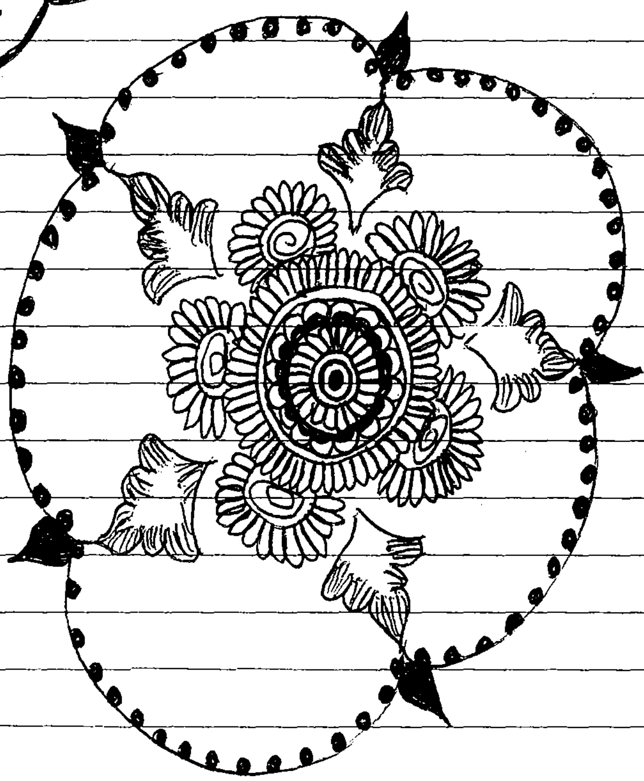
New Year's Day, Independence Day (Sudan)

CONTROLLING



January

| T | W | T | F | S | S | M | T | W | T | F | S | S | M | T | W | T | F | S | S | M | T | W | T | F | S | S | M | T | W | T |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 |

1 08/04/2019

# CONTROLLING

→ CO means controlling in SAP.
→ We do controlling for Analysis purpose to take Business Decisions for future.
→ Controlling is based on FI.

| FINANCE | CONTROLLING |
|---|---|
| 1) Here we do Book keeping means Recording the all transactions. | 1) Here we do Analysis to take business decisions. |
| 2) Recording all the transactions that all taking place in the business and maintain in the books of accounts. | 2) In controlling we do the analysis of these recorded transactions to take some business decisions. |
| 3) finance is legally required | 3) controlling is legally not required. |
| 4) finance is used for external reporting. | 4) controlling is used for Internal reporting. |
| 5) If event has happend then only we reord. (it is in past) | 5) Decisions are takend to future. Co is dependent on FI. |

**External reporting:** — we have to publish financials for
Government → Tax purpose
shareholders → Dividents
Creditors → They have to give credit/not to us.
Investors → They want to invest/not
Banks → They want to give Loans/not.

**Internal Reporting:** — we have to give analysis reports to
→ employees
→ Departmental manager
→ Top management.
They will see the analysis report and they will take decisions for business Growth.

⇒ We have to flow the data into controlling then only we can do the analysis.

⇒ The data will flow in to controlling by Real time basis.

⇒ To flow the data into controlling we need to convert the GL account into cost element.

⇒ To do analysis in controlling we want the data of all the transactions posted in Finance that will flow into controlling. This flow of data from Finance postings into controlling should happen on Real time basis. To achive this we upgrade revenue and expence GL accounts into cost elements.

⇒ Once a GL account has been converted into cost element every time a transaction gets posted into that GL account it will automatically flow into controlling also.

**Cost element :-** cost element is a cost carriar from finance to controlling. It is a Revenue/expense GL account. The data will flow through cost object.

**Cost object :-** Cost object is an object that is taking the cost. It could be a cost center (Departments), Internal orders (events, parties), WBS - work based structures (projects)

**Cost Center :-** Cost center is a center where we are incurring the cost. It is nothing but a department.

| FB50 | Costobject | | Costcenters | | | |
|---|---|---|---|---|---|---|
| Rent(400000) - 40,000 | F100 | | F100 | H100 | P100 | S100 |
| wages(400001) - 70,000 | S100 | (400000) Rent | 40,000 | | | |
| | | (400001) wages | | | | 70,000 |

⇒ All costs types includes cost object.

⇒ Cost center is one type of cost object.

⇒ The creation of cost centers we called as cost center accounting.

**Cost center accounting:** — Creating and using the cost centers is reffered to as cost center accounting.

**Cost element accounting:** — converting the GL accounts into cost elements and using them to post data into controlling is cost element accounting.

② 09/04/2019

**Basic Configuration required for controlling:** —
controlling has 3 steps to configuration.
1) maintain controlling area — OKKP
2) maintain number ranges for co document — KANK
3) maintain versions — (OK~~EB~~) OKEQ.

**Controlling area:** — Controlling area is the level at which we want to do costing. It can be equal to a company code or more then one company code. The relationship between controlling area and company code is Either 1:1 or 1:N.

Controlling area = company code — 1:1
or
many company codes — 1:N
(Cross company code)



Ex:
Cab Services
here we can ask for the services for one co.cd / many compay code.

Companycode1 → KBS → 900 employees
Companycode2 → KBR → 10,100 employees
→ 11,000 employees

If costing is done for one company code costing advantages may less.
If costing is done for many company codes costing advantages may high.

Step-1

1) Maintain controlling area:- T-code: OKKP

click on new entries
controlling area: KBS
Name: KBS controlling area
cocd → co Area: controlling area same as company code
currency type: 10
currency: INR
chart of accounts: KBCA
Fiscal year variant: B3
cctr std. Hierarchy: KBSSTDCHY
Save
Click on the assignment of company code
new entries
give KBS
enter & save.
click on activate components/control indicators.
click on new entries
Fiscal year: 2000 (we can use back dated)
cost centers: component active
select AA.ctivity type
Order management: component active.
Commit management: component active.
Select profit center Accounting
select projects
select sales orders
Select cost objects
save
enter.

Step-2

2) Maintain Number Ranges for CO Documents:- T-code: KANK

In co we not create separate no.series we create Group and assign for the same.

Coptic Christmas Day (Sudan)

| No. ranges for FI Documents - OBA7 | | No. ranges for CO Documents - KANK | |
|---|---|---|---|
| transaction type | N/R | transactions | N/R |
| vendor invoice | 19 | Group-1 | 100000000 - 109999999 |
| vendor payment | 15 | Group-2 | 200000000 - 209999999 |
| GL posting | 01 | Group-3 | 300000000 - 309999999 |

Controlling area : KBS
click on Groups
go to Group → insert
Text : CO Document Group 1
From no : 100000000
To no : 109999999
Save
Double click on transaction & tick the no. Group
Add (Element / Group).
go to Group → insert
Text : CO Document Group2
From no : 200000000
To no : 209999999
Double click on transaction & tick the no. Group
Add (Element / Group)
Save.

**Step-3**

**3) Maintain versions :- T-code : OKEQ**

we do controlling for costs, revenue etc. for this some planing we have to do.
For planning we need to maintain versions like,
version-0 - plan-1
version-1 - plan-2
version-2 - plan-3

| | Floo – past | | | based on this we plan like | plan1 | plan2 | Actual |
|---|---|---|---|---|---|---|---|
| Expense | Jan | Feb | March | expense | April | April | April |
| Rent | 10000 | 10000 | 10000 | Rent | 10000 | 10000 | 10000 |
| Wages | 30000 | 50000 | 72000 | Wages | 25000 | 45000 | 49000 |
| Miscexp | 15000 | 25000 | 32000 | Miscexp | 5000 | 10000 | 17000 |
| Total | 55000 | 85000 | 114000 | Total. | 40000 | 65000 | 76000 |

Select 0 version
click on controlling area settings
controlling area: KBS
enter
select first(0) version
click on settings for each fiscal year
click on new entries
Fiscal year: 2019
select integrated planning
select copying allowing
exchange rate type: B
enter & save
go back
select 0 version
click on settings in profit center accounting
click on new entries
Fiscal year: 2019
select online transfer
select line items
exchange rate type: B
save.

Note:– we can change controlling area in OKKS.

Note:– once a GL account has been converted into cost element it will expect a cost object at the time of posting in FI.

③ 10/04/2019

Step-4

4) creation of cost element :- T-code : FS00

click on Expenses
Select Rent account
click on change
click on edit cost element
Valid from : 01/04/2019
click on master data
Select cost element category : 1 (primary)
save.

After cost element creation if we post a transaction in FB50 it gives a error.

Error :- Account 400000 requires an assignment to a co object.

Solution :- For this error we need to create a cost object. It could be a cost center / Internal order / WBS.

Step-5

5) Creation of cost center :- T-code :- KS01

Cost center : F100
Valid from : 01/04/2019 To : 31/12/9999
enter
Name : FINCC
Description : FIN cost center
persion Responsible : finance manager
Cost center category : E
Hierarchy area : KBSSTDCHY
Currency : INR
save.

In FB50 we assign the coast center for above process it gives an error again.

Error :- An entry in field cost center is not permitted for a/c 400000.

Solution :- For this error we need to change F.S.G in FS00 for a cost element (400000 Rent a/c) is G004 from G001.

**Note:-** once a GL account has been converted into cost element it will come under the category of cost account. so the Field status group to be given for this account is G004. (cost accounts)

After changing Field status for cost element in FB50 that entry will be posted, In finance and it will automatically flows into controlling in real time basis.

**Step-6**

**6) To see the Co-Document:-** **T-code: KSB5**

Document no: 100000000

execute

here we can see the data what we posted in FI.

**Step-7**

**7) Creation of cost element from co side:-** **T-code: KA01**

Cost element: 400001

enter

cost element category: 1 (primary)

enter & save.

**Step-8**

**8) Mass Creation of cost elements:-** T-code:

**1) Maintain settings for automatic generation of cost elements:** **T-code: OKB2**

Click on new entries

Account from: 400002

Account To: 400005

cost element category: 1

Save.

**2) Create batch input session to create the cost elements:-** **T-code: OKB3**

controlling area: KBS

valid from: 01/04/2019

Valid To: 31/12/9999

execute.

4

3) Execute the batch input session: — SM35
Go to System → services → batchinput → sessions.
Select required session
click on process
select Display errors
select Extended log
execute
Exit batchinput.

4) Mass Chaning of the GL accounts: — T-Code: OB_GLACC12
enter
Co.cd : KBS
GL account: 400001
To : 400005
execute.
In new fields
Field status Group : G004
Account currency : INR



only balance in local currency : ☑
Line Item display : ☑
Sort key : 001
click on carryout mass change.
save & enter.

