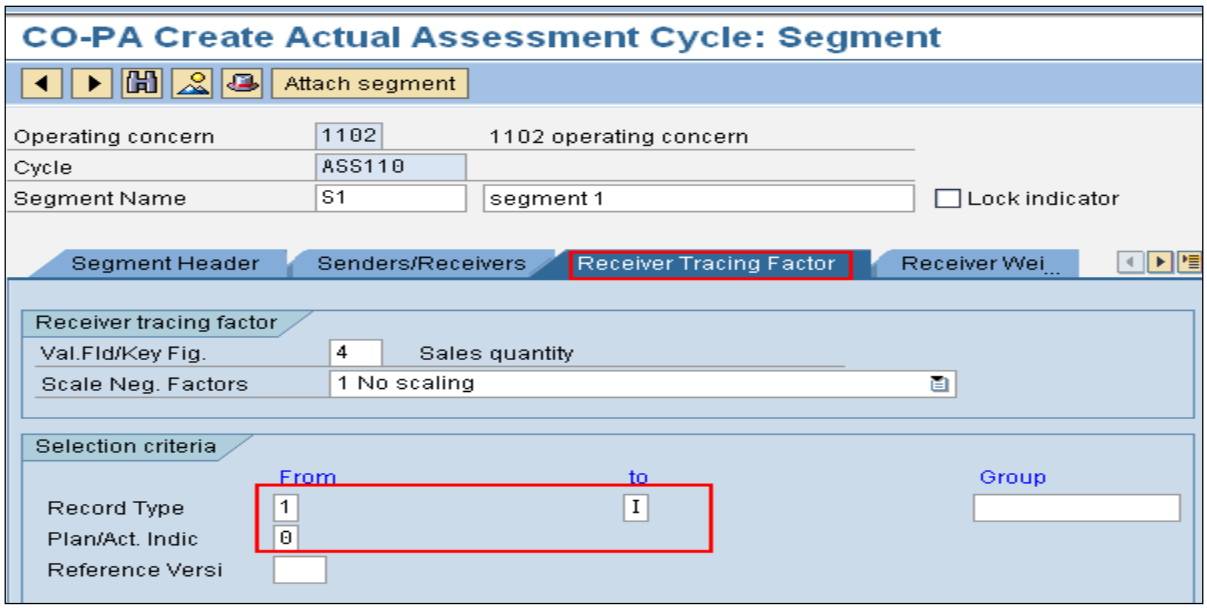


In the above screen click on New Entries enter PSG under "Receiver cat" and flag the check box "By Cost Element".

Save the activity and click on back button till you get segment screen as below:



In the above screen enter parameters as I shown under "Senders/Receivers" tab.
Now click on "Receiver Tracing Factor" tab and values as below:

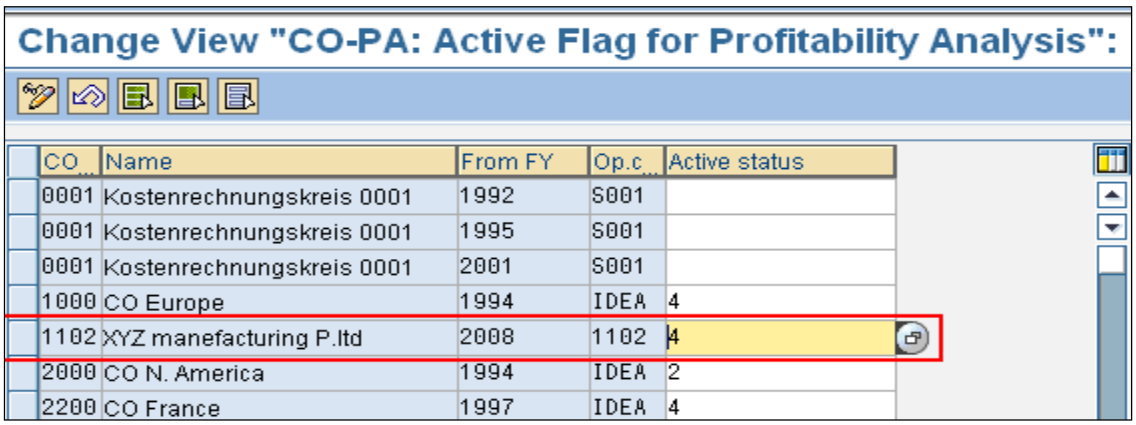


In the above screen under "Receiver Tracing Factor" enter Recore type, Plan/Act.Indic values and save the activity. Back to SPRO screen.

Activate Profitability Analysis

Path: SPRO→ Controlling→ Profitability Analysis→ Flows of Actual Values→ Activate Profitability Analysis

Transaction Code: KEKE
Database Table: TKA00



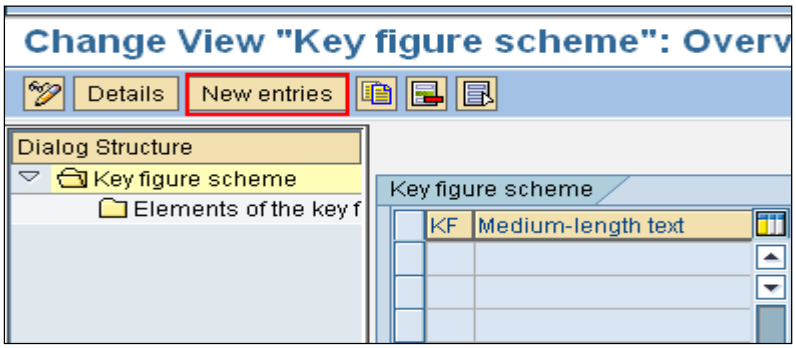
In the above screen against to your Co.Area assign "4 – Component active for bouth types of profitability analysis". Save the activity and back to SPRO screen.

Define Key Figure Schemes

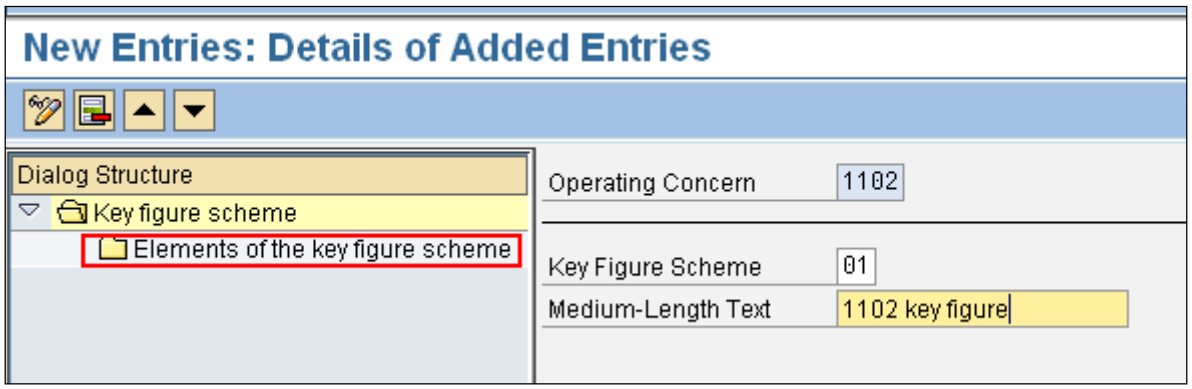
Path: SPRO→ Controlling→ Profitability Analysis→ Flows of Actual Values→ Information System→ Report Components→ Define Key Figure Schemes

Transaction Code: KER1
Database Table: T237, T237A, T237T, T239, T239T

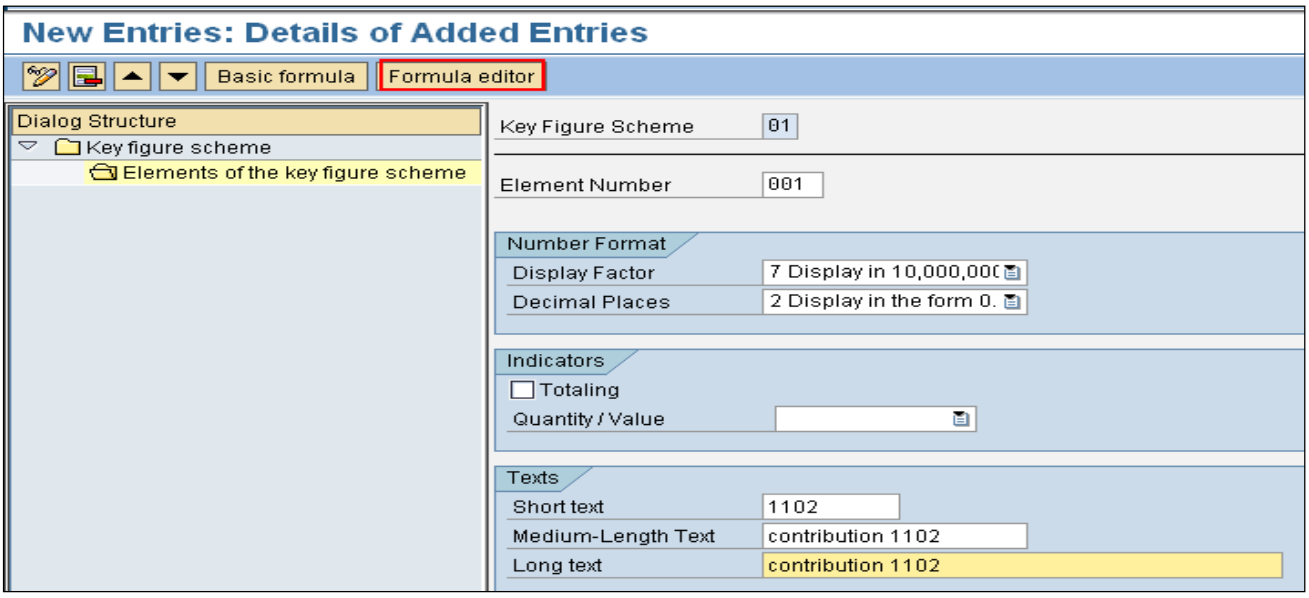
By the above transaction it will display the following screen:



In the above screen click on New Entries so it will display the following screen:

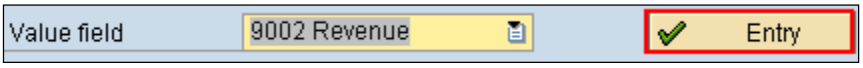


In the above screen enter new values to "Key Figure Scheme", "Medium-Lenth Text".
Click on "Element of the key figure scheme" under dialog structure.
It will display the following screen:



In the above screen enter above values and click on Formula editor

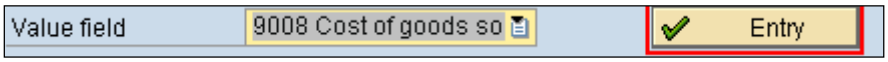
In the displayed screen:



In the above select "9002 Revenue" in "Value field" and pres on  button.

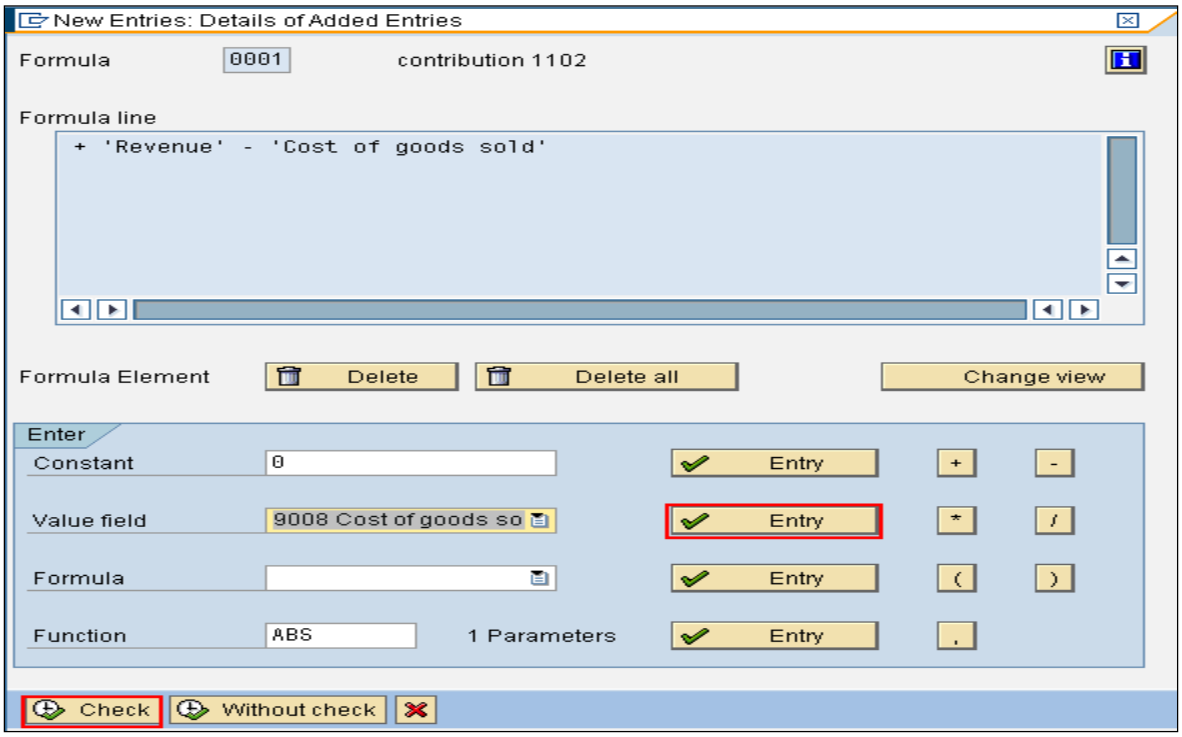
Now click on  symbol.

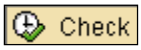
No in the same screen:



In the above screen select "9008 Cost of goods sole" in "Value field" and pres  button.

It will shows as below:



In the above screen after entering all information click on "  " button 2 times save the activity.

