

Cost Controls and Accounting

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Cost Controls



Cost Controls



- Controls
 - Is the term of Control Management
- Cost
 - Costs and Expenses (Inclusions and Exclusions)
- Cost Controls
 - Controlling Costs (Measure and Manage)

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Accounting



Accounting



- Accounts
 - Record of all
- Accountant
 - You and We
- Accounting
 - Measurement which is meaningful

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Cost Controls and Accounting



Cost Controls and Accounting



- Control Accounting
 - Stock Movement
- Cost Accounting
 - A science and Art of doing it
- Cost Control
 - Measure and Manage

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Cost Centre Accounting



Cost Centre Accounting



- Cost Centre
 - Trace the Cost
- Cost Centre as Part of Accounting
 - The Glasses
- Cost Control Through Accounting
 - Measure and Manage, The Glasses

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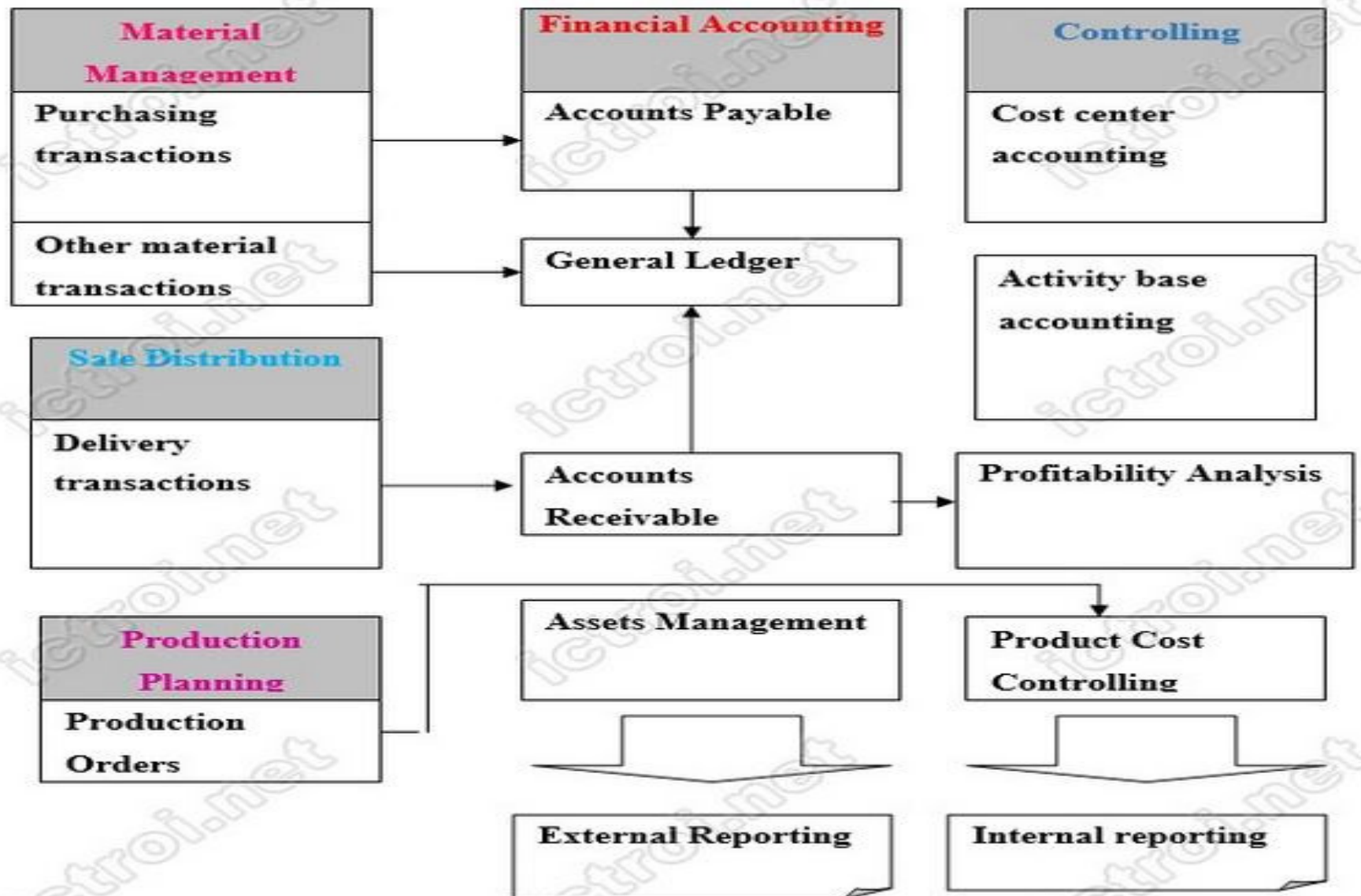
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Cost Centre Accounting