④ 15/04/2019

Cost element Group: —
Cost element Group is a set of cost elements Grouped together for reporting purposes.

| Factory expGroup-1 | |
|---|---|
| Factory exp | P100 |
| 400000 — Rent | 100,000 |
| 400001 — wages | 180,000 |
| 400002 — Insurance | 40,000 |
| 400080 — misc | 15,000 |

| Staffexp Group-2 | |
|---|---|
| Staff exp | H100 |
| 400001 — wages | 200,000 |
| 400002 — Insu | 60,000 |
| 400015 — staffwelfare | 50,000 |
| 400003 — travelling | 80,000 |

**Cost center Group:-**

Cost center Group is a set of cost centers Grouped together for reporting purposes.

| | | | | | |
|---|---|---|---|---|---|
| Hyderabad – | F100 | H100 | P100 | S100 | → Hyderabad cost center Group |
| Banglore – | F200 | H200 | P200 | S200 | |
| Delhi – | F300 | H300 | P300. | S300 | |

Sales commision cost center Group.

After Creation of cost elements Groups & cost center Groups we can generate reports in four combinations.

1. Cost element [VS] cost center
2. costelement Group [VS] cost center
3. Cost element [VS] cost center Group
4. Cost element Group [VS] cost center Group

**Examples:-**

1. Insurance Exp ⟷ H100
2. staff expGroup ⟷ H200
3. canteen exp ⟷ In Hyderabad
4. staff exp Group ⟷ In Delhi

we get reports in this combination because we are recording the transactions in this combinations (grid).

| C.E \ C.C | F100 | H100 | P100 | S100 |
|---|---|---|---|---|
| 400000-Rent | 30000 | 20000 | 80000 | 40000 |
| 400001-wages | 50000 | 30000 | 180000 | 100000 |
| 400002-Insurance | 20000 | 45000 | 60000 | 40000 |
| 400080-Misc | 10000 | 25000 | 10000 | 30000 |

(5) 16/04/2019

Step-9

Creation of cost element Group :- T-code : KAH1

cost element Group : office exp

enter

OFFICE Exp : officeexp cost element Group

click on Insert cost element

Select 400000 to 400004 & enter

→ 400000 – Rent exp a/c

→ 400001 – wages a/c

→ 400002 – Insurance exp a/c

→ 400003 – Misc exp a/c

→ 400004 – Travelling exp a/c

Save

After creation of 1 cost element group we need to create another cost element group - we can create any no. of Groups.

again goto KAH1

cost element Group : staff exp

enter

Staff exp : ~~office exp~~ Staff exp cost element Group

click on Insert cost element.

Select 400000 to 400004

enter

⇒ 400000 – Rent exp a/c

⇒ 400001 – wages exp a/c

⇒ 400002 – Insurance exp a/c

⇒ 400003 – Misc exp a/c

⇒ 400004 – Travelling exp a/c

After creation of cost elements Gr we need to create cost center Groups for that we need to create cost centers first.

Ex: F100, H100, P100, S100. (Here F100 was already created)

Step-10

io) Create cost center :- T-Code: KS01

⇒ Cost center : H100
valid from : 01/04/2019
enter
Name : HR cost center.
Description : HR cost center
persion Responsible : HR manager
cost center category : 4 (Administration)
Hirarchy area : KBSSTDCHY
Currency : INR
enter, enter
save.

⇒ Cost Center : P100
valid from : 01/04/2019
enter
Name : production cost center
Description : production cost center
persion Responsible : production manager
cost center category : 1 (production)
Hirarchy area : KBSSTDCHY
currency : INR
enter, enter
save.

⇒ cost center : S100
valid from : 01/04/2019
enter
Name : Sales cost center
Description : Sales cost center
persion Responsible : Sales manager
cost center category : 3 (Sales)
Hirarchy area : KBSSTDCHY
currency : INR
enter, enter
save.

Step-11

11) Creation of Cost center Group :- T-code : KSH1

cost center Group : HydCCGroup
enter
HydCCGroup : Hyderabad cost center Group.
enter
click on Insert cost center
Select F100 to S100 & enter
F100 – Finance cost center
H100 – HR cost center
P100 – production cost center
S100 – sales cost center.
Save.

To check the reports we need to enter the transactions first.

Step-12

12) post GL transactions :- T-code : FB50

Document date : 16/04/2019

| GLaccount | Dr/Cr | Amount | Costcenter |
|---|---|---|---|
| 400001 | Dr | 70000 | F100 |
| 400080 | Dr | 10000 | F100 |
| 400001 | Dr | 30000 | H100 |
| 400080 | Dr | 5000 | H100 |
| 400001 | Dr | 90000 | P100 |
| 400001 | Dr | 50000 | S100 |
| 400080 | Dr | 15000 | S100 |
| 400000 | Dr | 40000 | S100 |
| 400002 | Dr | 20000 | P100 |
| 400002 | Dr | 25000 | H100 |
| 200000 | Cr | 355000 | |

enter
save.

Now we can see the reports or check the reports in four posibility options.

1) cost element vs cost center.
2) cost element vs cost center Group
3) cost element Group vs cost center
4) cost element Group vs cost center Group.

Step-13

13 TO see Reports in many posibilities:— T-code: KSB1

⇒ cost center : H100
cost element : Insuranice exp (400002)
executue.
Here we can see the report for only Insurance exp in H100.

⇒ cost center Group : Hyderabad cost center Group
cost element : Rent exp a/c (400000) & execute.
Here we can see the report for Rent exp in F100, H100, S100, P100.

⇒ cost center : P100
cost element Group : office exp
execute.
Here we can see the Rent, wages, insurance & Misc exp in P100.

⇒ cost center Group: ~~Staff F100~~ Hyderabad cost center Group
cost element Group : Staff exp
execute.
Here we can see the report for Rent exp, wages exp, Misc exp for F100, H100, S100, P100.

Step-14

14) Cost Center planning:— T-code:

⇒ planning is based on budget.
⇒ Budget is given/decided by top management.
⇒ For the given budget planning is done by Resposible persons in respective departments.

Step-1

1) Maintain budget for the cost center :- T-code : KPZ2

cost center : P100

enter

click on annual overview (F8).

2019 - 24,00,000

enter

click on period overview (F6)

It will automatically divided for every period.

save.

Step-2

2) Maintain planner profiles :- T-code : KP34

position : SAPALL

select SAPALL

click on copy

Remove SAPALL & put KBSPP

enter & enter



save

select KBSPP

click on General controlling

select cost ctrs: cost element / activity inputs.

click on layouts for controlling

If we want to Add new layouts we can Add here.

click on new entries

Item : 6

layout : 1-103

Discription : cost/revenue elements.

enter & save.

Step-3

3) set the planner profile :- T-code : KP04

planner profile : KBSPP

enter.

Step-4

4) plan for the cost center :- T-code : KP06

version : 0

From period : 1

To period : 1

cost center : p100

cost element : 400000

To cost element : 400080

select from based

click on the overview

| Cost element | plan fixed costs |
|---|---|
| 400000 | 50000 |
| 400001 | 100000 |
| 400002 | 30000 |
| 4000080 | 20000 |
| Total | 200,000 |

Save

Here we posted for plan & now we have to post for actual.

Step-5

5) To post actual transactions :- T-code : FB50

Document date : 16/04/2019

| GL account | D/cr | Amount | costcenter |
|---|---|---|---|
| 400000 | Dr | 50000 | p100 |
| 400001 | Dr | 30000 | p100 |
| 400080 | Dr | 25000 | p100 |
| 200000 | Cr | 105000 | |

Save.

Step-6

6) To see actual report :- T-code : KSB1

Cost Center : p100

cost element Group : office exp cost element Group.

execute.

| Postingdate | costelement | cost element name | D.Type | value in rup | offset a/c type | offset account |
|---|---|---|---|---|---|---|
| 16/04/2019 | 400000 | Rent exp a/c | SA | 50,000 | S | 200000 |
| 16/04/2019 | 400001 | Wages exp a/c | SA | 90,000 | S | 200000 |
| 16/04/2019 | | Wages exp a/c | SA | 30,000 | S | 200000 |
| 16/04/2019 | 400002 | Insurance exp a/c | SA | 20,000 | S | 200000 |
| 16/04/2019 | 400003 | Misc exp a/c | SA | 25,000 | S | 200000 |
| cost center p100 production cost center | | | | 215,000 | | |
| | | | | 215,000 | | |

Step-6

6) plan & actual variances (Reports): — T-code: S_ALR_87013611

controlling area: KBS
fiscal year: 2019
From period: 1
To period: 1
cost center: P100
execute.

| | | |
|---|---|---|
| cost centers: actual/plan/variance | Date: 16.04.2019 | page: 2/2 |
| | | Coloumn: 1/2 |
| cost center /Group: | p100 | pro cost center. |
| persion responsible: | production manager | |
| Reporting period: | 1 to 1 | 2019 |

| Cost elements | Act. costs | plan cost's | Abs.var. | var.(%) |
|---|---|---|---|---|
| 400000-Rent exp a/c | 50,000 | 50,000 | | |
| 400001-Wages exp a/c | 120,000 | 100,000 | 20,000 | 20,00 |
| 400002-Insurance exp | 20,000 | 30,000 | 10,000- | 33,33- |
| 400003-Misc exp a/c | 25,000 | 20,000 | 5,000 | 25,00 |
| *Debit | 215,000 | 200,000 | 15,000 | 7,50 |
| **over/under absorption | 215,000 | 200,000 | 15,000 | 7,50 |

17/04/2019

Step-15

15) Reallocation of costs:-

Allocating the cost from one cost center to another cost center after it has been ~~as~~ assigned to a cost center.

There are 4 types of reallocatios, They are.

1) Line item reposting
2) manual reposting of costs
3) Distribution cycle.
4) Assesment cycle.

type-I

1) Line item Reposting :- T-code : KB61

Line item reposting can be used to repost cost from one cost center to another cost center immideately after a finance document has been posted. To do line item Reposting we need FI document number.

To do line item Reposting we need FI document number. For that number we need to post a document first.

To post ~~doct~~ document:- T-code: FB50

Document date: 17/04/2019

| GL account | Dr/Cr | Amount | Costcenter |
|---|---|---|---|
| 400000 | Dr | 100000 | F100 |
| 200000 | Cr | * | |

enter

Save.

Now go to KB61

Document No: 1000000004

Co.Cd : KBS

Fiscal year: 2019

Cost element: 400000

execute.