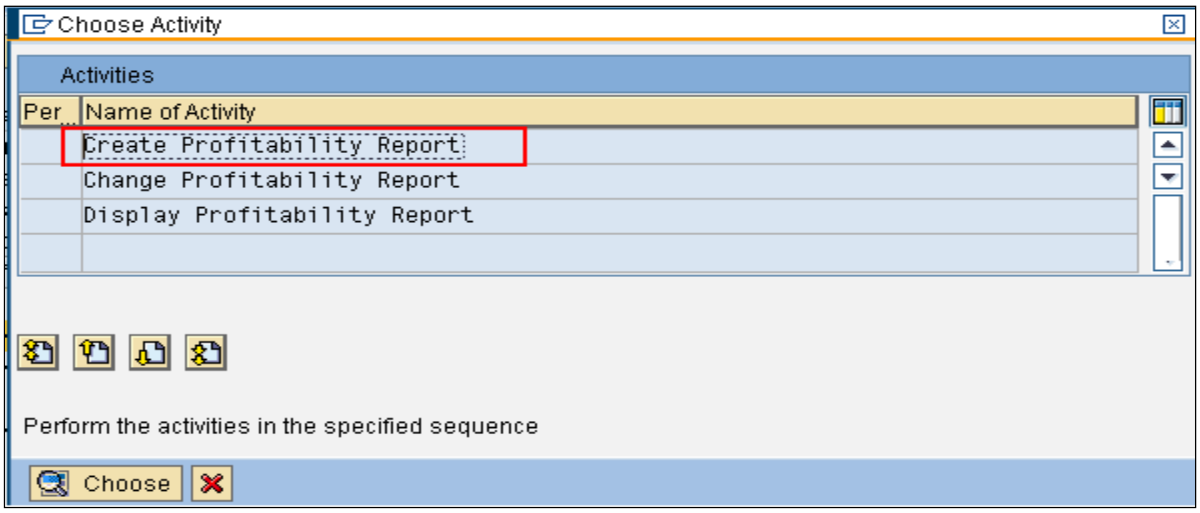
Back to SPRO screen.

Create Profitability Report

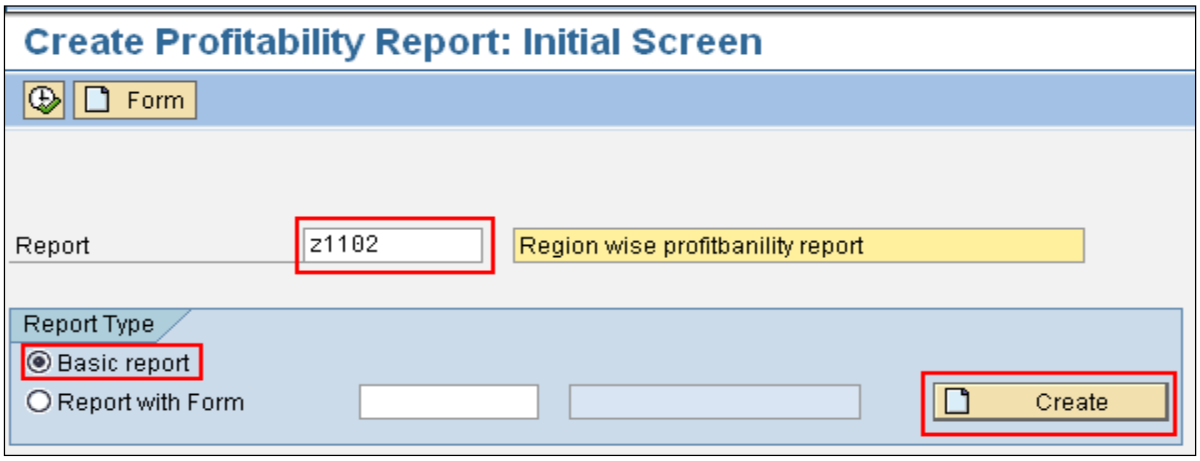
Path: SPRO→Controlling→Profitability Analysis→Flows of Actual Values→Information System→Create Profitability Report

Transaction Code:KE31

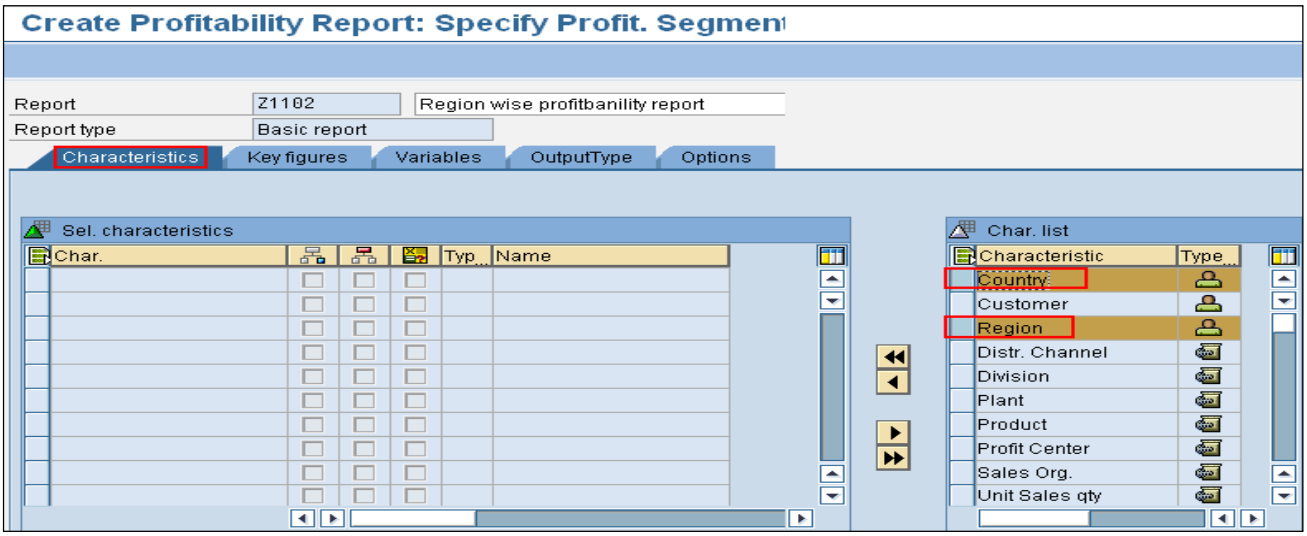
By the above transaction it will display the following window:



In the above screen double click on "Create Profitability Report" it display the following screen:



In the above screen give new name to report (name should start with Y or Z) and description.
Select radio button "Basic Report"
Click on Create button it will displays the following screen:

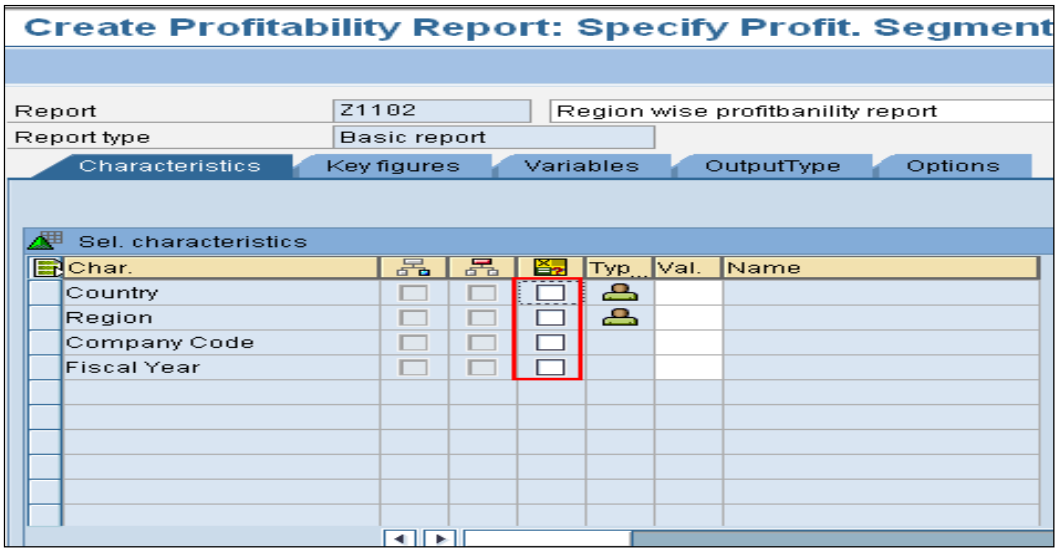


In the above screen right side under "Chart List" select following fields"

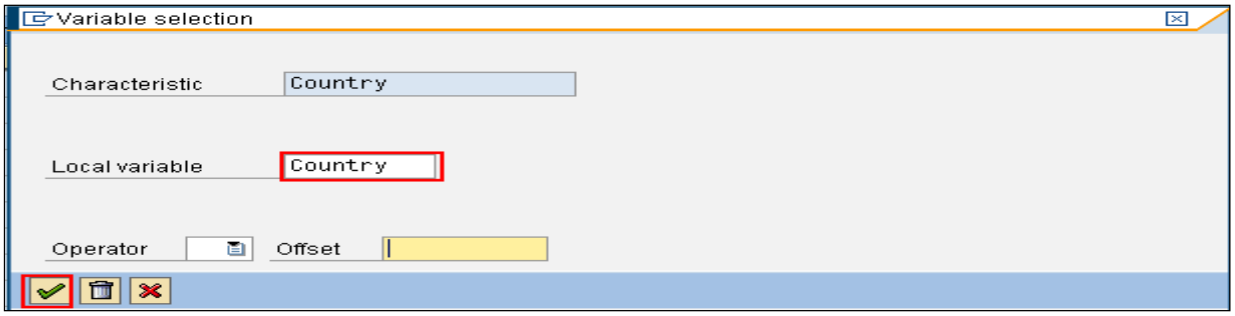
1. Country
2. Region

3. Company code
4. Fiscal Year.

Once you select those fields click on  (Add.Char) button so it will transfer field as below:

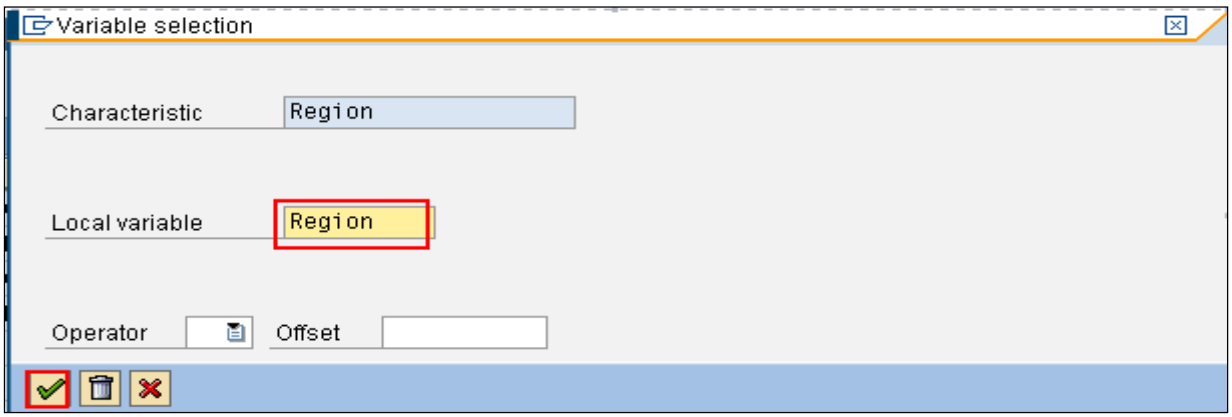


In the above screen click on check box against "country" so it will display following screen:



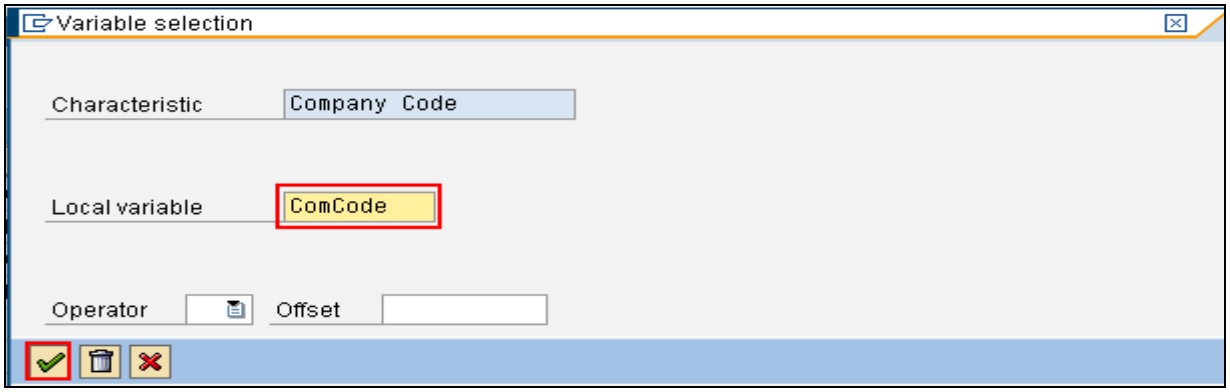
In the above screen to "Local Variable" field enter "Country" and click continue button or click enter button.

Now click on check box against "region" so it will display following screen:



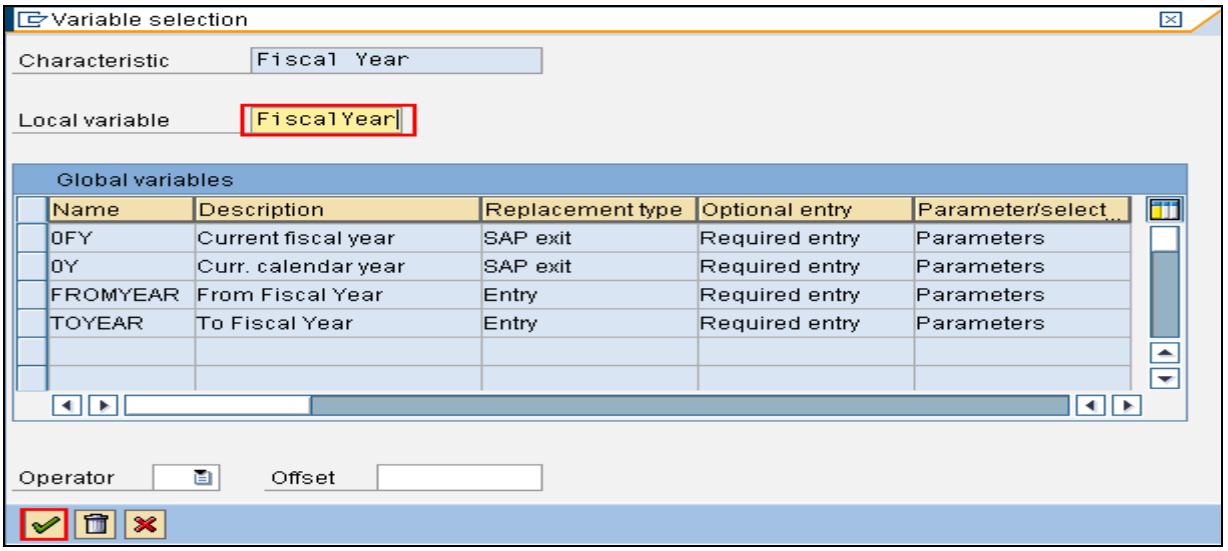
In the above screen to "Local Variable" field enter "Region" and click continue button or click enter button.