Data Flows into CO-PA

	Billing document	Quantities
		Revenues
		Sales deductions
		Cost of sales
	Cost estimate	Variable cost of goods mfd
		Fixed cost of goods mfd
	G/L account posting	Rebates
		Freight
	Cost center Order Process	Sales and admin. costs
		Marketing costs
		Variances
	WBS element Network activity	R&D costs
	Production order	Production variances
	Additional costs	Accrued discounts
		Accrued rebates

Cost Centre Accounting



Examples



Cost Centre Accounting



- One Account many Cost Centers
 - Identify the Costs (Location, Occurrence or Non Cost)
- One Cost Centre Many Accounts
 - Collection of Costs
- Cost Controls and Accounting
 - Measure and Manage

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Cost Centre Accounting



- The Matrix
 - Every Debit has Corresponding Credit.....No
Every Account has Corresponding Cost Centers
 - Example
- Accounting and Cost Controls
 - Control Cost Centers and not Accounting
- Accounting and Cost Controls
 - Without Accounting no Controls

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What can be achieved ?



- SBU/ BU Wise Analysis
 - Cost Centers related to specific BU
- Plant-wise expenses analysis
 - Many Plants one analysis
- Budget Analysis
 - All comparison with Budget

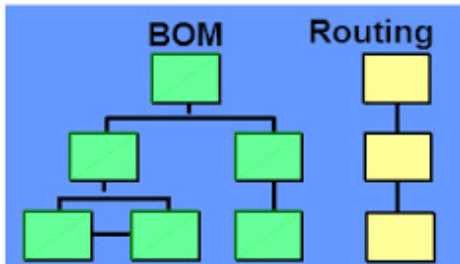
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What can be Achieved ?

Product Cost Planning

Quantity Structure:
PP Master Data



Value Structure

Prices for Materials
Prices for Activities
Prices for Processes
Overhead

Cost estimate:
Standard costs

Cost Object Controlling

Preliminary Costing,
Simultaneous Costing

Planned
costs,
Actual
costs

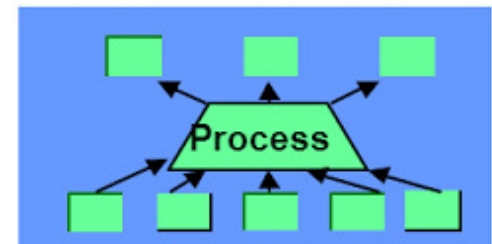
Order	
Material	\$
Labor	\$
Overhead	\$
Process	\$
Total	...

Final Costing
Period-End Closing

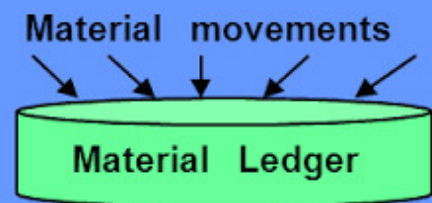
Work in process
Scrap
Variances
Settlement

Actual Costing / Material Ledger

Quantity Structure:
Material movements



Value Structure



Material Settlement:
Actual Costs

What can be Achieved ?

Overhead Cost Controlling

Order and Project Acc.

Internal Order/
Project

Cost Center Acc.

Cost Center

Activity Based Costing

Business Process

Product Cost Controlling

Cost Object



Profitability Analysis

Profitability Segment



Profit Center Accounting

PROFIT CENTER 1

PROFIT CENTER 2

PROFIT CENTER 5

PROFIT CENTER 4

PROFIT CENTER 3

Profit Center

Thank You !



Questions ?



Happy New Year 2016 !!!

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