Value tran.curr : 30,000

Acct Assgt 1 : H100

① enter
It gives an error
Error :- Assign number range to RKU3
Solution :- Go to KANK
controlling area : KBS
click on Groups .
select RKU8 - CO line items
Add to element/Group
save.
Now again go to KB61
Document no : 1000000004
cost element : 400000
execute
Value Tran curr : 30,000
Acct Assgt 1 : H100
Value Tran curr : 10,000
Acct Assgt 1 : P100
enter & save.
Type-2
2) Manual reposting of costs :- T-code : KB11N
manual reposting of costs can be used to manually repost the costs for any cost element from any cost center to any cost center at any point of time.
cost center (old) : F100
cost element : 400000
Amount : 20000
cost center (new) : S100 & enter
It gives an error
error :- Assign a number range to RKU1
Solution :- Go to KANK
controlling area : KBS
click on Groups
Select RKU1 - Repost costs

Add to element/Group.
save.
Now again go to [KB11N]
cost center(old) : F100
cost element : 400000
Amount : 20000
cost center (new) : S100
enter & save.

[To see Report:] – [T-code: KSB1]
Here observe the Reallocated amounts:

| post.Date | costelement | costelement name | Docu. type | Value. in rep.curr | off.set a/c type | off.setting account |
|---|---|---|---|---|---|---|
| 17/04/2019 | 400000 | Rent exp a/c | SA | 100,000 | S | 200000 |
| 10/04/2019 | 400000 | Rent exp a/c | SA | 20,000 | S | 200000 |
| 17/04/2019 | 400000 | Rent exp a/c | SA | 20,000 – | | |
| 17/04/2019 | 400000 | Rent exp a/c | SA | 30,000 – | S | 200000 |
| 17/04/2019 | 400000 | Rent exp a/c | SA | 10,000 – | S | 200000 |
| 17/04/2019 | 400000 | Rent exp a/c | SA | 60,000 | S | 200000 |
| 17/04/2019 | 400000 | Rent exp a/c | SA | 60,000 – | S | 200000 |
| cost center F100 Finance cost center | | | | 60,000 | | |
| 17/04/2019 | 400000 | Rent exp a/c | | 30,000 | S | 200000 |
| cost center H100 HR cost center | | | | 30,000 | | |
| 16/04/2019 | 400000 | Rent exp a/c | SA | 50,000 | S | 200000 |
| 17/04/2019 | 400000 | Rent exp a/c | SA | 10,000 | S | 200000 |
| cost center P100 Pro cost center | | | | 60,000 | | |
| 16/04/2019 | 400000 | Rent exp a/c | SA | 40,000 | S | 200000 |
| 17/04/2019 | 400000 | Rent exp a/c | | 20,000 | | |
| cost center S100 Sales cost center | | | | 60,000 | | |
| | | | | 2,10,000 | | |

[Type-3] [18/04/2019]
[3) Distribution cycle:] –
To reallocate the costs from one cost center to another cost center on a recurring basis for a fixed pattern a distribution cycle can be created and used every month.

Republic Day (India), Liberation Day (Uganda)

Distribution cycle contains parametars such as
1) Sender cost center
2) Receiver cost center
3) Cost element which need to be distributed.
4) What component to be distributed (posted Amount / Fixed Amount)
5) Basis on which distribution should happen (%, Amount)
once a distribution cycle has been created it can be used every month to reallocate the costs.

Step-1

1) Create canteen exp GL account and make it a cost element :- T-code : FS00

Click on create
GL account : 400012
Company code : KBS
enter
Acct. Group : Expenses
Select P&L account
Short text : canteen exp



long text : canteen exp a/c
Select only balances in local currency
Select lineitem display
Sort key : 001
Field status Group : G004.
Save.
Click on edit cost element
valid from : 01/04/2019
enter
Cost element category : 1
Save.

Step-2

2) Create distribution cycle for canteen exp :- T-code : KSV1

Cycle : KBSCED
Start date : 01/04/2019

enter
Text: Canteen exp distribution
click on attach segment
Segment name: Canteen exp, Canteen exp distribution
sender value: posted amounts
share in: 100
select actual value
Receiver rule: Fixed percentages
click on senders/Receivers
Senders
cost center: F100
cost element: 400012
Receivers
cost center: H100 to S100
click on sender values
share in %: 100
click on Receiver tracing factor

| cost center | portion/percent |
|---|---|
| H100 | 25 |
| P100 | 25 |
| S100 | 25 |

Save.
Here we don't have any amounts in cost center to distribute the amounts in distribution cycle, for that we need to post a transaction in FI.
Step-3
3) To post FI transaction :- T-code: FB50
Document date: 18/04/2019

| GL account | Dr/Cr | Amount | costcenter |
|---|---|---|---|
| 400012 | Dr | 100000 | F100 |
| 200000 | Cr | * | |

enter
Save.

Step-4

4) Execution of the distribution cycle :- T-code : KSV5

period : 1

cycle : KBSCED

enter

Error : Assign number range to RKIV

Solution : Go to KANK

controlling area : KBS

click on Groups

select RKIV – Actual overhead distribution

Add to element / Group

Save.

Now again go to KSV5

period : 1

cycle : KBSCED

enter & execute.

go back remove test run & execute.

To see Report : KSB1 cost center : F100 to S100 cost element : 400012 & execute.

| posting date | cost element | cost element name | Doc. type | val. in. rep. cur | off. a/c type | off. setting account |
|---|---|---|---|---|---|---|
| 18/04/2019 | 400012 | Canteen exp a/c | SA | 100,000 | S | 200000 |
| 30/04/2019 | | canteen exp a/c | | 25,000 – | | |
| 30/04/2019 | | Canteen exp a/c | | 25,000 – | | |
| 30/04/2019 | | Canteen exp a/c | | 25,000 – | | |
| cost center F100 Finance CC | | | | 25000 | | |
| 30/04/2019 | 400012 | Canteen exp a/c | | 25000 | | |
| Cost center H100 HR cost center | | | | 25000 | | |
| 30/04/2019 | 400012 | Canteen exp a/c | | 25000 | | |
| cost center P100 PRO cost center | | | | 25000 | | |
| 30/04/2019 | 400012 | Canteen exp a/c | | 25000 | | |
| Cost center S100 sales cost center | | | | 25000 | | |
| | | | | 100,000 | | |

To change the cycle : KSV2

(8) 19/04/2019

fourth type is Assesment cycle before we go into that first we need to know about primary ~~key~~ costs & secondery costs.

1) Primary costs:- primary costs is a expenditure posted into GL accounts and flowing into CO through FI postings.

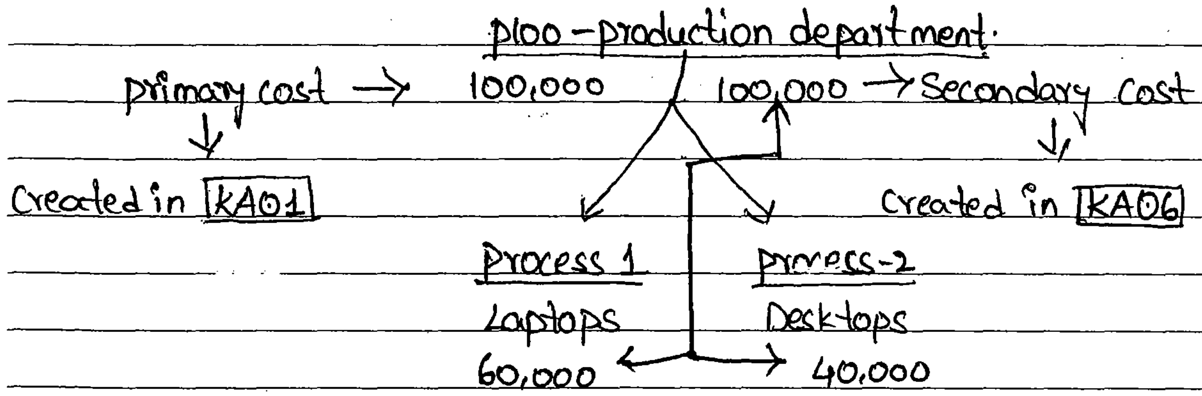
2) Secondary costs:- Secondary costs. is the cost created in CO for reporting purposes. It does not flow from FI.

Quality check Exp GL a/c → (Cost element)

primary cost → 100,000 posted in FI

this 100,000 is combined costs of Laptops & Desktops Quality check. So we need to distribute that exp through Statistical key figure.

Laptops – 600 } SKF
Desktops – 400 } no. of units




In this case if we directly distribute the primary cost in p100 the balance will be ZERO. Instud of that we create a secondary costs called duplicate amount of primary cost. Instud of primary cost distribution we distribute the secondary cost to the relavent cost center. Secondary cost element will be created directly but primary cost element will not create directly first we need to create a GL account, after only we can create cost element as primary cost element. Secondary cost is duplicate of primary cost.

3) Statistical key figure :- $\boxed{\text{SKF}}$

In senario's where we don't have a basis for the reallocation of costs we will create a statistical key figure collect the data for the statistical key figure and used that data to reallocate the costs.

$\boxed{\text{Examples of SKF :}}$- 1) no. of employees
2) no. of units
3) no. of days
4) no. of hours

The difference between distribution cycle & Assessment cycle is

| Distribution cycle | Assessment cycle. |
|---|---|
| 1) Distribution cycle uses primary costs. | 1) Assessment cycle uses secondary costs. |
| 2) In case of distribution the receiver cost center can know the original cost element for which cost was incurred. | 2) In case of Assessment the receiver cost center cannot know the original cost element for which cost was incurred. |

9 $\boxed{22/04/2019}$

To create & Execute Assessment cycle steps involved like.

1) create quality check exp GL account (400014) and make it as a primary cost element - $\boxed{\text{FS00}}$
2) create two cost centers - $\boxed{\text{KS01}}$
   Process1
   process2
3) create secondary cost element - $\boxed{\text{KA06}}$
   1000 - As Assessment cost element (42)
4) create statistical key figure - $\boxed{\text{KK01}}$
   KBSNOU - no. of units manufactured.
5) create assessment cycle - $\boxed{\text{KSU1}}$
6) post quality check exp to GL account - $\boxed{\text{FB50}}$
7) post actual statistical key figure data - $\boxed{\text{KB31N}}$ process1 - 600, process2 - 400
8) Execute assessment cycle - $\boxed{\text{KSU5}}$

9)check cost center reports – KSB1

Abolition of Slavery Day (Mauritius)

observe that process1 and process2 Reports have been Generated Based on the SKF without effecting the p100 cost center report for Quality check Expenses.