Now click on check box against "Company Code" so it will display following screen:

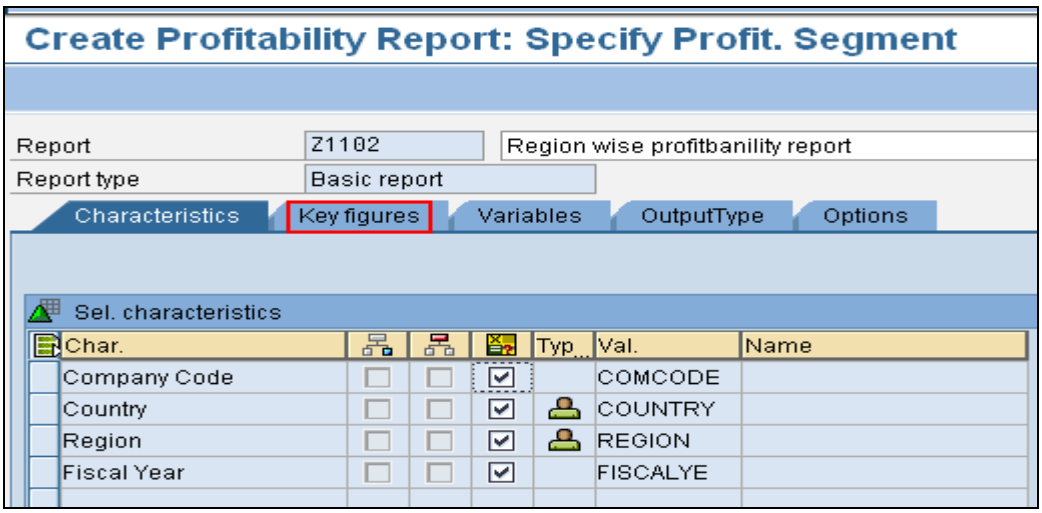


In the above screen to "Local Variable" field enter "ComCode" and click continue button or click enter button.

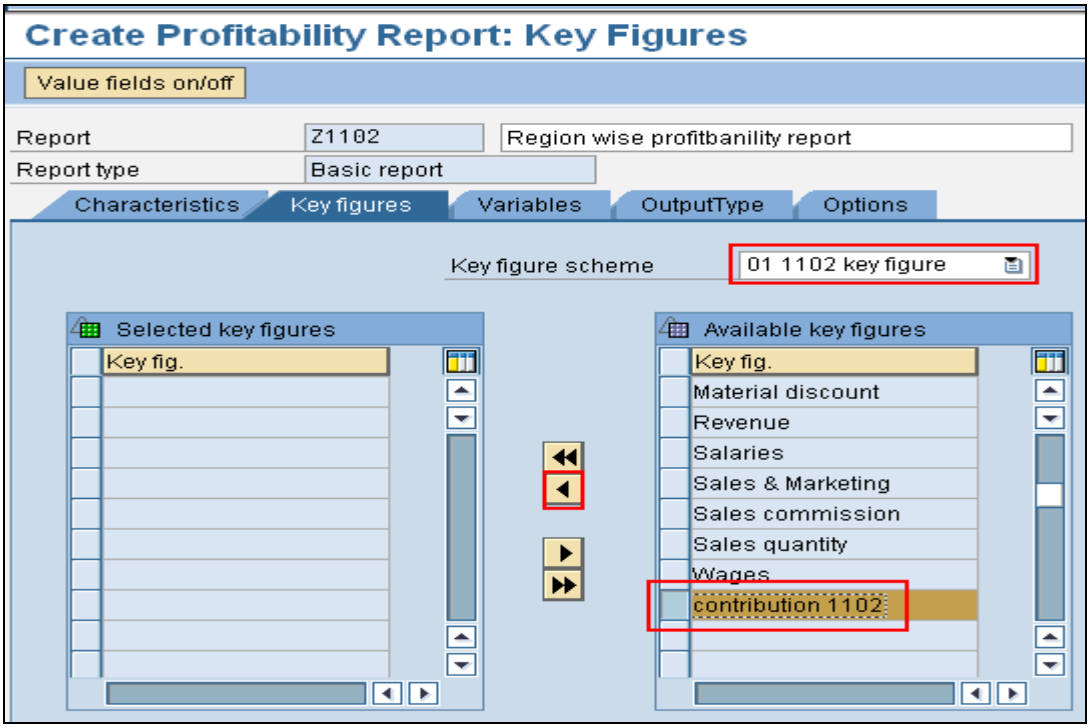
Now click on check box against "Fyscal Year" so it will display following screen:



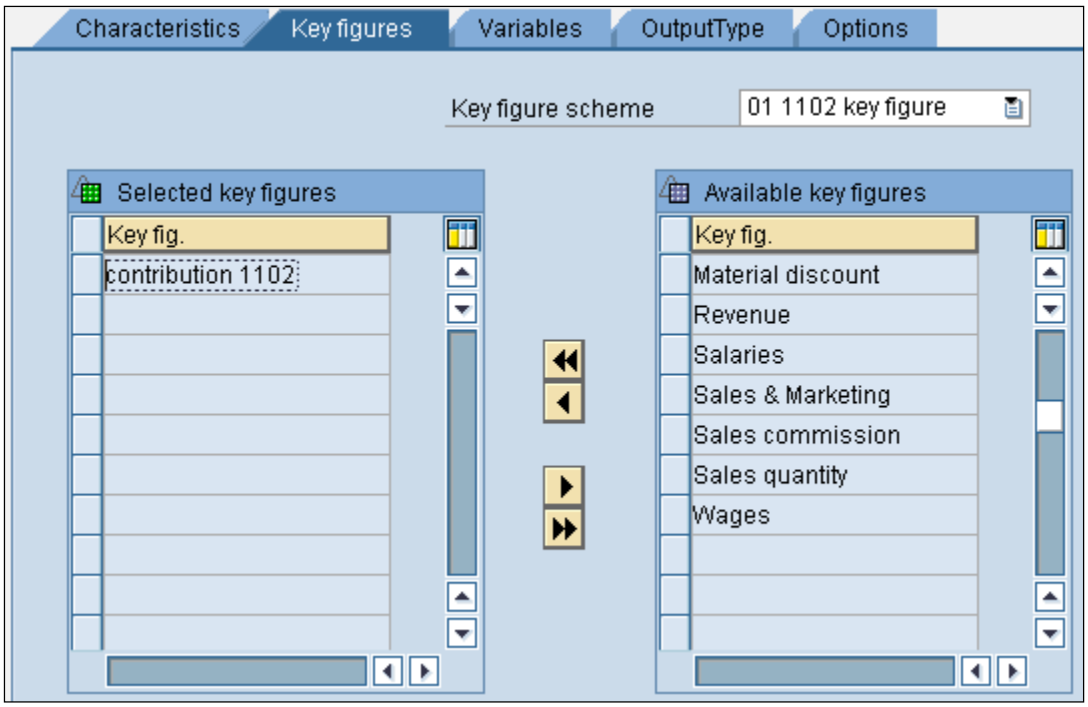
In the above screen to "Local Variable" field enter "FyscalYear" and click continue button or click enter button
It will display the following screen:



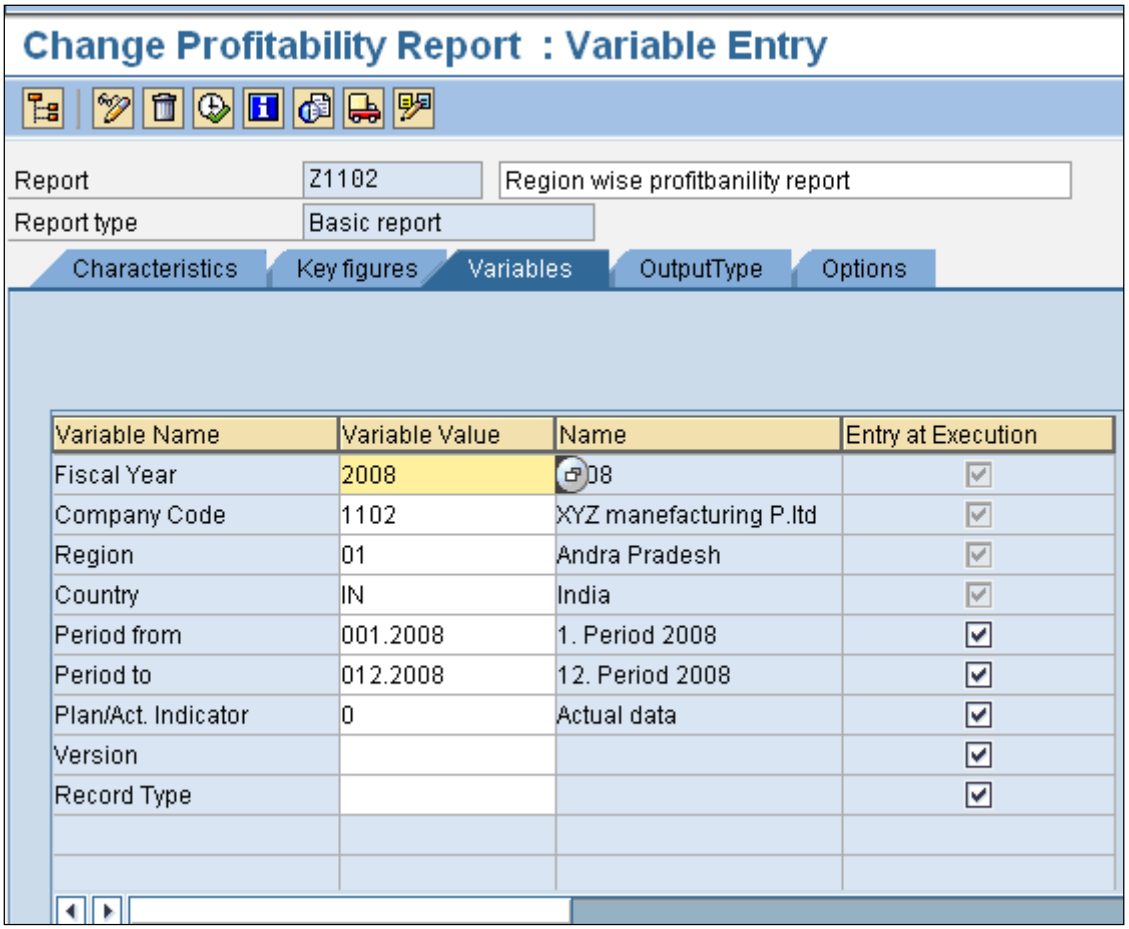
In the above screen click on "Key figures" tab so it will display the following screen:



In the above screen under "Variables" tab, against "key figure scheme" field select your key figure.
Under Available Key Figure box select your Key figure and click on Left arrow button so it will transfer to next box as below



In the above screen you can view the key figure transfer.
Now click on "Variables" tab.soit will display the following screen:

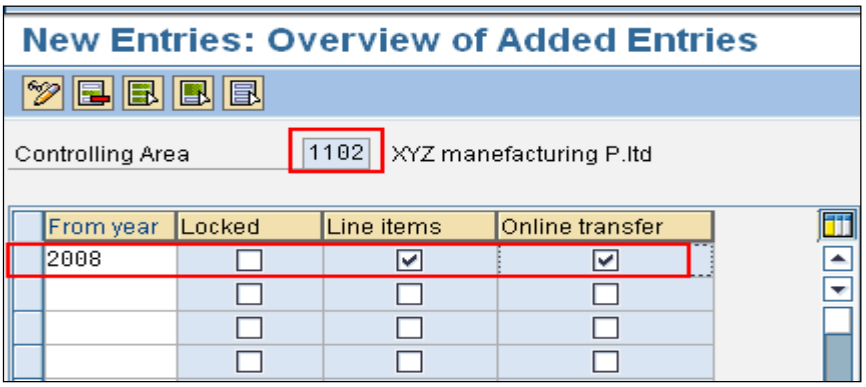


In the above screen under "Variable" tab enter parameters as I showen.
Save the activity and back to SPRO screen

Set Control Parameters for Actual Data

Path: SPRO→ Controlling→ Profit Center Accounting→ Basic Settings→ Controlling Area Settings→ Activate Direct Postings→ Set Control Parameters for Actual Data

By the above transaction code it will display the following screen click on New Entries



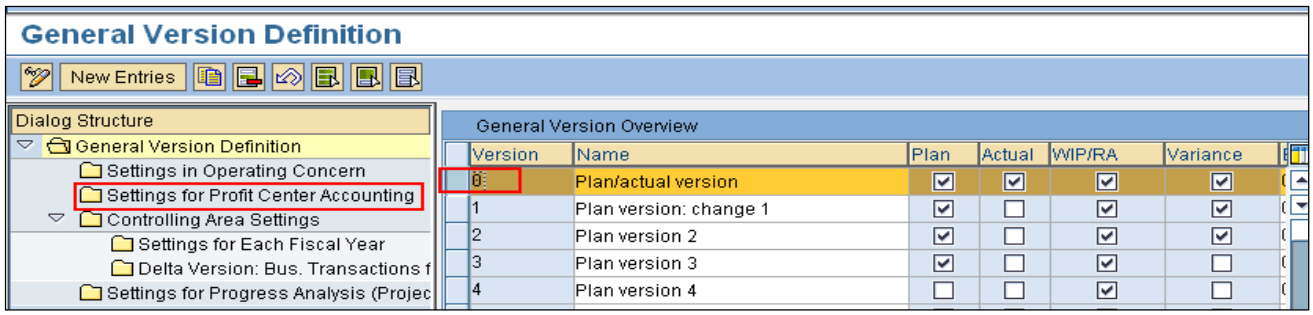
In the above screen for your controlling area provide year and flag the check boxes to "Line items, Online Transer" fields.
Save the activity and back to SPRO screen.