Step-1

1)create Quality check exp GL account:– T-code: FS00

click on create.
GL account: 400014
co.cd : KBS
enter
Account Group: Expenses
Select P&L account
Short text: Quality check exp
long text: Quality check exp
Select only balances in local currency
Select line item display
Sort key: 001
Field status Group: G004
Save.
click on edit cost element
valid from: 01/04/2019
~~Primary~~ cost element category: 1
Save.

Step-2

2)Creation of costcenters:– T-code: KS01

cost center: process1
valid from: 01/04/2019
enter
Name: process1 cost center
Description: process1 cost center
persion Responsible: production manager
cost center category: 1
Hierarchy area: KBSSTDchy

currency : INR
enter & save
costcenter : process 2
valid from : 01/04/2019
enter
Name : process2 cost center
Description : process2 cost center
persion Responsible : production manager
costcenter category : 1
Hirarchy area : KBSSTDCHY
Currency : INR
enter & save.

Step-3

3) Create secondary cost element :- T-code : KA06

cost element : 1000 , enter
Name : Assessment cost element
Description : Assessment cost element
cost element category : 42 (Assessment)



enter & save.

NOTE : To change secondary cost element - KA02

Step-4

4) create statistical key figure :- T-code : KK01

statistical key figure : KBSNOU
enter
Name : KBS SKF no.of units
stat.key-fig. Unm : UN (unit)
save.

Step-5

5) Create Assessment cycle :- T-code : KSU1

cycle : QCASSE
start date : 01/04/2019
enter
Text : Quality check exp Assessment

click on attach segment.
Seg name: QCA / Quality check exp assessment
Ass. cost ele: 1000
sender rule: post amounts
share in: 100%
Receiver rule: variable portions
var. portion type: Actual statistical figures
senders/receivers:
cost center: P100
cost element: 400014
Receiver:
cost center: process1 to process2
Receiving trasing factor:
statistical key figure: KBSNOU
Receiving weighting factor:
process1: 100
process2: 100
save.

Step-6

(6) post quality check exp: - T-code: FB50
Document date: 22/04/2019

| GL account | Dr/Cr | Amount | costcenter |
|---|---|---|---|
| 400014 | Dr | 100000 | P100 |
| 200000 | Cr | * | |

enter & save.

Step-7

7) post actual SKF data: - T-code: KB31N
Rec. coster: process1
enter
Error: - Assign number range to RKS
Solution: - Go to KANK
Controlling area: KBS
click on Groups

Chinese New Year (Hong Kong, Indonesia, Mauritius, Singapore)

select Group
select RKS enter statistical keyfigure
Add element /Group
save.
Again go back to KB31N .
Rec.cctr : process1
stat.key.fig : KBSNOU
Qty : 600
Rec.cctr : process2
stat.key.fig : KBSNOU
Qty : 400
save.
NOTE: To Display of SKF document : KB33N
Step-8
8) Execute Assessment cycle :- T-code : KSU5
period : 1
Fiscal year : 2019
cycle : QCASSE
enter
Error :- Assign no.range to RKIU
solution :- go to KANK
Controlling area : KBS
click on Groups
select Group
select RKIU- actual overhead Assessment
Add element /Group
save.
Again go back to KSU5
period : 1
Fiscal year : 2019
Cycle : QCASSE
execute

Go back
remove test run
execute.

Step-9

9) check cost center reports: – T-code: KSB1

Cost center : p100
cost element : 400014.
execute.

| Posting date | cost element | cost element name | Doc. type | val. in. rep. curr | o.s type | o.s account |
|---|---|---|---|---|---|---|
| 22/4/2019 | 400014 | Quality exp | SA | 100,000 | S | 200000 |
| cost center p100 production cost center | | | | 100,000 | | |
| | | | | 100,000 | | |

cost center: process1
cost element: 1000
execute

| Posting date | cost element | cost element name | Doc. type | val. in. rep. curr | o.s type | o.s account |
|---|---|---|---|---|---|---|
| 30/4/2019 | 1000 | Assessment cost element | | 60,000 | | |
| cost center process 1 process1 cost center | | | | 60,000 | | |
| | | | | 60,000 | | |

Cost ~~center~~ center: process2
Cost element: 1000
execute

| posting date | cost element | cost element name | Doc. type | val. in. rep. curr | o.s type | o.s account |
|---|---|---|---|---|---|---|
| 30/04/2019 | 1000 | Assessment cost element | | 40,000 | | |
| Cost center process2 process2 cost center | | | | 40,000 | | |
| | | | | 40,000 | | |

(10) 23/04/2019

# INTERNAL ORDERS

Internal orders are used in senario's where we cannot use cost center accounting.

There are two types of internal orders

1) Statistical internal order

2) Real internal order.

**1) Type-1**

**1) Statistical internal order:** – Statistical internal order is used to generate further drill down reports for a cost center. The statistical internal order is not a real cost object and thus cannot take the cost directly.

**Example:** costcenter – S100

3 Delivery vans → free Delivery to customers up to 10kms.

for this we need to create a cost element Group.

Vechicle maintenance cost element Group:

1) petrol exp
2) Repairs exp
3) Insurance exp

} GLX cost elements

Reports we give as

CC VS cost element Group

S100 VS VMCEG

| Jan | feb | march |
|---|---|---|
| 7400 | 18900 | 27100 |

Cost objects.

Van1

Van2

Van3

To know the actual exp in each van we have to create individual internal order for each van. It will created to use temperer basis. It is not a cost object.

we post in GL like this in FB50

| GL account | Dr/cr | Amount | costcenter | order |
|---|---|---|---|---|
| Repairs Exp | Dr | 7000 | S100 | van1 |
| Repairs Exp | Dr | 8000 | S100 | van2 |
| Petrol Exp | Dr | 9000 | S100 | van3 |

without cost center we can not post the Internal oder.

Senario 1:-

We have a sales cost center S100 in which we have delivery vans that are used for delivery to ustomers we are maintaining vechicle maintainence cost element Group to track down the expenditure related to these vans.

It is observed that vechicle maintainence expenditure for these vans has been consistently increasing over the periods.

After analysis it was found that this was increase is on account of repairs of the delivery vans.

To reduce repair exp we want to identify the vans which are problemetic and replace them with new vans.

The cost center accounting is unable to provide information for taking this decision as to which vans to replace.

The van specifice expenditure data is not provided by cost center accounting, thus, we can create internal orders in the name of each of these vans and Generate the required information.

Step-1

1) Create internal order type :- T-code: KOT2

click on new entries.
order category: 01 (Internal order)
enter
order type: KBSS / KBS statistical internal order type
Budjet profile: 000001
object class: overhead costs.
Select release immidiately
Save.
we get message no. range not processed
Ignore the message press enter.
Select assign/change intervel button beside no. range interval
Double click order type: KBSS
select A-22222

● here we can create new Group or Add to old Group, here we can create by name also.

NOTE :- Order type controls the number range of the internal orders created under it. It also controls the status of the order.

Step-2

2) Create internal orders in the name of vans :- T-code : KO01

→ order type : KBSS
enter
order : KBS van1
Description : KBS van1
Go to control data
select statistical order.
save

→ order type : KBSS
enter
order : KBS van2
Description : KBS van2



Go to control data
select statistical order.
save.

→ order type : KBSS
enter
order : KBS van3
Description : KBS van3
Go to control data
select statistical order
save.

Note : To change Internal order KO02

→ Here we have to create GL accounts for petrol exp & repair exp and make them cost elements also. - FS00

Step-3

B) Create cost element Group :- T-code : KAH1

cost element Group : Vechmainexp
enter
vechmainexp : Vechicle maintanance cost element Group
click on cost element
Select 400002
Select 400010 to 400011
enter
400002 — Insurance exp
400010 — petrol exp
400011 — repairs exp
save.

Step-4

4) post GL accounts for Exp with Internal orders :- T-code : FB50

Document date :

| GL account | Dr/cr | Amount | cost center | order |
|---|---|---|---|---|
| 400010 | Dr | 2000 | S100 | KBS van1 |
| 400011 | Dr | 2000 | S100 | KBS van1 |
| 400002 | Dr | 4000 | S100 | KBSvan2 |
| 400010 | Dr | 2800 | S100 | KBSvan2 |
| 400011 | Dr | 11900 | S100 | KBSvan2 |
| 400002 | Dr | 3100 | S100 | KBSvan3 |
| 400010 | Dr | 2200 | S100 | KBSvan3 |
| 400011 | Dr | 2300 | S100 | KBSvan3 |
| 200000 | Cr | 33,300 | | |

enter & save.

Step-5

5) To see Reports :- T-code : KSB1

Cost center : S100
Cost element Group : vechmainexp
execute.

Step-6

(6) To see Internal order report :- T-code: KOB1

Order : KBS van1 to KBS van2

cost element Group : Vechmainexp

execute.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Layout | | AIAS – LIBE | | | | | |
| Order | | BGI VAN1.... | BGI VAN1.... | | | | |
| COarea currency | | INR | Rupee. | | | | |
| Document no | cost element | cost element name | val.in.rep.cur | Pum | O | off.a/c | Name |
| 10000000500 | 400002 | Insurance exp | 3000 | | S | 200000 | |
| 10000000500 | 400010 | Petrol exp | 2000 | | S | 200000 | |
| 10000000500 | 400011 | Repair exp | 2000 | | S | 200000 | |
| order BGIVAN1 | BGIVAN1 | ■ | 7000 | | | | |
| 10000000500 | 400002 | Insurence exp | 4000 | | S | 200000 | |
| 10000000500 | 400010 | petrol exp | 2800 | | S | 200000 | |
| 10000000500 | 400011 | Repair exp | 11900 | | S | 200000 | |
| order BG1 VAN2 | BGIVAN2 | ■ | 18700 | | | | |
| 10000000500 | 400002 | Insurance exp | 8100 | | S | 200000 | |
| 10000000500 | 400010 | petrol exp. | 2200 | | S | 200000 | |
| 10000000500 | 400011 | Repair exp | 2300 | | S | 200000 | |
| Order BGI VAN3 | BGIVAN3 | ■ | 7600 | | | | |
| | | ■■ | 33,300,00 | | | | |

(11) 24/04/2019

Type-2

2) Real internal order :- Real internal orders are used to collect the cost of a specific Job event or task. It is a real cost object which can take the cost directly.

Annual day

| Cost elements | costcenter | order |
|---|---|---|
| Rent → 10,00,000 | ~~S100~~ | KBSAD |
| Misc → 600,000 | ~~S100~~ | KBSAD |
| Wages → 800,000 | | KBSAD |

Event
in KBSAD
24,00,000
Settle this to cost center.

The settlement is a big process

allocation structure
⇓
Settlement profile
⇓
order type
⇓
orders

1) Allocation structure :- Allocation structure contains source cost elements through which expenditure is posted into the real internal order.

It also contains receiver categories for example cost centers, Assets, GL accounts to which the order will be finally settled.

Allocation structure is specified in the settlement profile.

2) Settlement profile :- Settlement profile contains distribution rules and the basis for the settlement of the order. i.e, percentage, Amount, numbers etc. It also contains residence time allowed for settlement documents.

Settlement profile is specified in the order type.

**3) Order type :-** order type controls the number range and status of the orders created under it.

The internal orders are created under the order type

**4) Settlement rule :-** Settlement rule is specified in the every real internal order created. It contains information about which cost centers and what percentage the settlement of order has to be done.

Source → KBSAD → Receiver

Source: 400000-400010

Receiver: cost centers
Basis - %
Distribution - 10

Allocation structure
↓
settlement profile
↓
order type
↓
KBSAD → Settlement rule
↓
F100 - 25%
H100 - 25%
P100 - 25%
S100 - 25%

**Step-1**

**1) Create allocation structure :-**

**Navigation :-** SPRO → Reference IMG → controlling → internal orders → actual postings → settlement → maintain allocation structure.

click on new entries

Allocation structure : KA

Text : KBS allocation structure.

Select KA

Total Defense Day (Singapore)

click on Assignements.
click on new entries
Assignement : 01
Text : cost elements
select 01
click on source
from costelement to cost element
400000 400100
click on settlement cost elements
click on new entries
Receiver cat : CTR
select by cost element.
save.

Step-2

2) Maintain settlement profile :-

Navigation :- SPRO → Reference IMG → controlling → internal orders → actual postings → settlement → maintain settlement profile.
click on maintain settlement profile.
click on new entries
Settlement profile : KBSSP | KBS settlement profile.
Allocation structure : KA
select % - settlement
select equivalence numbers
select Amount settlement.
cost center : Settlement optional
Doc. type : SA
Max. no. dist. rls : 10
Residence time : 3
Save.

Step-3

3) Create order type :- T-code : KOT2

click on new entries

order category : 01

enter

order type : KBSR | KBS Real internal order.

Settlement profile : KBSSP

Bud. pro : 000001

object class : overhead costs.

Select Release immidiately.

save.

click on no. range interval

select motor pool A to ZZZZZZZ

Double click on KBSR - KBS real internal order

Add element / Group

save.



Step-4

4) Create order :- T-code : KO01

order type : KBSR enter

order : KBSAD

Description : KBS Annual day internal order.

Here we don't select statistical order.

click on settlement rule.

| category | settlement receiver | % |
|---|---|---|
| CTR | F100 | 25 |
| CTR | H100 | 25 |
| CTR | P100 | 25 |
| CTR | S100 | 25 |

Save.

25/04/2019

Step-5

5) post annual day expenditure into the real internal order :- T-code : FB50

Document Date : 25/04/2019

| GL account | Dr/Cr | Amount | order |
|---|---|---|---|
| 400000 | Dr | 10,00,000 | KBSAD |
| 400001 | Dr | 6,00,000 | KBSAD |
| 400080 | Dr | 8,00,000 | KBSAD |
| 200000 | Cr | 24,00,000 | |

save.

Step-6

6) Check internal order report :- T-code : KOB1

order : KBSAD

cost element : 400000 to 400100

execute.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Layout | /ZIAS-LIBE | | | | | | |
| order | BG1AD | BG1 ANNUAL DAY INTERNAL ORDER | | | | | |
| CO area currency | INR | RUPEE | | | | | |
| Document.no | cost element | cost element name | Val.in.Rp.curr | PUM | O | O.a/c | Name |
| 1000000600 | 400000 | Rent exp a/c | 10,00,000 | | S | 200000 | |
| 1000000600 | 400001 | wages exp a/c | 6,00,000 | | S | 200000 | |
| 1000000600 | 400080 | Mis exp a/c | 8,00,000 | | S | 200000 | |
| order BG1AD BG1 Annual day internal order | | | ■ 24,00,000 | | | | |
| | | | ■■ 24,00,000 | | | | |

Step-7

7) Maintain no.ranges for settlement document :-

Navigation :- controlling → Internal orders → actual postings → settlement → maintain no.ranges for settlement documents.

click on maintain Groups

Select standerd acct. document

Double click on KBS

○ Add to element / Group
save.

Step-8

8) Assign no.range for business transaction KOAO :- T-code: KANK

controlling area : KBS
click on 'Groups'
click on KOAO Actual settlement
select Groups1 no.range
Add to element / Group
save.

Setep-9

9) Execute internal order settlement :- T-code: KO88

order : KBSAD
settlement period : 1
Fiscal year : 2019
processing type : Automatic
select check transaction data
execute.
click on detail lits
check sender & receiver
go back
remove test run
execute.

Step-10 Check internal order balance reports :- T-code: KOB1

Order : KBSAD
cost element : 400000 to 400100
execute.
Observe that the order balance has become ZERO.

Step-11 Check cost center report :- T-code: KSB1

Cost center : F100 to S100
Cost element : 400000
execute.
Observe that each expenditure divided into each cost center by Cost element

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Layout | | /ZIAS_LIBE | | | | | | |
| order | | BG1AD BG1 Annual Day Internal order | | | | | | |
| Co. area currency | | INR Rupee | | | | | | |
| Document no. | Cost element | cost element name | val. in. Rue. curr | PUM | O | O.a/c | Name | |
| 1000000600 | 400000 | Rent exp a/c | 10,00,000 | | | | | |
| 1000000601 | | Rent exp a/c | 2,50,000 - | | | | | |
| 1000000601 | | Rent exp a/c | 2,50,000 - | | | | | |
| 1000000601 | | Rent exp a/c | 2,50,000 - | | | | | |
| 1000000601 | | Rent exp a/c | 2,50,000 - | | | | | |
| 1000000600 | 400001 | wages exp a/c | 6,00,000 | | | | | |
| 1000000601 | | wages exp a/c | 150,000 - | | | | | |
| 1000000601 | | wages exp a/c | 150,000 - | | | | | |
| 1000000601 | | wages exp a/c | 150,000 - | | | | | |
| 1000000601 | | wages exp a/c | 150,000 - | | | | | |
| 1000000600 | 400080 | Misc exp a/c | 800,000 | | | | | |
| 1000000601 | | Misc exp a/c | 200,000 - | | | | | |
| 1000000601 | | Misc exp a/c | 200,000 - | | | | | |
| 1000000601 | | Misc exp a/c | 200,000 - | | | | | |
| 1000000601 | | Misc exp a/c | 200,000 - | | | | | |
| order BG1AD BG1 Annual day internal order · * 0.00 | | | | | | | | |
| ** 0.00 | | | | | | | | |

5

# Capital Budgeting & Availability Control

The concept of real internal orders can be used in combination with budgeting to setup availability controls and use them as a control mecanizam to control the cost associated with a order. This can be only applied to capital expenditure and not operating expenditure.

Budget — 50,00,000

New S.O — Real internal order

here we control expenditure by availabity controls.

⇒ If once budget reach to 70%
it gives warning (expenditure is used by 70%)

⇒ If budget reach for 90%
it gives warning & email

⇒ If it reach for 100%
it should give error to post (not allowed for posting entries)

300,000
700,000
100,000
+
35,00,000
+
45,00,000
+
0

3 29/04/2019

1) Create a new sales office (newso) real internal order. KO01
2) Assign budget for the order - KO22

Step-1

1) create new sales office :- T-code: KO01

Order type : KBSR

enter

Order : newso

Description: new sales office

click on control data

click on settlement rule

Category : CTR

Settlement receiver : S100

% : 100

Save & enter

Step-2

2) Budget for the order :- T-code : KO22

order : new30

click on original budget

overall : 1000000

2019 : 1000000

save

again click on original budget

Go to extras → Availability control → Activate.

Save.

Step-3

3) Define tolerance limit for Availability control :-

Navigation :- SPRO → Reference IMG → controlling → internal orders → budgeting & availability control → Define Tolerance limits for Availability control.

click on new entries

| controlling area | budget profile | Tr. Group | Action | usage in % |
|---|---|---|---|---|
| KBS | 000001 | ++ | 1 | 70 |
| KBS | 000001 | ++ | 2 | 90 |
| KBS | 000001 | ++ | 3 | 100 |

enter & save.

Step-4

4) Specify exmpt cost elements from availability control :-

Navigation :- SPRO → Reference IMG → controlling → internal order → budgeting & availability control → Specify exempt cost elements from availability control.

controlling area : KBS

cost element : 400002 (Insurance exp)

enter

save.

Step-5

5) maintain budget manager :-

Navigation :- SPRO → Reference IMG → controlling → internal orders → budgetting & availability control → maintain budget manager.

click on new entries

controlling area : KB's

order type : KBSR

object class : ocost (overhead cost)

username : sapuser.

Step-6

6) post expenditure related to the new sales office :- T-code : FB50

Document date : 29/04/2019

| GLaccount | Dr/cr | Amount | order |
|---|---|---|---|
| 400001 | Dr | 600,000 | KBSnewSO |
| 200000 | cr | 600,000 | |

save.

Step-7



7) To see order balance :- T-code : KOB1

order : KBSnewSO

cost element : 400000 to 400100

execute.

Step-8

8) posting further expenditure :- T-code : FB50

Document date :

| GLaccount | Dr/cr | Amount | order |
|---|---|---|---|
| 400001 | Dr | 200000 | KBSnewSO |
| 200000 | cr | 200000 | |

It gives warning message : Item 001 order KBSnewSO budget almost exhausted.

enter & save.

Step-9

9) post furthur expenditure :- T-code : FB50

Document date : 29/04/2019

| GL account | Dr/cr | Amount | order |
|---|---|---|---|
| 400001 | Dr | 150,000 | KBSnewSO |
| 200000 | cr | 150,000 | |

It gives warning message : Item 001 order KBSnewSO budget almost exhausted.

enter & save.