Maintain Plan Versions

Path: SPRO→ Controlling→ Profit Center Accounting→ Basic Settings→ Controlling Area Settings→ Activate Direct Postings→ Plan Versions→ Maintain Plan Versions

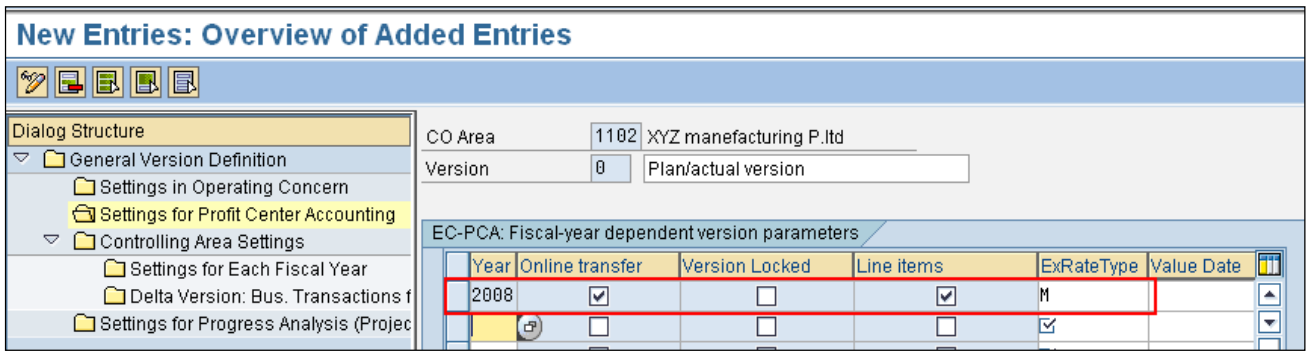
Transaction Code: OKEQ
Database Table: T894, T894TPCA, T895, T895PCA

By the above transaction code it will display the following screen



In the above screen select version "0" and double click on "Setting for Profit Center Accounting"

It will display the following screen, click on New Entries :



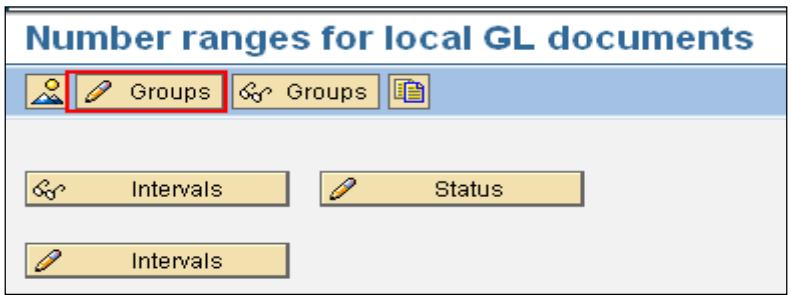
In the above screen maintain those parameters.
Save the screen and back to SPRO screen:

Actual Postings

Define Number Ranges for Local Documents

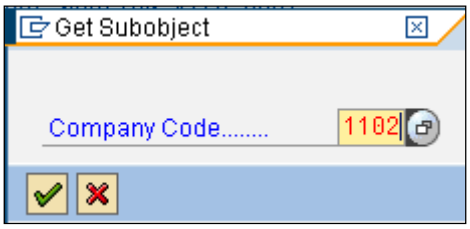
Path: SPRO→Controlling→Profit Center Accounting→Actual Postings→Basic Settings: Actual→Define Number Ranges for Local Documents

Transaction Code: GB02

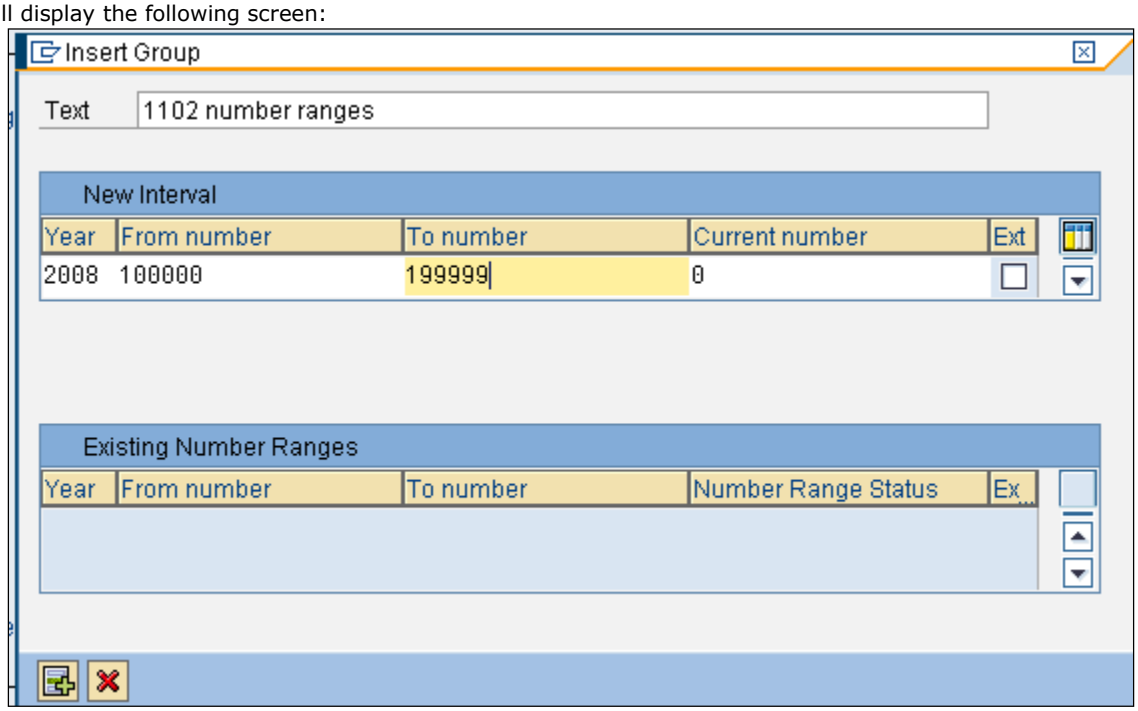


In the above screen click on (Groups) Groups so it will display the following screen:

Go to Manu bar "Group + insert" it will display a box asking Company code:



In the above screen enter your company code and pres enter button.
So it will display the following screen:



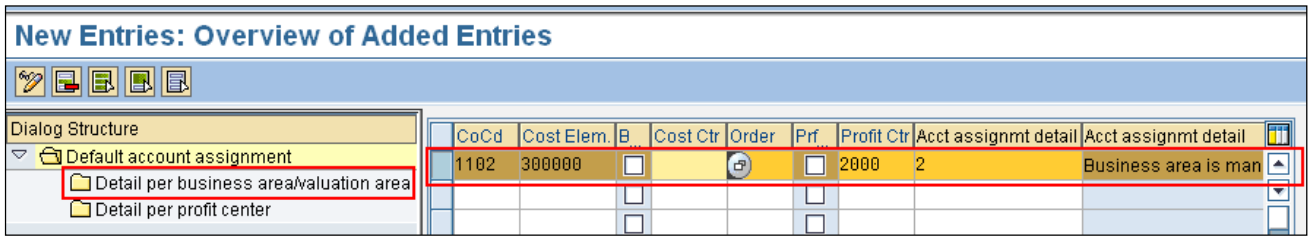
In above screen maintain number inter values as I shown save the activity and back to SPRO screen.

Maintain Automatic Account Assignment of Revenue Elements

Path: SPRO→Controlling→Profit Center Accounting→Actual Postings→Maintain Automatic Account Assignment of Revenue Elements

Transaction Code: OKB9
Database Table: TKA3A, TKA3C

By the above it display the following screen click on 

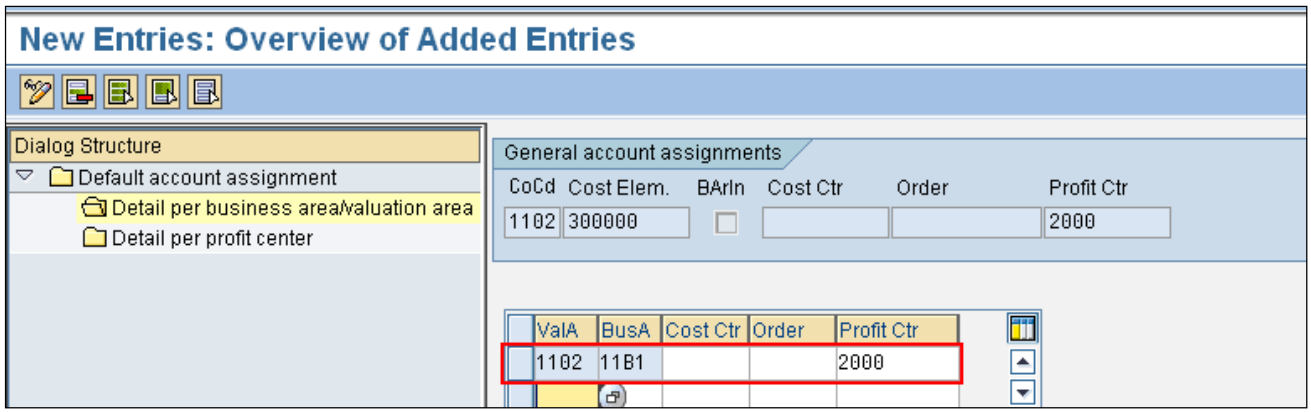


In the above screen provide details to:
Company code
Cost Element (Revenue Cost Element)

Profit center
Acct assignmt details

After provide information pres enter button save the activity.
Select above line and click on "Detail per Business area/Valuation area"

It will display the following screen click on New Entries :



In the above screen provide the information to:
VAla (Valuation Area that is plant)
BusA (Business area)
Profit Ctr

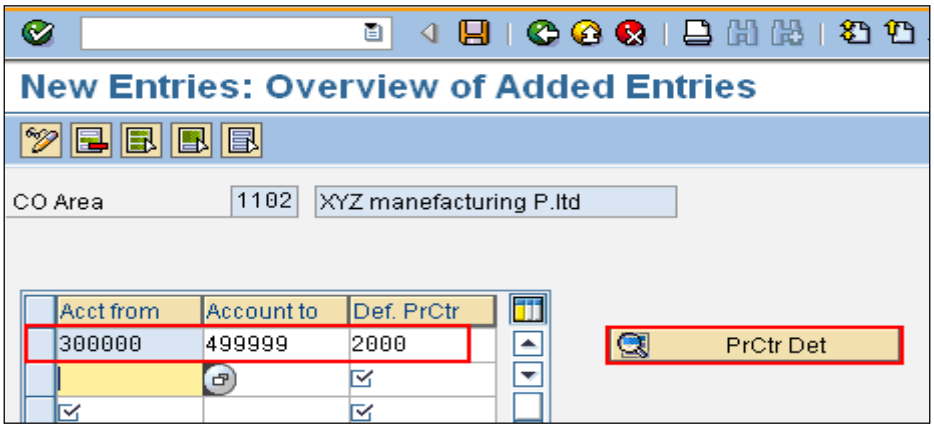
Save the activity and back to SPRO screen

Choose Additional Balance Sheet and P&L Accounts

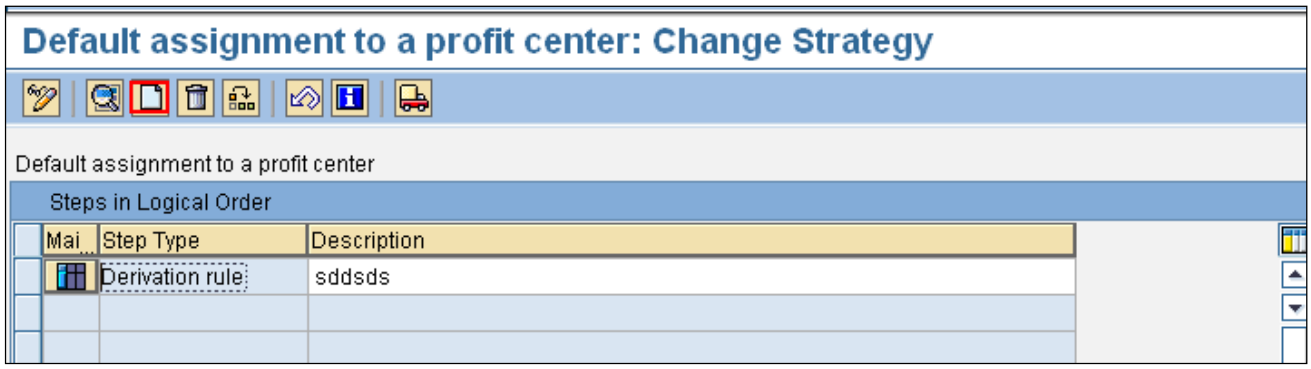
Path: SPRO→ Controlling→ Profit Center Accounting→ Actual Postings→ Choose Additional Balance Sheet and P&L Accounts→ Choose Accounts

Database Table: T8A30

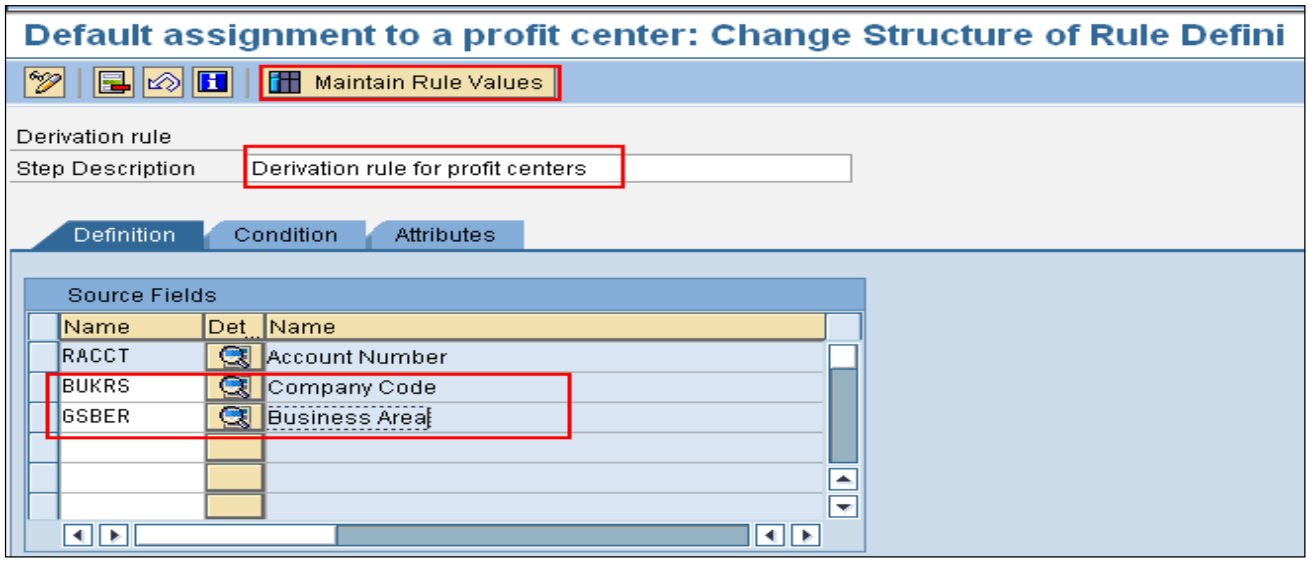
By the above it display the following screen click on New Entries