And it gives a mail also

To check mail

Go to SAP EAsy Access Screen

click on SAP business workplace (ctrl+F12)

click on inbox

click on unread document

open KBSnewSO document

| | |
|---|---|
| Budget control order BC1newSO | |
| Created | on 29.04.2019 12:24:57 |
| Accounting document 1000000028/BC1/2019 | |
| The assigned funds are 50,000 INR less than the budget for fiscal year 2019 in-document item 001 order BC1newSO. | |

Step-10

(10) To post furthur expenditure :- T-code : FB50

Document date : 29/4/2019

| GL account | Dr/cr | Amount | order |
|---|---|---|---|
| 400001 | Dr | 50,000 | KBSnewSO |
| 200000 | cr | 50,000 | |

it gives warning message : Item 001 order KBSnewSO budget exceeded

- It gives mail again

| |
|---|
| Budget control order BCIL newSO |
| created on 29.04.2019 12:29:57 |
| Accounting document 1000000029 /BCIL/2019. |
| In document item 001 order BCILnewSO, budget for fiscal year 2019 is exhausted. |

Step-11

11) post another expenditure for newSO :- T-code: FB50

Document date: 29/04/2019

| GL account | Dr/Cr | Amount | order |
|---|---|---|---|
| 400001 | Dr | 1000 | KBSnewSO |
| 200000 | Cr | 1000 | |

it gives error message: Item 001 order KBSnewSO budget exceeded.
It won't alow to post after budget exceeded.
Here we can post exempted cost element for KBSnewSO

Step-12

12) post exempted cost element expenditure in new sales office :- T-code: FB50

Document date : 29/04/2019

| GL account | Dr/Cr | Amount | order |
|---|---|---|---|
| 400002 | Dr | 20,000 | KBSnewSO |
| 200000 | Cr | 20,000 | |

enter & save.

Step-13

13) To see newSO Balance :- T-code: KOB1

Order : KBSnewSO
cost element : 400000 to 400100
Execute.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Layout | | /ZJAS_LIBE | | | | | | |
| Order | | BG1newSO | new sales office | | | | | |
| coarea currency | | INR | Rupee. | | | | | |
| Documentno | cost element | costelementname | valin rup cur | pum | o | off a/c | Name | |
| 1000000800 | 400001 | wages exp a/c | 50,000 | | | | | |
| 10000000700 | | wages exp a/c | 600,000 | | | | | |
| 1000000701 | | wages exp a/c | 150,000 | | | | | |
| 1000000702 | | wages exp a/c | 200,000 | | | | | |
| 1000000801 | 400002 | Insurance a/c | 20,000 | | | | | |
| order BG1newSO | new sales office | | ■ 10,20,000,00 | | | | | |
| | | | ■■ 10,20,000 | | | | | |

(4) 30/04/2019 **Profit Center Accounting.**

**profit Center Accounting:-**

profit Center Accounting can be used to Generate financial statements at profit center level.

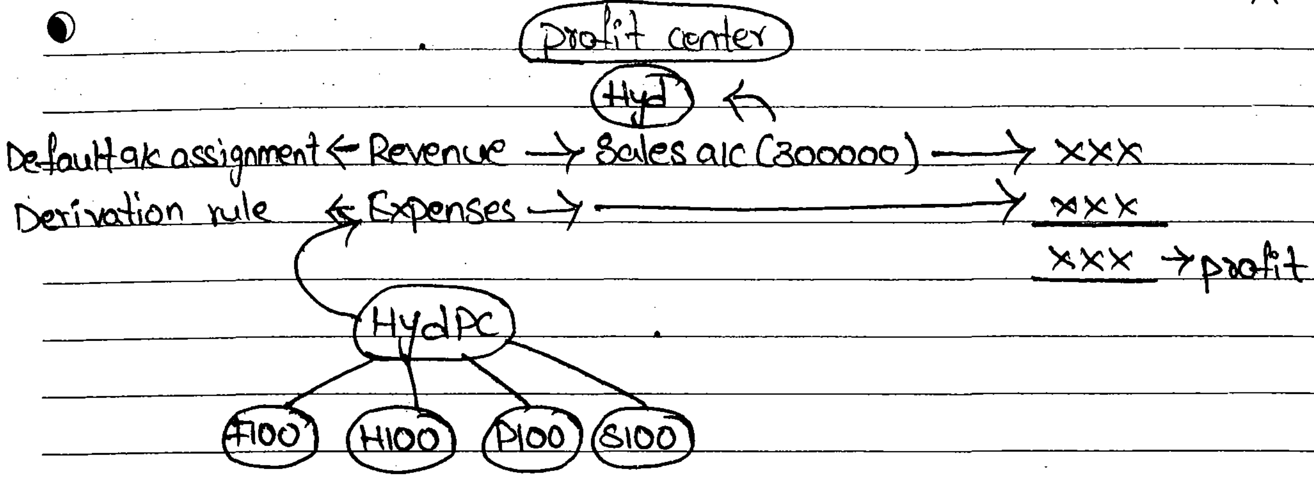
A profit center can be defind as a place where both revenues are Generated and expenses are incurred. The difference between these two can be understood as the profit Generated for a profit center.

**Revenues flow into profit center:-**

The revenues to a profit center are collected through default account assignment -OKB9 where sales account is Assigned to profit center.

**Expenses flow into profit center:-**

The expenses are updated to profit centers through derivation rule. The profit center is assigned in the cost center master record. Every time a cost center is assigned during an expense posting, the profit center is also updated automatically. This is called as derivation rule.




Steps involved in profit center accounting.

1) set controlling area $\boxed{\text{OKKS}}$
2) maintain controlling area settings $\boxed{\text{OKE5}}$
3) Create Dummy profit center $\boxed{\text{KE59}}$
4) set control parameters for actual data $\boxed{\text{1KEF}}$
5) Define no. ranges for local profit center documents $\boxed{\text{GB02}}$
6) create hyd profit center & activate it $\boxed{\text{KE51}}$
7) Derivation rule : Assign HydPC in cost center $\boxed{\text{KS02}}$
8) Create sales revenue account $\boxed{\text{FS00}}$
9) make sales revenue as revenue cost element (category-11) $\boxed{\text{FS00}}$
10) Default account Assignment : Assign sales revenue account 300000 to HYDPC $\boxed{\text{OKB9}}$
11) create account Groups for profit and loss items $\boxed{\text{KDH1}}$
12) plan for profit and loss items for HYDPC $\boxed{\text{7KE1}}$
13) post actual sales revenues $\boxed{\text{FB50}}$
14) post actual expenses $\boxed{\text{FB50}}$
15) check variance : plan vs actuals $\boxed{\text{S\_ALR\_87013326}}$

$\boxed{\text{Step-1}}$

$\boxed{\text{1) Set controlling area :}}$ – $\boxed{\text{T-code : OKKS}}$

controlling area : KBS
enter

Step-2

2)maintain controlling area settings:- T-code: OKE5

Standard Hierarchy : KBSPCchy
select elim. of int. business vol.
profit center Local currency: 20
select store transaction currency.
save.

Step-3

3)Create Dummy profit center:- T-code: KE59

Dummy profit Center: Dummy PC
click on basic data
name: Dummy PC
Description: Dummy profit center
persion Responsible: profit center manager
profit center Group: KBSPCchy
save.

Step-4

4)set control parameters for actual data:- T-code: 1KEF

click on new entries
from year: 2000
select line items
select online transfer
save.

Step-5

5)Define noranges for local profit center documents:- T-code: GB02

click on Groups
select actual account document
Go to Intervel → maintain
company code: KBS
enter
click on insert intervel
year: 2019
From no: 100000

To number: 199999
enter & save
Select planning document
go to intervel → maintain
co.cd: KBS
enter
click on insert intervel
year: 2019
From no: 200000
To no: 299999
enter & save.

[Step-6]

[6) Create hyd profit center & activate it :-] [T-code: KE51]

profit center: HYDPC
enter
Analysis period: 01/04/2019 to 31/12/9999
Name: HYDPC



long text: Hyderabad profit center
persion Responsible: profit center manager
profit center Group: KBSPcchy
click on activate
save.

[Step-7]

[7) Derivation rule: Assign HYDPC in cost center :-] [T-code: KS02]

cost center: F100 enter
profit center: HydPC
save.
cost center: H100 enter
profit center: HydPC
save.
cost center: P100 enter
profit center: HydPC

Save
cost center: S100
enter
profit center: HYDPC
save.

Step-8

8) Create Sale revenue account:- T-code: FS00
we created already a sales revenue account.

Step-9

9) make sales revenue as revenue cost element:- T-code: FS00
Select sales revenue account
click on edit
change Field Status Group: G029 (revenue accounts)
save.
again click on edit
click on edit cost element
Valid from: 01/04/2019 & enter
element category: 11 (revenue)
save.

Step-10

10) Assign sales revenue account to HYDPC:- T-code: OKB9
click on new entries
company code: KBS
cost element: 300000
profit center: HydPC
save.

Step-11

11) Create account Groups for profit and loss items:- T-code: KDH1
Account Group: P&L items
enter
PLI items: profit and loss items
click on Assign Account
select 300000 to 499999
enter & save.

Step-12 (Carnival, Angola, Argentina)

(12) plan for profit and loss items for HYDPC :- T-code: 7KE1

version : 0
From period : 1
To period : 1
Fiscal year : 2019
Company code : KBS
profit center : HYDPC
Account Group : PLItems
select from-based.
click on overview
Sales exp a/c : 500000-
Rent exp a/c : 200000
Wages exp a/c : 180000
Insurance exp a/c : 20000
misc exp a/c : 10000
enter & save.

Step-13

(13) post actual sales revenues :- T-code : FB50

Document date : 30/04/2019

| GLaccount | Dr/Cr | Amount |
|---|---|---|
| 200000 | Dr | 550000 |
| 300000 | Cr | 550000 |

save.

Step-14

(14) post actual expenses :- T-code : FB50

Document date : 30/4/2019

| GLaccount | Dr/Cr | Amount | costcenter |
|---|---|---|---|
| 400000 | Dr | 200,000 | F100 |
| 400001 | Dr | 210,000 | H100 |
| 400002 | Dr | 24,000 | P100 |
| 400003 | Dr | 7,000 | S100 |
| 200000 | Cr | 4,41,000 | |

enter & save.