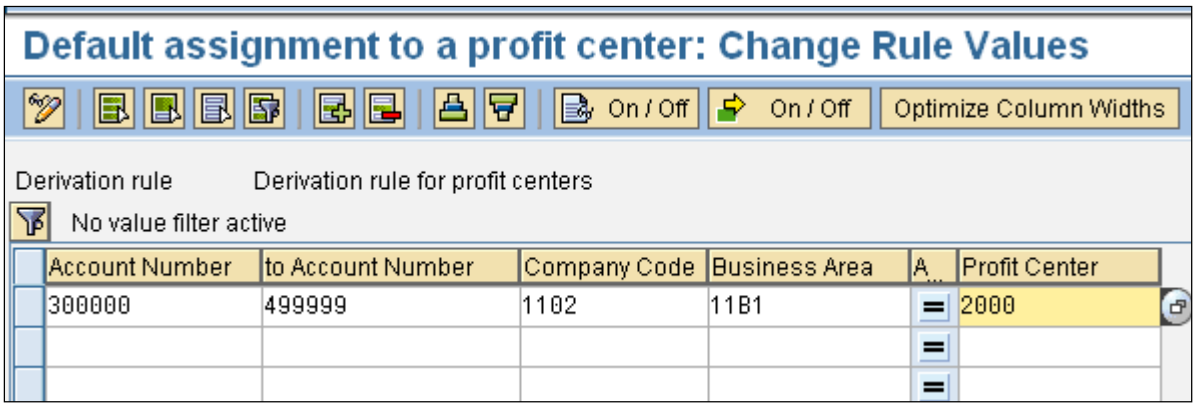
In the above screen enter you elements range and enter Default Profit center.
Now click on PrCtr Det it will display the following screen:



In the above screen click on create  button so it will display the following screen:



In the above screen enter description, Source fields as above I shown.
Click on "Maintain Rules Values" it will display the following screen:



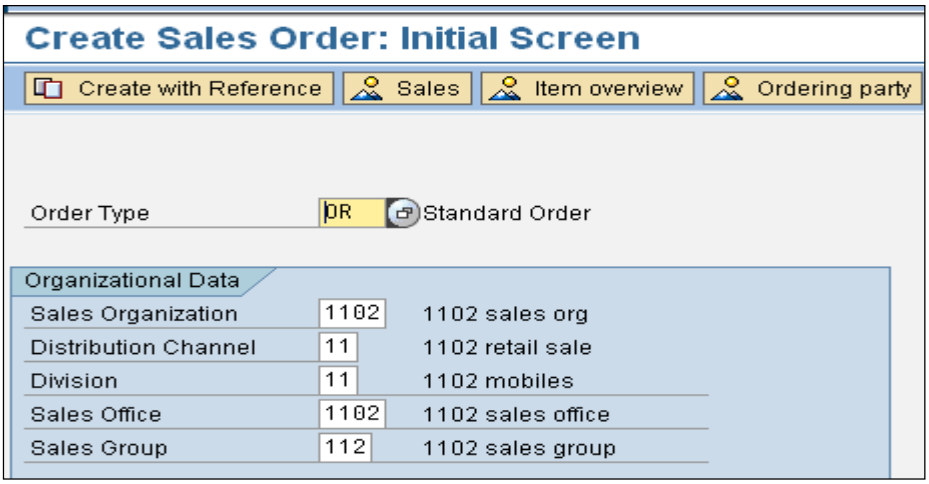
In the above screen maintain parameters as I shown above.
Save the activity and back to SPRO screen

Raise an Sales Order

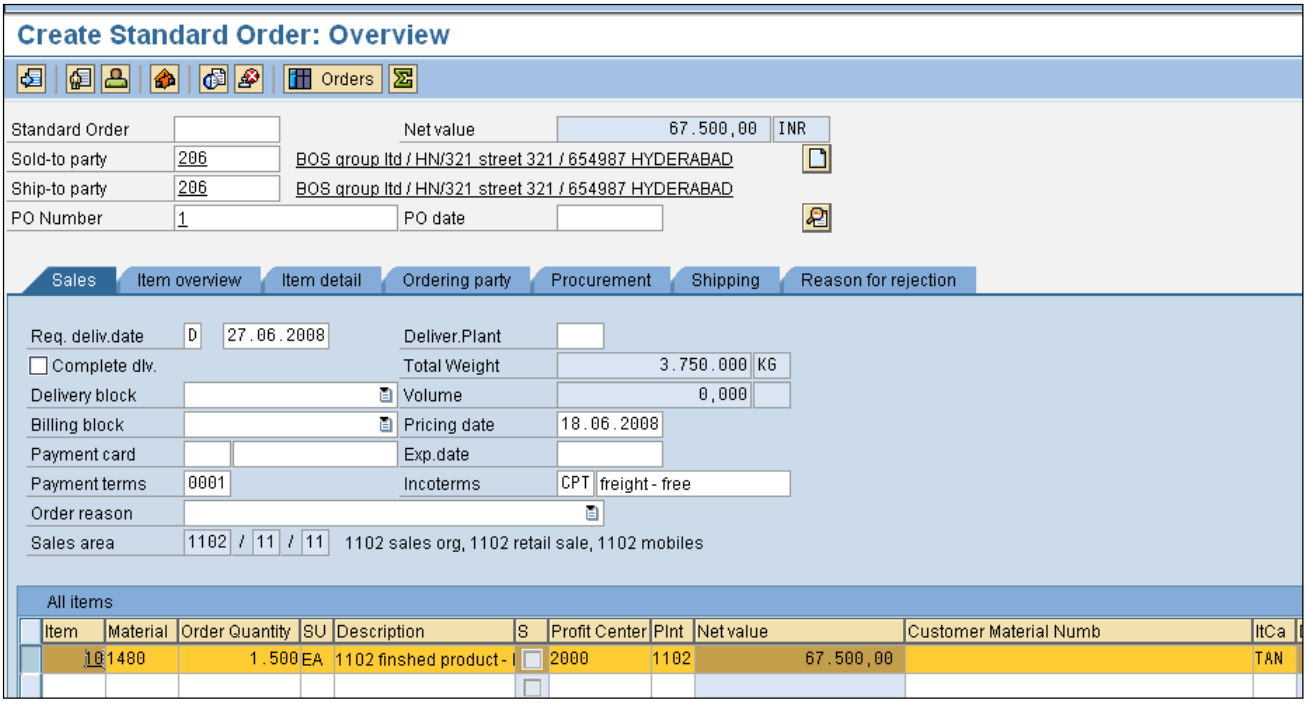
Path: Logistics→Sales and Distribution→Sales→Order→VA01 – Create

Transaction Code: VA01

By above transaction it will display the following screen:



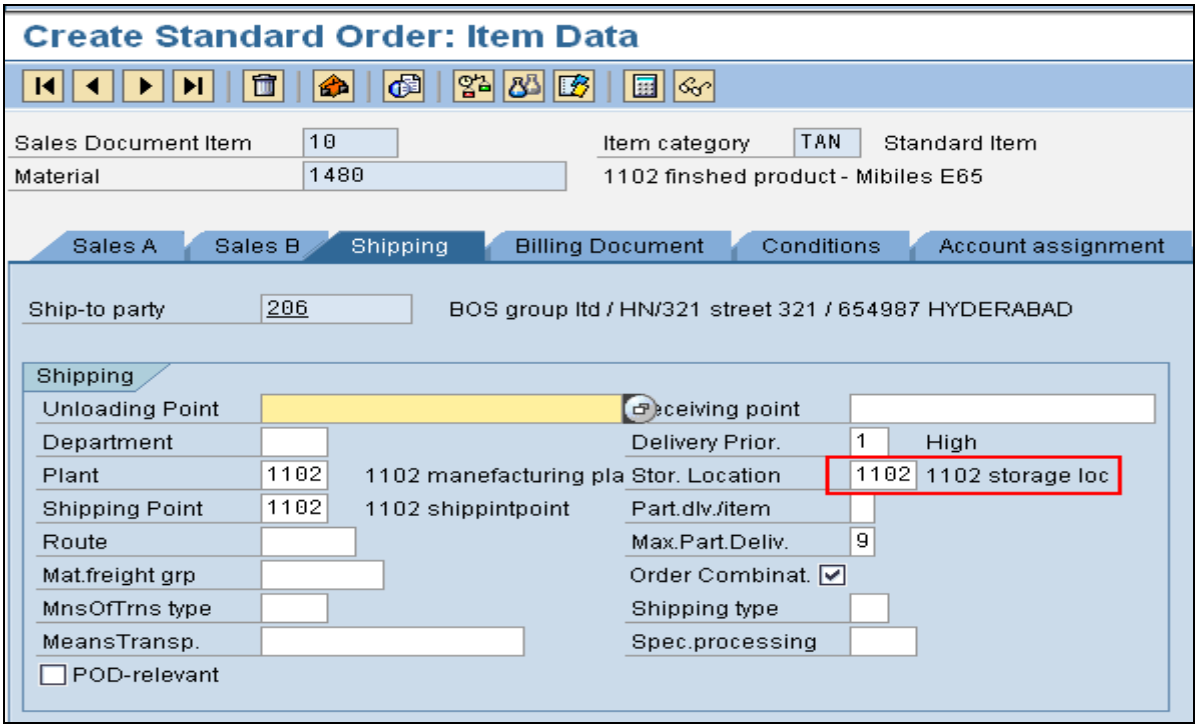
In the above screen enter all the values as I shown and pres enter button so ti will display the following screen:



in the above screen enter the values for:

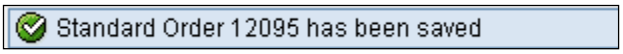
Sold-to party (Customer number)
Po Number
Material (Material Number)
Order Quantity
Profit Center

After you entering above values pres on enter button select the line item and double click on the same it will display the following screen:



In the above screen first go to "Shipping" tab in that assign Storage location as I shown in above and save the activity.

it will post the order and issues the following message.



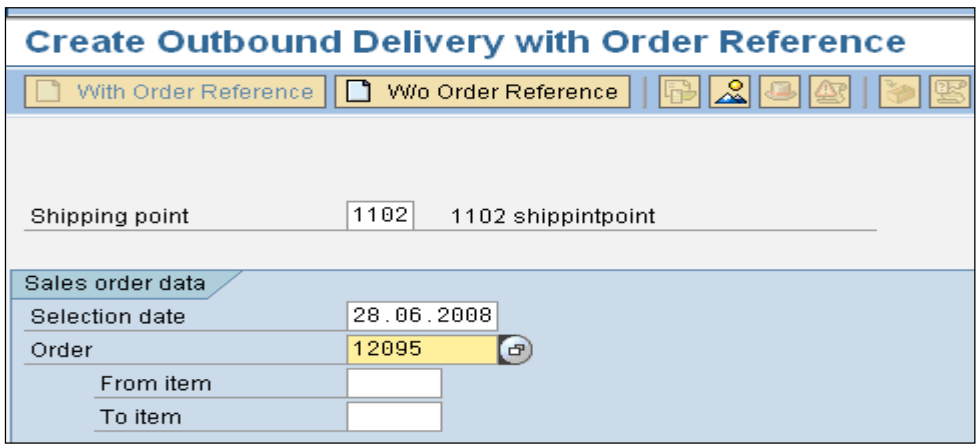
In the above message it shows order number.
Back to easy access screen.

Posting Outbound Delivery

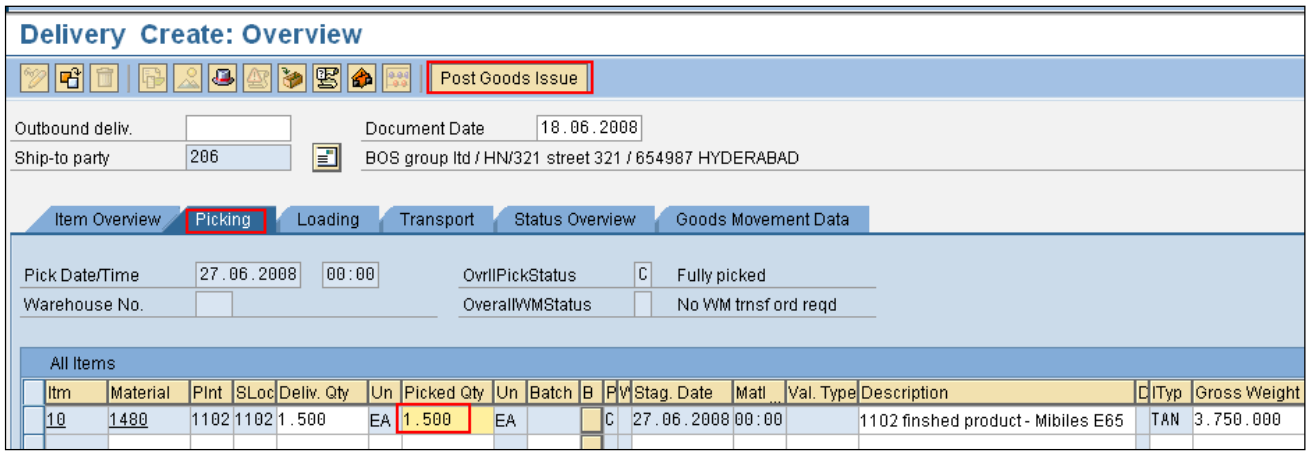
Post: Logistics→Sales and Distribution →Shipping and Transportation →Outbound Delivery →Create→ Single Document →VL01N - With Reference to Sales Order

Transaction code: VL01N

By above transaction it will display the following screen:



In the above screen give at least 10 days future date, and give Order number which we got from above step and pres enter button so it will display the following screen:



In the above screen first click on "Picking" tab and in it under "Picked Qty" field give the quantity of goods how much you want to pick now(General total quantity that order contain)
Now click on "Post goods issue" button so it will post the data and issue the following message.

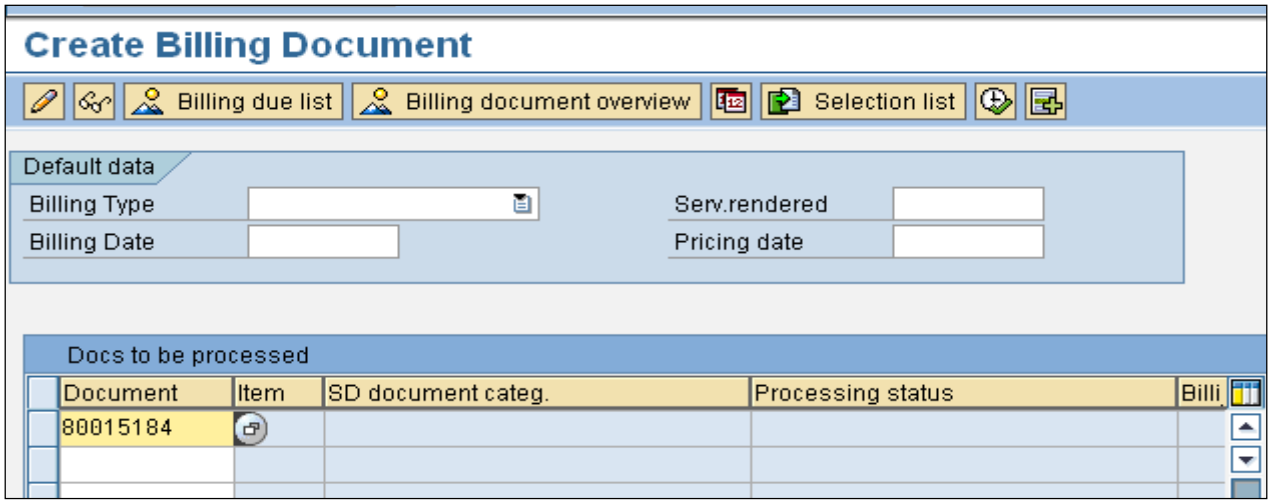
In the above message it give delivery document number.
Back to easy access screen

Billing the Document

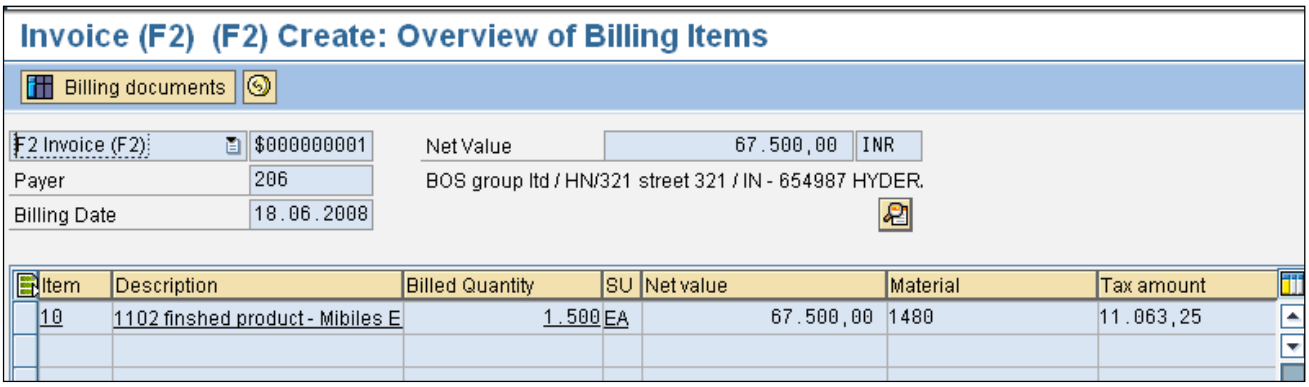
Path: Logistics→Sales and Distribution→Billing→Billing Document→VF01 – Create

Transaction Code: VF01

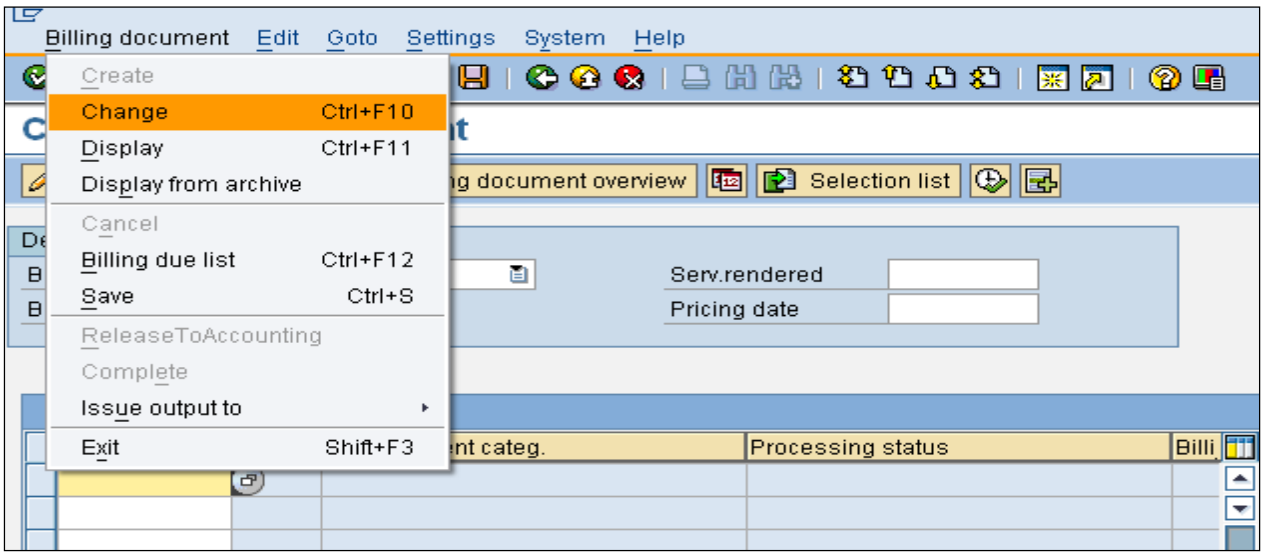
By the above transaction it will display the following screen:



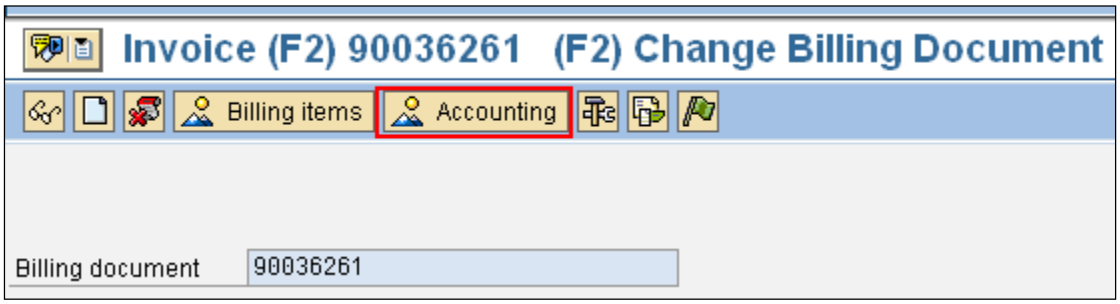
In the above screen provide the delivery document number and click on enter button so it willdisplay the following screen:



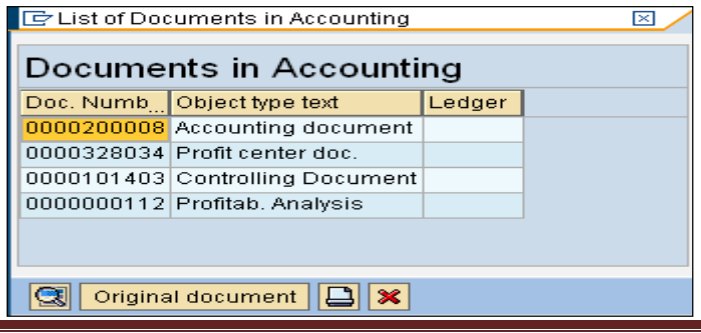
In the above document just click on save button so it will save the document and post the entry to FI.
It will display the following screen



In the above screen go to manu bar "Billing document + change" it will display the following screen:



In the above screen click on "Accounting" button so it will display the following window:



In the above screen it is showing 4 documents .
By the above Sales order it posted 4 documents they are:

1. Accounting Document
2. Sales Documents
3. Profit Center Documents
4. Profitability analysis

In the above screen double click on each line one by one it will display the documents each.

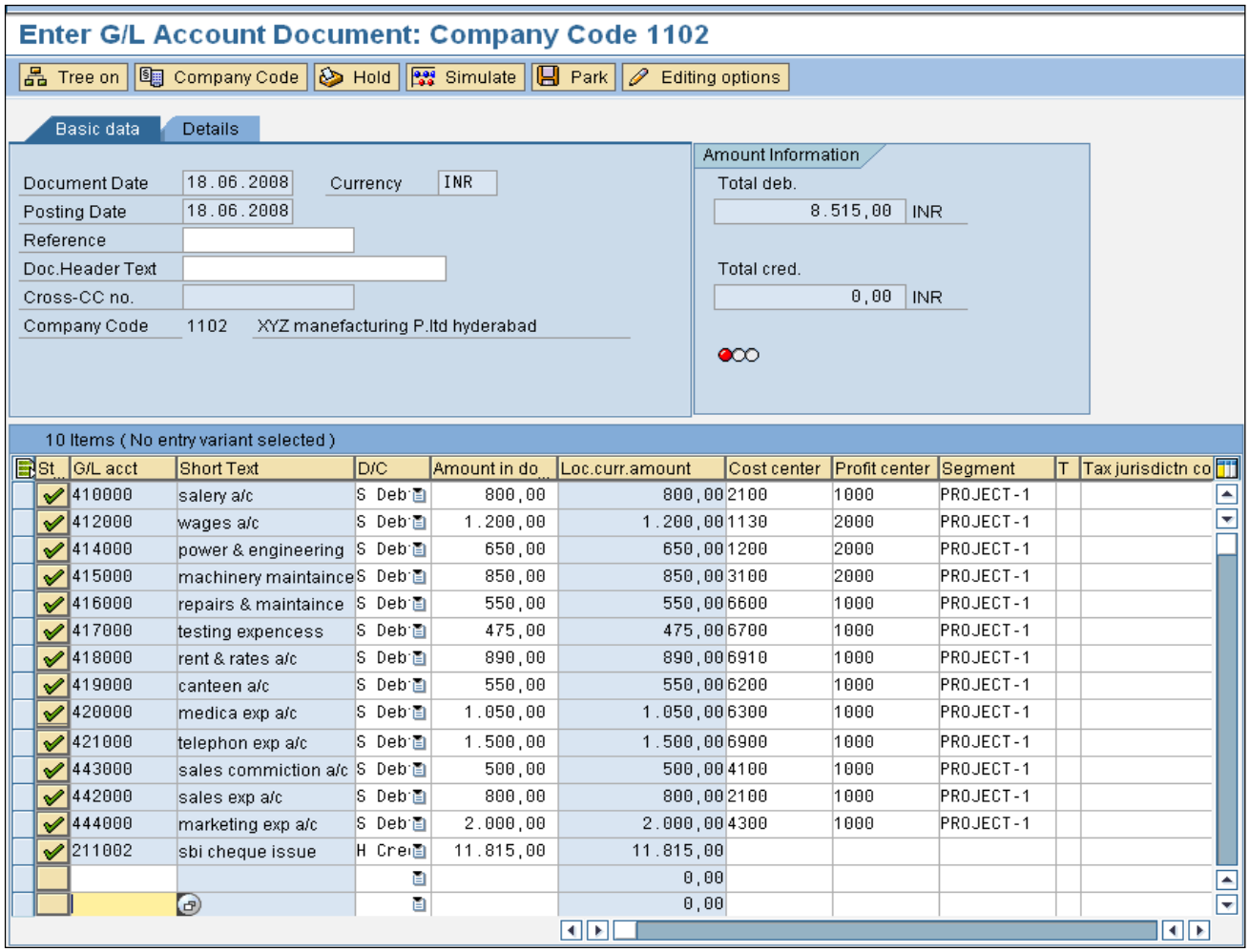
Now save the screen and back to easy access screen.

Post an G/L with Overheads Expenditure

Path: Accounting →Financial Accounting →General Ledger →Posting →FB50 - Enter G/L Account Document or F-02 - General Posting

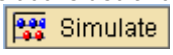
Transaction code: F-02, FB50

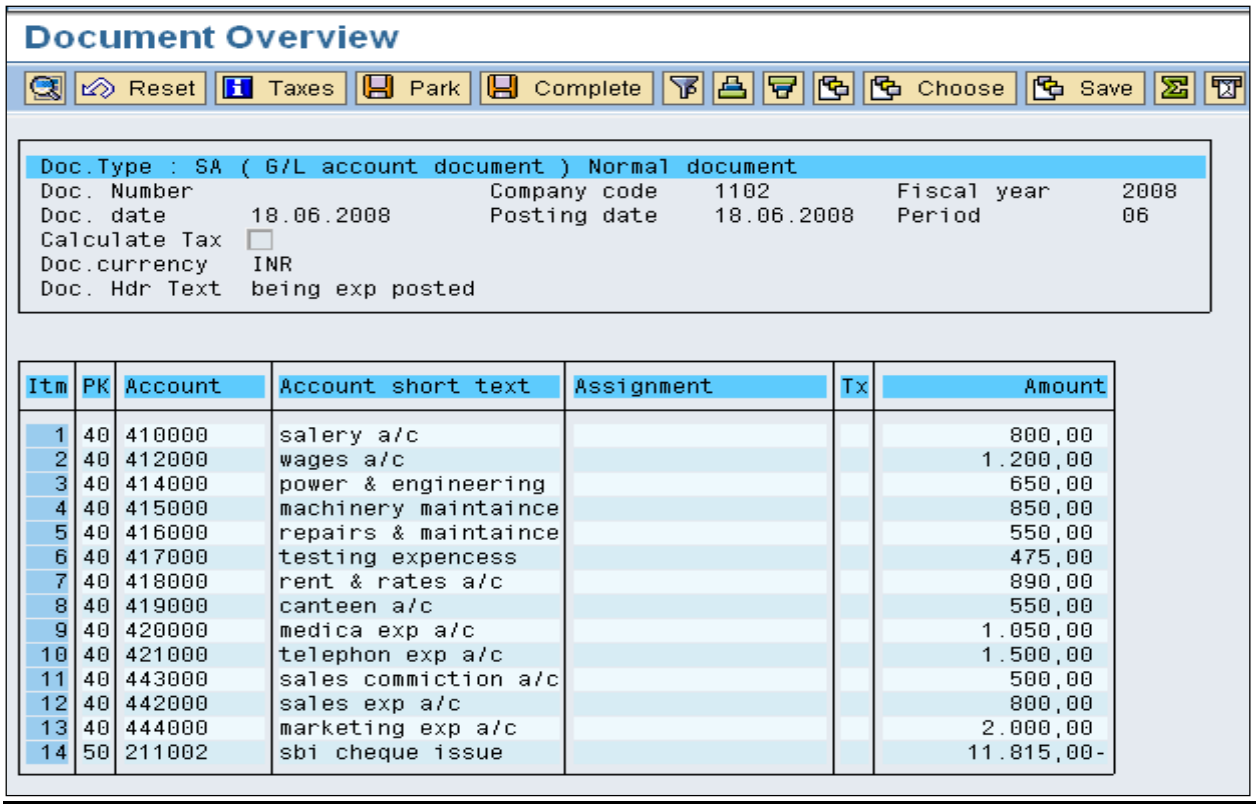
Through above transation post following FI document.