Step-15

15) Check variance: plan vs actuals:- T-code: S_ALR_87013326

From period: 1
To period: 1
Fiscal year: 2019
plan version: 0
profit center: HYDPC
profit+loss acct Group: PLItem
execute.

| | | |
|---|---|---|
| Header | selection date | General data selection |
| Controlling area | BG1 | BG1 controlling area |
| | <> | <> |
| Account number | PL ITEMS | profit and loss item |
| plan version | 0 | plan/actual version |
| | 1 1 2019 | |
| Header | selection date | General data selection |
| profit center Grp: plan/Actual/variance | | current data (30.4.2019 11:22:58) |
| Header | selection date | General data selection |
| profit center | HYDPC | Hyderabad profit center |
| Ledger | 8A | profit center accounting |

| Navigation | | | | | | |
|---|---|---|---|---|---|---|
| Accountno | Accountno | | plan | Actual | variance | %vari |
| • period | ▼PLItems | profit+loss item | 90.000,00- | 109,000,00- | 19.000- | 21 |
| • profit center | • 300001 | sales revenue | 500,000,00- | 550.000- | 50.000- | 10 |
| • partner pc | • 400000 | Rent a/c | 200,000,00 | 200.000,00 | 0 | 0 |
| • cocd | • 400001 | wages a/c | 180.000,00 | 210.000,00 | 30.000 | 17 |
| • Funct. area | • 400002 | Insurance a/c | 20.000,00 | 24,000,00 | 4.000 | 20 |
| • originobj | • 400003 | misc exp a/c | 10.000,00 | 7.000,00 | 3.000- | 30- |
| • plant | | | | | | |
| • Rep. mate | | | | | | |

(5) 02/05/2019

# FI-MM-INTEGRATION

we do Integration for FI-MM to update the movements of Material management to Finance. It will be updated by real time basis.

| Finance | MM |
|---|---|
| Accounts | purchase of material |
| RM a/c | Storage of material |
| Finished goods a/c | issue |

Tyres - raw material
each 100 Rs/-

| Dr | RM a/c Cr |
|---|---|
| 10000 | 2000 |
| 5000 | |

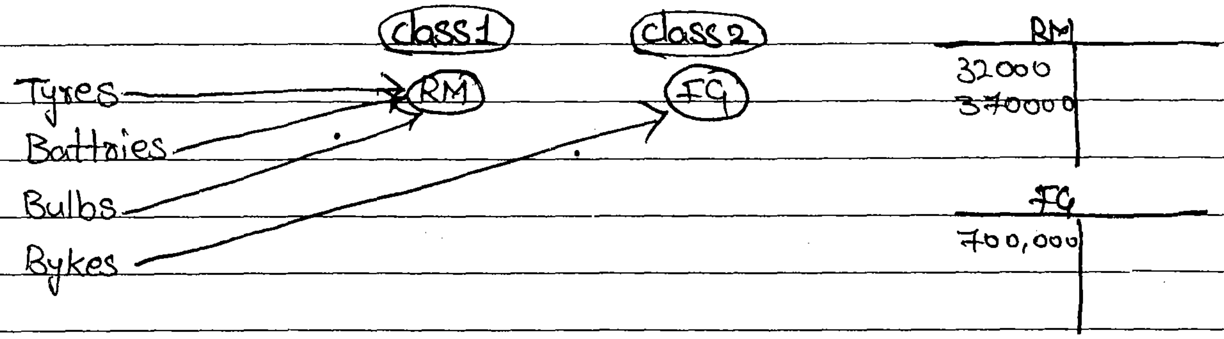
Qty - 100 Tyres
+50
150
-20 → Issued to production
130

**Movement:**- Something will come in & something will go out.
How entries will be posted in Finance

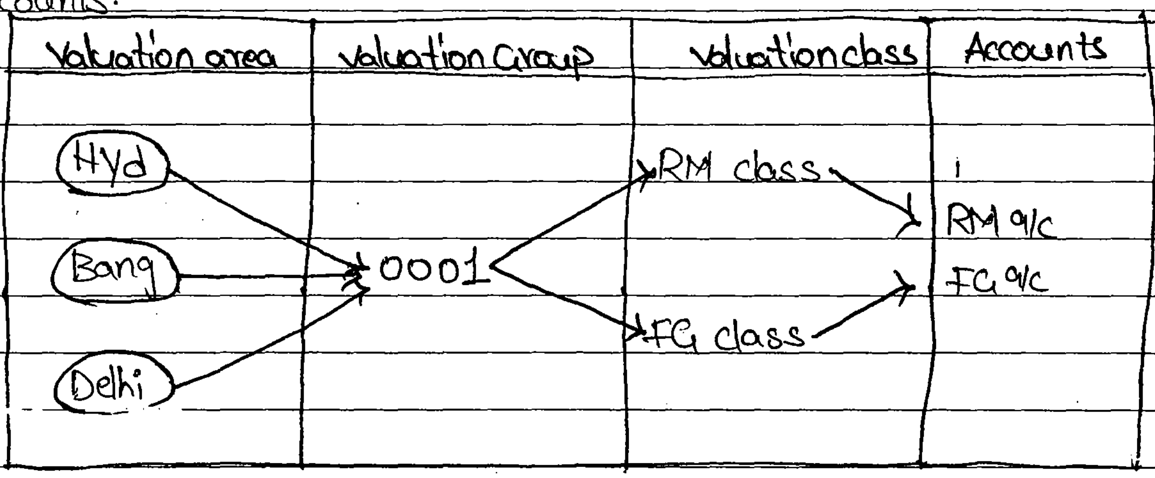
**Valuation area:**- valuation area is the level at which we want to valuate the material. It is useally plant.

| Valuation area | Qty | RM class | P.U. cost | T. cost | |
|---|---|---|---|---|---|
| Hyd | 100 | tyres | 110 | 11000 | |
| | 100 | battries | 1000 | 100,000 | |
| | 10 | Bykes | 50000 | | 500,000 |
| Bang | 100 | tyres | 80 | 8000 | |
| | 100 | battries | 1200 | 120000 | |
| | 5 | bykes | 40,000 | | 200,000 |
| Delhi | 100 | tyres | 130 | 13000 | |
| | 100 | battries | 1500 | 150000 | |

**Valuation Class:-** The materials used in a company code are grouped into different valuation classes based upon which the GL accounts will be updated.




**Valuation Grouping code:-** When we follow same chart of accounts for numbers of company codes, Instead of assigning accounts number of times, assign only one time by using valuation Grouping code. Every valuation area linkup with Grouping code to update the accounts.




All these entries will autometically updated through transaction key.

**Transaction key:-** at the time of integration between MM&FI system automatically generates FI documents, to enable this process we need to assign GL accounts to transactions keys for automatic postings.

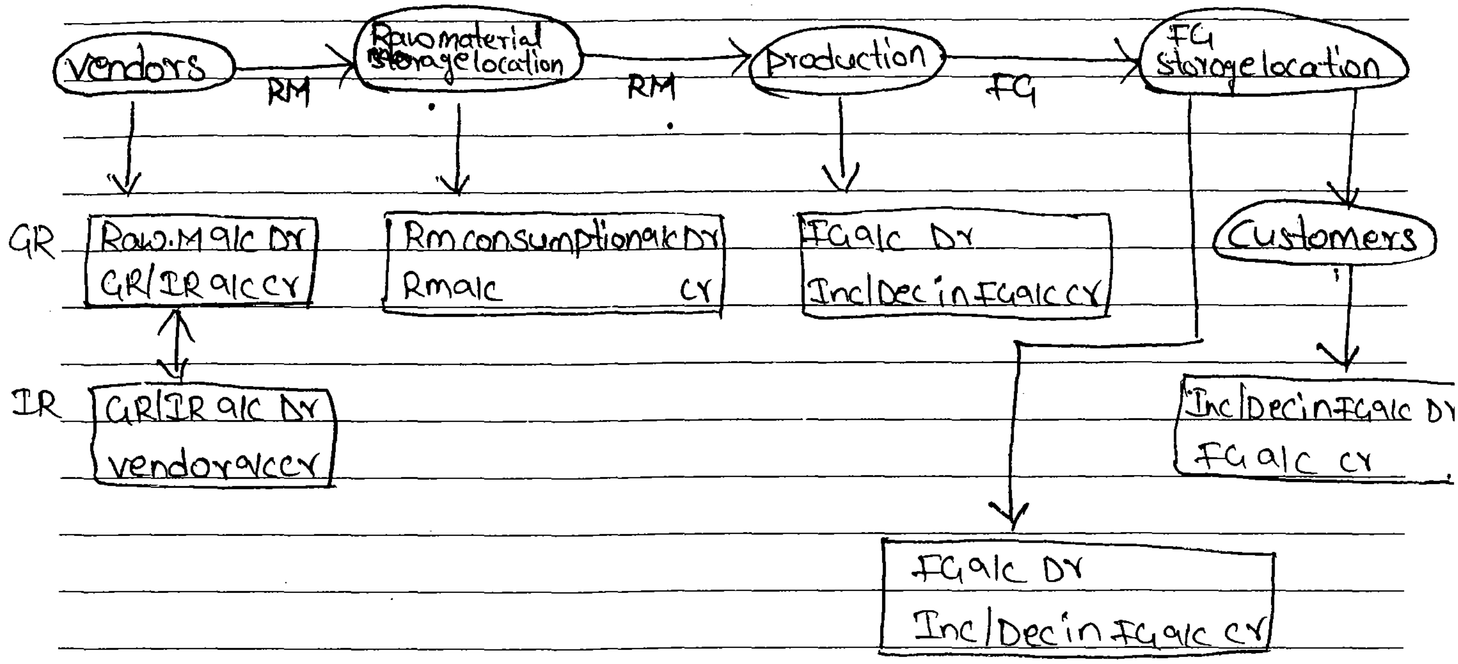
BSX → Inventory posting

WRX → GR/IR (Goods receipt/Invoice receipt Clearing)

GBB VBR → RM Consumption

All transaction keys are assigned in OBYC screen

## MOVEMENT OF GOODS




GR → Goods Receipt
IR → Invoice Receipt.



GR/IR is used to cross check our Goods receipt with Invoice Receipts

⑥ 03/05/2019

To Do FI-MM Integration we need to do
1) MM Consultant Jobs
2) FI consultant Jobs
3) END user Jobs.
4) P2P cycle – procure to pay cycle.

**1) MM consultant Jobs:-**

1) Define plants - OX10
2) Define Division - OVXB
3) Maintain Storage location - OX09
4) Maintain purchase organisation - OX08
5) Assign plant to company code - OX18
6) Assign purchase organization to company code - OX01
7) Assign purchase organization to plant - OX17
8) Create purchasing Group - OME4
9) Define material Group - OMSF
10) Maintain company code for material management - OMSY
11) Define attributes of material types - OMS2
12) Set Tolerance limit for price variance for purchase order. - S_ALR_87002196
13) Define plant parameters - SPRO
14) set tolerance limits for Goods receipt - OMC0
15) Maintain default values for Tax codes - OMR2
16) Set Tolerance limits for Invoice verification ~~Goods receipt~~ - OMR6
17) Define Automatic status change - SPRO
18) Edit po supplement text in Invoice verification - OMR8
19) Assign valuation Grouping to valuation areas - OMWD
20) Define valuation classes - OMSK

**Step-1**

**1) Define plants:-** T-code: OX10

**Navigation:-** SPRO → Reference IMG → Enterprise structure → Definition → Logistics → Define, copy, delete, check plant.