St	G/L acct	Short Text	D/C	Amount in do	Loc.curr.amount	Cost center	Profit center	Segment	T	Tax jurisdictn co
	410000	salery a/c	S Deb	800,00	800,00	2100	1000	PROJECT-1		
	412000	wages a/c	S Deb	1.200,00	1.200,00	1130	2000	PROJECT-1		
	414000	power & engineering	S Deb	650,00	650,00	1200	2000	PROJECT-1		
	415000	machinery maintaince	S Deb	850,00	850,00	3100	2000	PROJECT-1		
	416000	repairs & maintaince	S Deb	550,00	550,00	6600	1000	PROJECT-1		
	417000	testing expencess	S Deb	475,00	475,00	6700	1000	PROJECT-1		
	418000	rent & rates a/c	S Deb	890,00	890,00	6910	1000	PROJECT-1		
	419000	canteen a/c	S Deb	550,00	550,00	6200	1000	PROJECT-1		
	420000	medica exp a/c	S Deb	1.050,00	1.050,00	6300	1000	PROJECT-1		
	421000	telephon exp a/c	S Deb	1.500,00	1.500,00	6900	1000	PROJECT-1		
	443000	sales commiction a/c	S Deb	500,00	500,00	4100	1000	PROJECT-1		
	442000	sales exp a/c	S Deb	800,00	800,00	2100	1000	PROJECT-1		
	444000	marketing exp a/c	S Deb	2.000,00	2.000,00	4300	1000	PROJECT-1		
	211002	sbi cheque issue	H Cre	11.815,00	11.815,00					
					0,00					
					0,00					

Enter the above debit values with Cost Center, Profit Center, and Segment.

Click on  button so it will display the following screen:



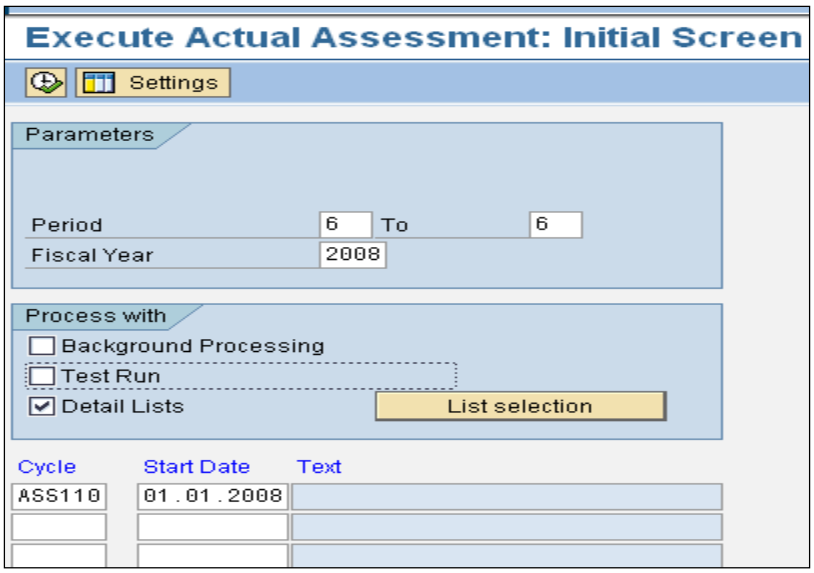
Itm	PK	Account	Account short text	Assignment	Tx	Amount
1	40	410000	salery a/c			800,00
2	40	412000	wages a/c			1.200,00
3	40	414000	power & engineering			650,00
4	40	415000	machinery maintaince			850,00
5	40	416000	repairs & maintaince			550,00
6	40	417000	testing expencess			475,00
7	40	418000	rent & rates a/c			890,00
8	40	419000	canteen a/c			550,00
9	40	420000	medica exp a/c			1.050,00
10	40	421000	telephon exp a/c			1.500,00
11	40	443000	sales commiction a/c			500,00
12	40	442000	sales exp a/c			800,00
13	40	444000	marketing exp a/c			2.000,00
14	50	211002	sbi cheque issue			11.815,00-

Now click on save button so the entry will post to G/L's.

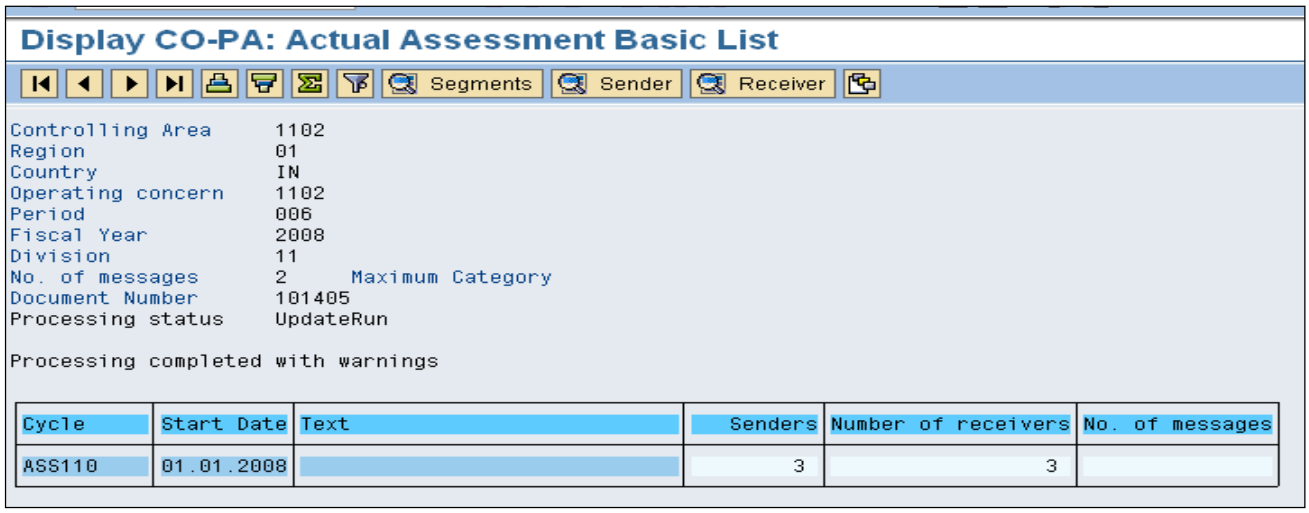
Execute Assessment Cycle to Transfer Overheads

Path: Accounting→Controlling →Profitability Analysis →Actual Postings →Period-End Closing→Transfer Cost Center Costs/Process Costs→KEU5 – Assessment

Transaction Code: KEU5



In the above screen give periods (From, To values), Deselect Test Run check box, Assign your cycle to Cycle field and execute the activity it will display the following screen:

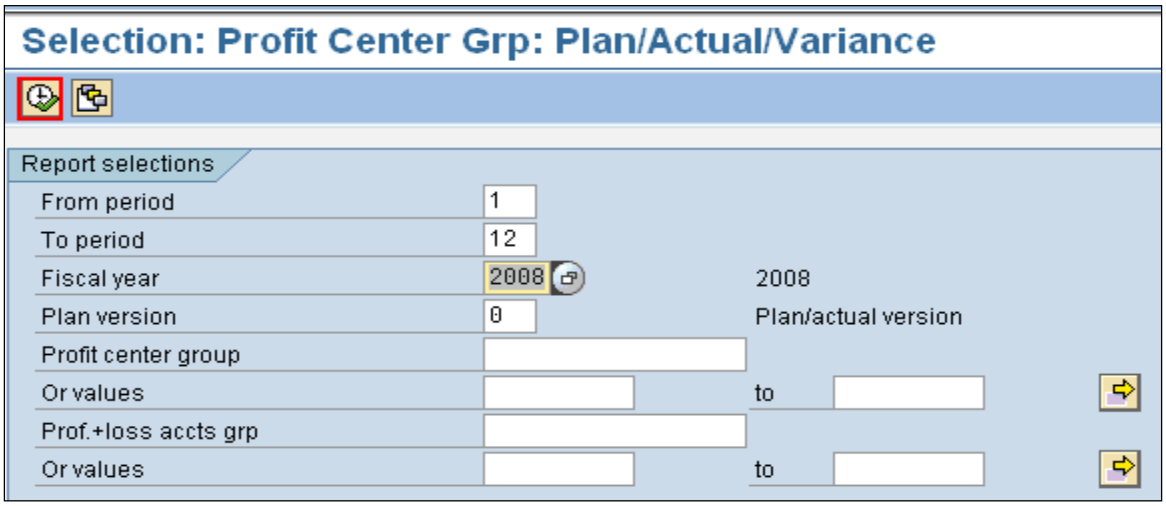


In the above screen keep your curser on Senders value and click on Sender button it will show the values in the same way keep your curser on Number of receivers value and click on Receiver button it will display the values back to easy access screen.

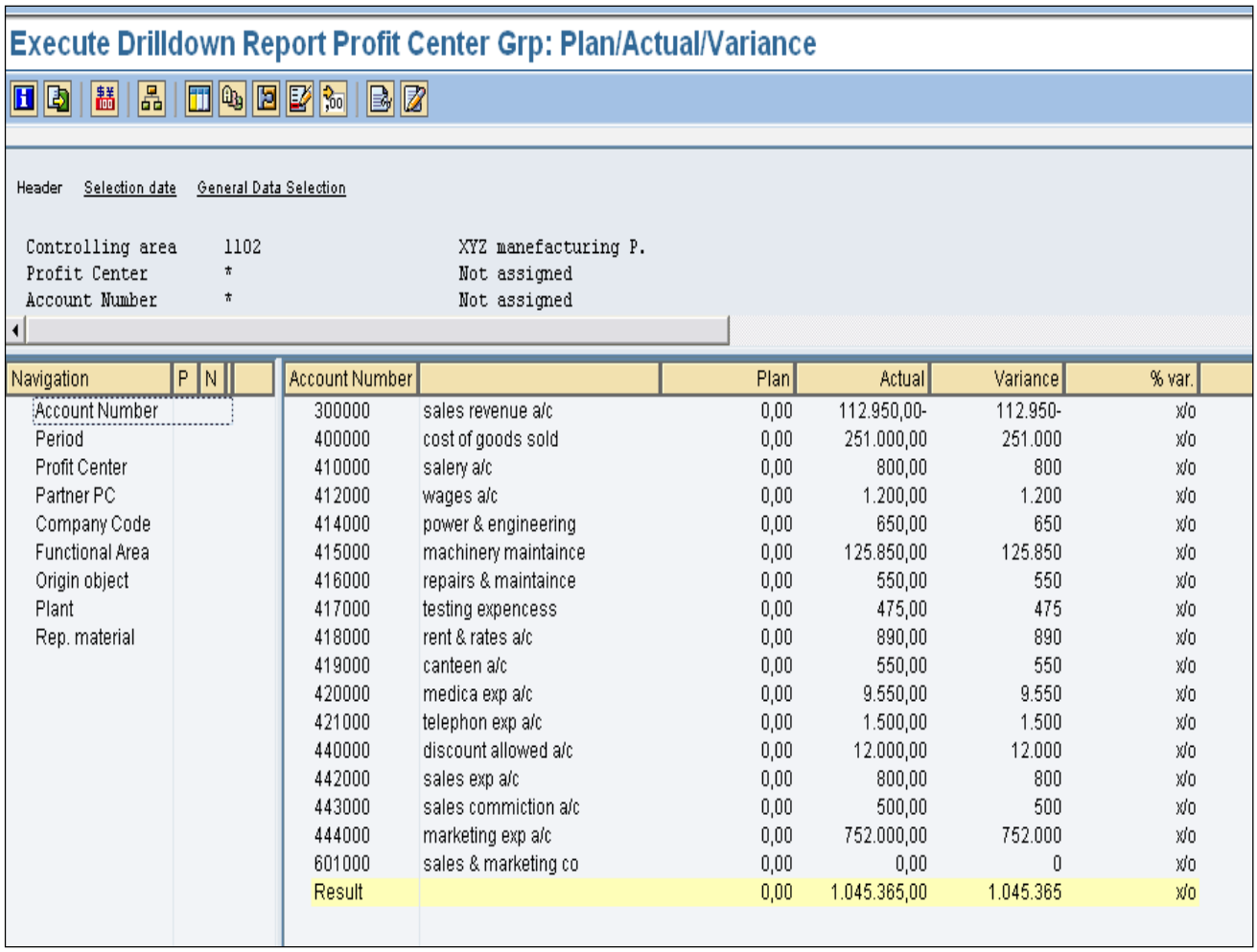
Profit Center Information

Path: Accounting→Controlling→Profit Center Accounting→Information System→Reports for Profit Center Accounting→Interactive Reporting→S_ALR_87013326 - Profit Center Group: Plan/Actual/Variance

Click on above transaction it will display the following screen:



In the above screen select those parameters for which you want to drag the report and click on executive button it will display following:



Execute Drilldown Report Profit Center Grp: Plan/Actual/Variance

Header Selection date General Data Selection

Controlling area	1102	XYZ manefacturing P.
Profit Center	*	Not assigned
Account Number	*	Not assigned

Navigation	P	N
Account Number		
Period		
Profit Center		
Partner PC		
Company Code		
Functional Area		
Origin object		
Plant		
Rep. material		

Account Number		Plan	Actual	Variance	% var.
300000	sales revenue a/c	0,00	112.950,00-	112.950-	x/o
400000	cost of goods sold	0,00	251.000,00	251.000	x/o
410000	salery a/c	0,00	800,00	800	x/o
412000	wages a/c	0,00	1.200,00	1.200	x/o
414000	power & engineering	0,00	650,00	650	x/o
415000	machinery maintaince	0,00	125.850,00	125.850	x/o
416000	repairs & maintaince	0,00	550,00	550	x/o
417000	testing expencess	0,00	475,00	475	x/o
418000	rent & rates a/c	0,00	890,00	890	x/o
419000	canteen a/c	0,00	550,00	550	x/o
420000	medica exp a/c	0,00	9.550,00	9.550	x/o
421000	telephon exp a/c	0,00	1.500,00	1.500	x/o
440000	discount allowed a/c	0,00	12.000,00	12.000	x/o
442000	sales exp a/c	0,00	800,00	800	x/o
443000	sales commiction a/c	0,00	500,00	500	x/o
444000	marketing exp a/c	0,00	752.000,00	752.000	x/o
601000	sales & marketing co	0,00	0,00	0	x/o
Result		0,00	1.045.365,00	1.045.365	x/o

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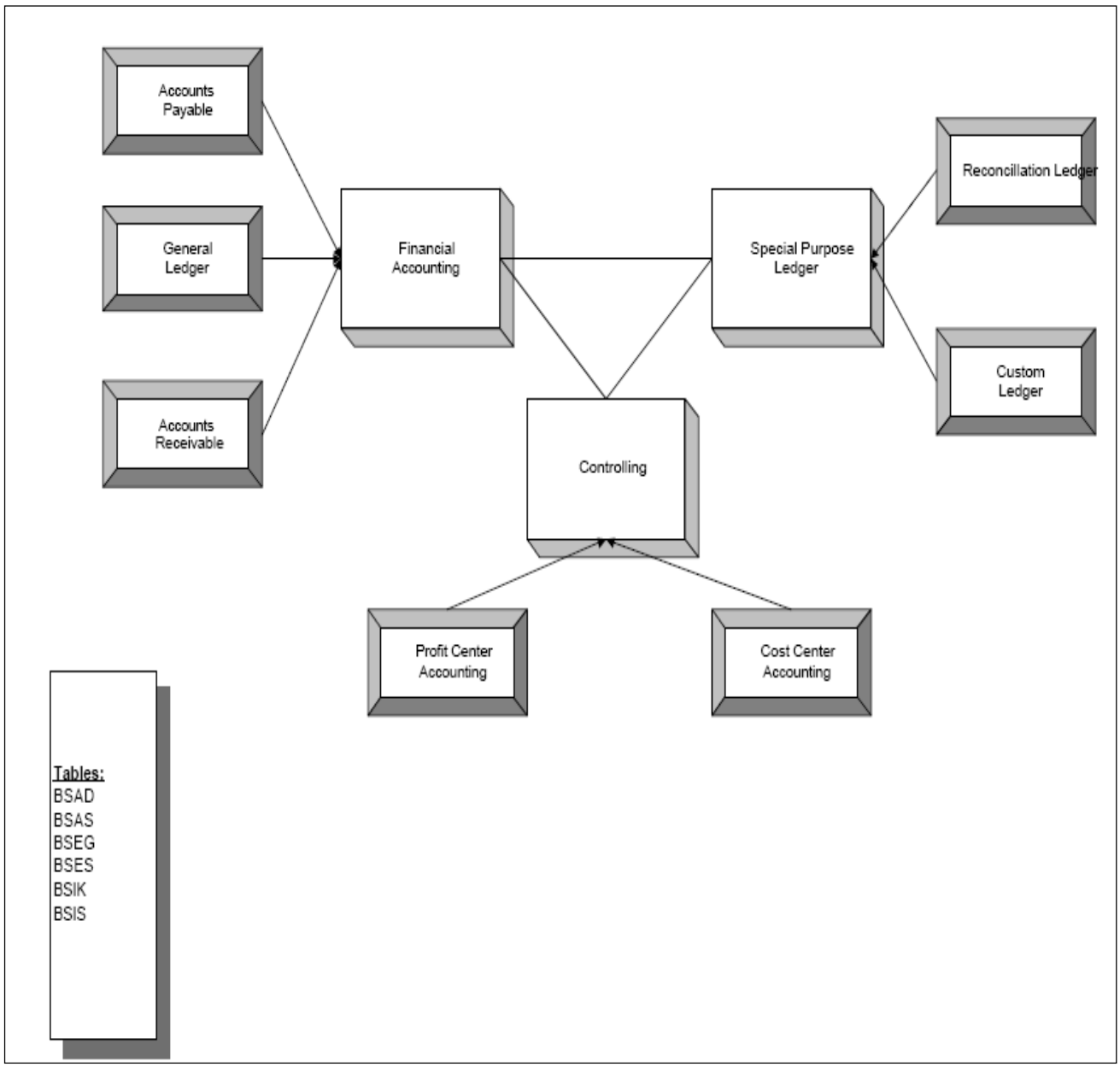
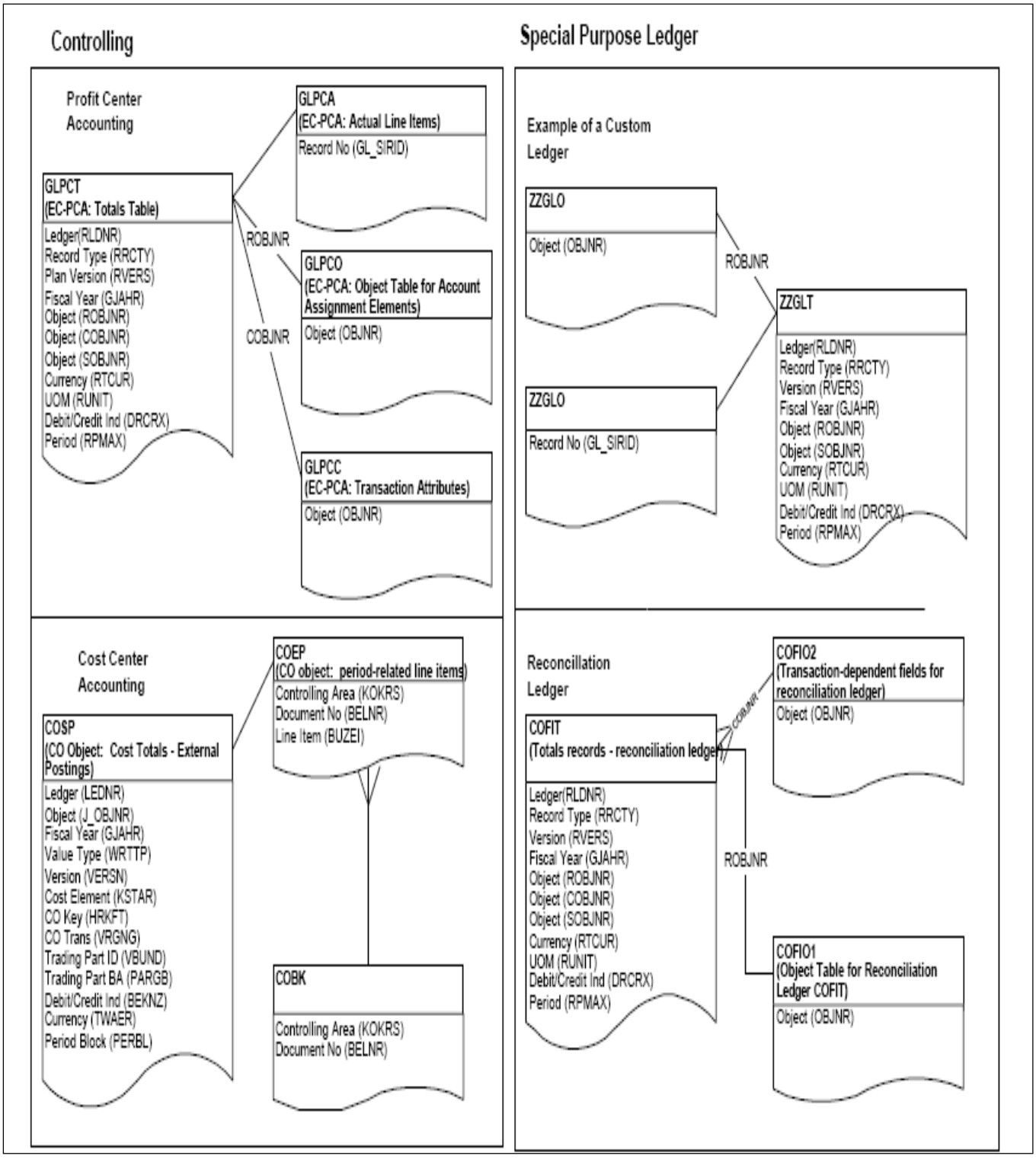
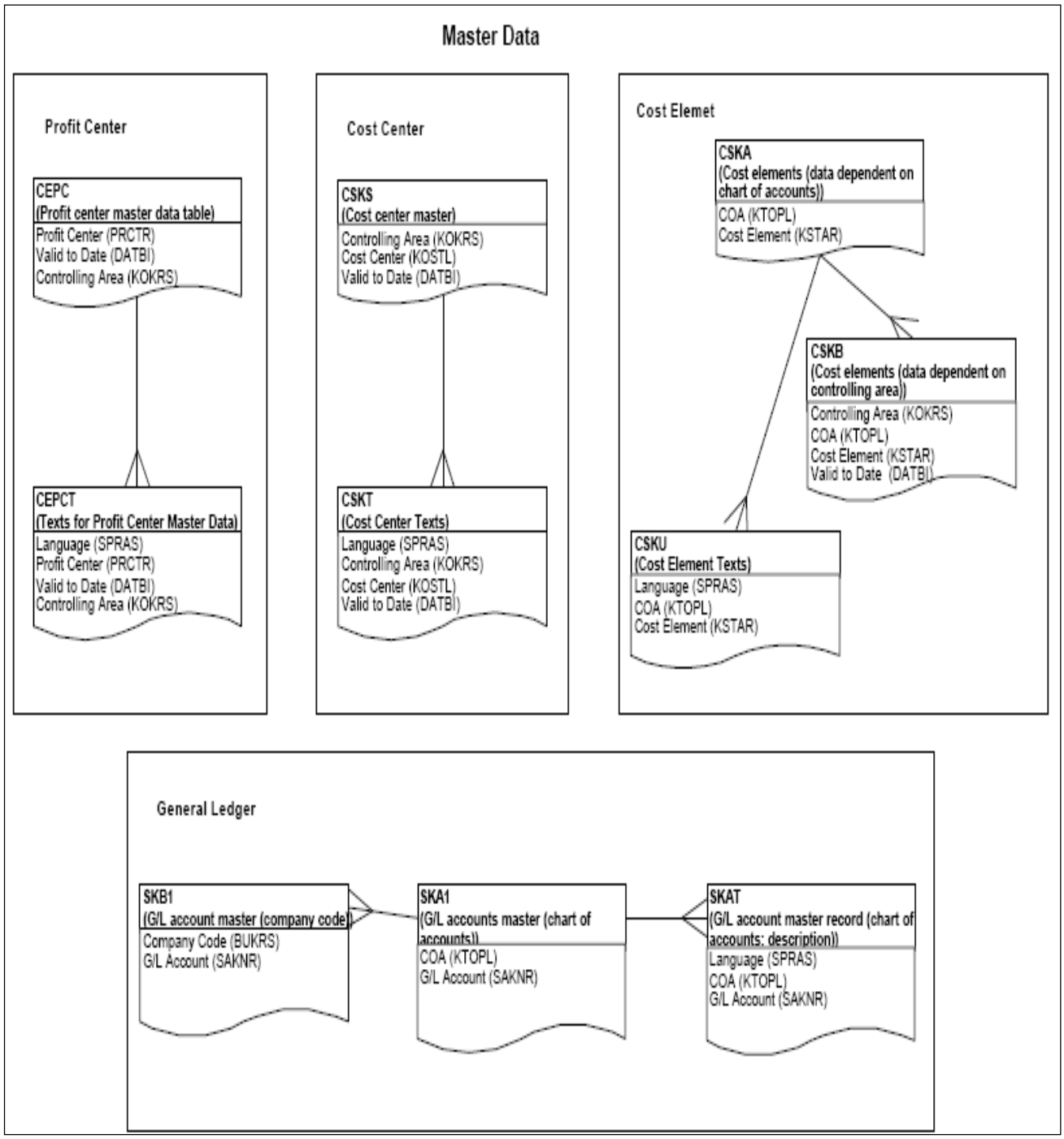
DATABASE TABLES
TABLE RELATIONS


Accounts Payable
General Ledger
Accounts Receivable
Financial Accounting
Special Purpose Ledger
Reconcillation Ledger
Custom Ledger
Controlling
Profit Center Accounting
Cost Center Accounting
Tables:
BSAD
BSAS
BSEG
BSES
BSIK
BSIS


Controlling
Special Purpose Ledger
Profit Center Accounting
GLPCT
(EC-PCA: Totals Table)
Ledger(RLDNR)
Record Type (RRCTY)
Plan Version (RVERS)
Fiscal Year (GJAHR)
Object (ROBJNR)
Object (COBJNR)
Object (SOBJNR)
Currency (RTCUR)
UOM (RUNIT)
Debit/Credit Ind (DRCRX)
Period (RPMAX)
ROBJNR
COBJNR
GLPCA
(EC-PCA: Actual Line Items)
Record No (GL_SIRID)
GLPCO
(EC-PCA: Object Table for Account Assignment Elements)
Object (OBJNR)
GLPCC
(EC-PCA: Transaction Attributes)
Object (OBJNR)
Example of a Custom Ledger
ZZGLO
Object (OBJNR)
ZZGLO
Record No (GL_SIRID)
ROBJNR
ZZGLT
Ledger(RLDNR)
Record Type (RRCTY)
Version (RVERS)
Fiscal Year (GJAHR)
Object (ROBJNR)
Object (SOBJNR)
Currency (RTCUR)
UOM (RUNIT)
Debit/Credit Ind (DRCRX)
Period (RPMAX)
Cost Center Accounting
COSP
(CO Object: Cost Totals - External Postings)
Ledger (LEDNR)
Object (J_OBJNR)
Fiscal Year (GJAHR)
Value Type (WRTTP)
Version (VERSN)
Cost Element (KSTAR)
CO Key (HRKFT)
CO Trans (VRGNG)
Trading Part ID (VBUND)
Trading Part BA (PARGB)
Debit/Credit Ind (BEKNZ)
Currency (TWAER)
Period Block (PERBL)
COEP
(CO object: period-related line items)
Controlling Area (KOKRS)
Document No (BELNR)
Line Item (BUZEI)
COBK
Controlling Area (KOKRS)
Document No (BELNR)
Reconcillation Ledger
COFIT
(Totals records - reconciliation ledger)
Ledger(RLDNR)
Record Type (RRCTY)
Version (RVERS)
Fiscal Year (GJAHR)
Object (ROBJNR)
Object (COBJNR)
Object (SOBJNR)
Currency (RTCUR)
UOM (RUNIT)
Debit/Credit Ind (DRCRX)
Period (RPMAX)
COBJNR
ROBJNR
COFIO2
(Transaction-dependent fields for reconciliation ledger)
Object (OBJNR)
COFIO1
(Object Table for Reconciliation Ledger COFIT)
Object (OBJNR)


Master Data
Profit Center
CEPC
(Profit center master data table)
Profit Center (PRCTR)
Valid to Date (DATBI)
Controlling Area (KOKRS)
CEPCT
(Texts for Profit Center Master Data)
Language (SPRAS)
Profit Center (PRCTR)
Valid to Date (DATBI)
Controlling Area (KOKRS)
Cost Center
CSKS
(Cost center master)
Controlling Area (KOKRS)
Cost Center (KOSTL)
Valid to Date (DATBI)
CSKT
(Cost Center Texts)
Language (SPRAS)
Controlling Area (KOKRS)
Cost Center (KOSTL)
Valid to Date (DATBI)
Cost Elemet
CSKA
(Cost elements (data dependent on chart of accounts))
COA (KTOPL)
Cost Element (KSTAR)
CSKB
(Cost elements (data dependent on controlling area))
Controlling Area (KOKRS)
COA (KTOPL)
Cost Element (KSTAR)
Valid to Date (DATBI)
CSKU
(Cost Element Texts)
Language (SPRAS)
COA (KTOPL)
Cost Element (KSTAR)
General Ledger
SKB1
(G/L account master (company code))
Company Code (BUKRS)
G/L Account (SAKNR)
SKA1
(G/L accounts master (chart of accounts))
COA (KTOPL)
G/L Account (SAKNR)
SKAT
(G/L account master record (chart of accounts: description))
Language (SPRAS)
COA (KTOPL)
G/L Account (SAKNR)