**Plant:-** plant is an operating area or branch with in a company.

National Day (Mauritius), Youth Day (Zambia)

click on Define plant
click on new entries
plant : KBS
Name 1 : KBS plant
Factory calendar : 01
save
Name : KBS plant
search term : Hyderabad
street : SAP street
H.NO : 5-72/1
City : Hyderabad
postal code : 500072.
save.

Step-2

2) Define Division : — T-code : OVXB

Navigation : — SPRO → Reference IMG → Enterprise structure → Definition → logistics-General → Define, copy, delete, check division.

click on Define Division
click on new entries
Division : D1
Name : Division1
enter & save.

Step-3

3) Maintain storage location : — T-code - OX09

Navigation : — SPRO → Reference IMG → Enterprise structure → Definition → → material management → maintain storage location.

Storage location : — Storage location is a location/place where we store the materials.

plant : KBS
enter
click on new entries
S.loc : RM1

Description: RM storage . location

sloc: FG1

Description: FG storage location

Save.

Step-4

4) Maintain purchase organization :- T-code: OX08

Navigation:- SPRO → Reference IMG → Enterprise structure → Definition → material management → maintain purchaseing organization.

purchaseing organization:- purchase organization is the organizational unit responsible for making the purchase of a material.

click on new entries

purchase organisation : KBPO

Description: KBS purchase organization

enter & save.

Step-5

5) Assign plant to company code:- T-Code: OX18

Navigation:- SPRO → Reference IMG → Enterprise structure → ~~Definition~~ → Assignment → logistics-General → Assign plant to co.cd.

click on new entries

co.cd: KBS

Plant: KBS

enter & save.

Step-6

6) Assign purchase organisation to co-cd :- T-code: OX01

Navigation:- SPRO → Reference IMG → Enterprise structure → Assignement → material management → Assign purchase organisation to co.cd.

Position: KBPO

enter

co.cd: KBS

enter

Save.

Step-7

7) Assign purchase organisation to plant :- T-code : OX17

Navigation :- SPRO → Reference IMG → Enterprise structure → Assignement → material management → Assign purchase organization to plant.

click on new entries

purchase organisation: KBPO

plant : KBS

enter & save.

Step-8

8) Creating purchasing Group :- T-code : OME4

click entries

purchasing Group : KBP

Description: KBS purchasing Group

enter & save

step-9

9) Define material Group :- T-code : OMSF

Material Group — searching purposes

Material Type — To ~~view~~ views the screens

Material valuation class — valuation purposes (Accounting purposes).

click on new entries

material Group : KMG

Description: KBS material group

enter & save.

step-10

10) maintain cocd for material management :- T-code : OMSY

position : KBS & enter

year : 2019

period : 2

Select ABP (allow backdated posting period).

enter

save.

(17) 06/05/2019

Step-11

11) Define attributes of material types:- T-code: OMS2

position: ROH
enter
select ROH
click on Quantity updation and value updating
position: Valueation area: KBS
enter
select Qty updating
select value updating
save
go back
position: FERT
enter
select FERT
click on Quantity /value updating
position: KBS
enter
select Qty updating
select value updating
save.

Step-12

12) Set tolerance limit for price variance for PO:- T-code: S_ALR_87002196

position: 1000
enter
select 1000 for PE & SE
click on copy
change company code to KBS.
enter
For SE also change co.cd to KBS.
enter
save.

Step-13

13) Define plant parametars:-

Navigation:- SPRo → Reference IMG → material management → Inventory management and physical inventory → plant parametars.

position: 1000

enter

Select 1000

Click on copy

Remove 1000 put KBS

enter & save.

Step-14

14) Set tolerance limits for Goods Receipt:- T-code: OMCO

position: 1000

enter

Select 1000 for B1, B2, VP

Click on copy

Remove 1000 put KBS for B1

enter



Remove 1000 put KBS for B2

enter

Remove 1000 put KBS for VP

enter

save.

Step-15

15) maintain default values for tax codes:- T-code: OMR2

Click on new entries

company code: KBS – Default tax code

enter & save

Step-16

16) Set tolerance limits for invoice verification:- T-code: OMR6

position: 1000

enter

Select 1000 for BD, ST, PP

click on copy
Remove 1000 put KBS for BD
enter
Remove 1000 put KBS for ST
enter
Remove 1000 put KBS for PP
enter
Save.

Step-17

17) Define automatic Status change: - T-code:

Navigation: - SPRO → Reference IMG → material management → Logistics invoice verification → Invoice verification in background → Define automatic Status change.

click on new entries
company code: KBS
enter
save.

Step-18

18) Edit PO Supplement text in Invoice verification: - T-code: OMR8

click on notifiable order text types
click on new entries
company code: KBS
ID: pricing types (F03)
Company code: KBS
ID: Terms of payment (F07)
enter & save.

step-19

19) Assign valuation Grouping to valuation areas: - T-code: OMWD

position: KBS
enter
Val. Grp. code: 0001
enter & save.

Step-20

20) Define valuation classes:- T-code : OMSK

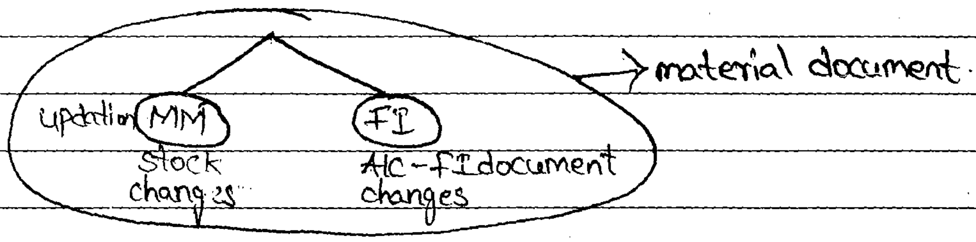
click on valuation classes
select 3000 (Raw materials 1)
click on copy
change valuation class : KBRM
Description: Raw materials class KBS
enter & save
select 7920 (finished goods)
click on copy
change valuation class : KBFG
Description: Finished products KBS
enter & save.

2. FI CONSULTENT JOBS:-

1) create 5 GL accounts - FS00
a) RM a/c
b) FG a/c
c) GR/IR a/c
d) RM consumption a/c
e) Inc/dec in FG a/c.
2) Assign the GL accounts for account determination - OBYC
a) BSX ------ RM a/c
FG a/c
b) WRX ------ GR/IR a/c
c) GBB ------ VBR ------ RM consumption a/c
(always offsetting a/c) ZOF ------ Inc/Dec in FG a/c
VAX ------ Inc/Dec in FG a/c
3) Define no ranges for material documents for the current calender year - OMBT
4) Define no. ranges for Doc types - OBA7

a) WA - goods issued - 49
b) WE - goods Receipt - 50
c) RE - invoice Receipt - 51

Material document :-
It is a higher level document, which contains data about material updations and FI documents Generated as a result of mm activity.




(18) 13/05/2019

Step-1

1) Create GL accounts :- T-Code: FS00
click on create
account no: 250000
co.cd: KBS , enter
Group: Assets
select Balance sheet account
Short text: INV RM a/c
long text: Inventory raw material a/c
Select only balances in local currency
Select line item display
Sort key: 001
Field status Group: G006
Select post automatically only.
Save.
click on create
account no: 251000
co.cd : KBS
enter

Group : Assets
select balance sheet account
short text : Inv. FG a/c
long text : Inventory finished goods a/c
only balances in local currency .
select line item display
sort key : 001
Field status Group : G006
Select post automatically only
save
click on create
account no : 150000
co.cd : KBS
enter
Group : Liabilities
select balance sheet account
short text : GR/IR a/c
long text : Goods receipt / Invoice receipt a/c
select only balance in local currency
select line item display
sort key : 014 (purchase order)
Field status Group : G045
Tax category : *
select posting without tax allowed
select openitem management
select post automatically only
save.
click on create
account no : 450000
co.cd : KBS
enter
Group : Expenses

Select p&l account
short text : RM consumption a/c
long text : raw material consumption a/c
select only balances in local currency
select line item display
sort key : 001
Field Status Group : G003
Select post automatically only
save.
click on create
GL account : 350000
co.cd : KBS
enter
Group : Incomes
Select P&L account
short text : Inc/dec in FG a/c (COGM - cost of Goods manufactured)
long text : Inc/dec in Finishied Goods a/c
Select only balances in local currency
select line item display
Sort key : 001
Field status Group : G080
Select post automatically only
Save.

Step-2

2) Assign the GL accounts for account determination :- T-code : OBYC

1) BSX – Inventory posting
click on BSX
chart of accounts : KBCA
Select valuation modification
select valuation class
Save.

| Valuation Grouping code | valuation class | Account |
|---|---|---|
| 0001 | KBRM | 250000 |
| 0001 | KBFG | 251000 |

enter & save.

2) WRX – GR/IR clearing a/c

click on WRX

save

account: 150000

enter & save.

3) GBB – offsetting entry for inventory posting

click on GBB

Select General modification

select valuation modification

select valuation class

save.

| valuation modification | General modification | valuation class | Account |
|---|---|---|---|
| 0001 | (consumption) VBR | KBRM | 450000 |
| 0001 | (FG received from prod) ZOF | KBFG | 350000 |
| 0001 | (FG Deliverd to customer) VAX | KBFG | 350000 |



enter & save.

Class-3

3) Define no. range for material document type:- T-code: OMBT

Note:- material document no. range will be maintained for a calender year (not financial year).

click on Groups

Select material document for goods movements

Give no. range for calandar year or it is created already in higher level means above company code.

Select material document for goods receipts

Give no. range or it is already created in above company code.

Save.

(19) 14/05/2019

Step-4

4) Define Document types for Finance :- T-code : OBA7

we have to give Document types for
WA - Goods issue - 49
WE - Goods Receipt - 50
RE - Invoice Receipt - 51
click on number range intervel
co.cd : KBS
click on Add intervel
click on insert intervel

| No | year | From no. | To no. | current no. |
|---|---|---|---|---|
| 49 | 2019 | 4900000000 | 4999999999 | 0 |
| 50 | 2019 | 5000000000 | 5099999999 | 0 |
| 51 | 2019 | 5100000000 | 5199999999 | 0 |

enter & save.

3) End User Jobs :-

1 create material master record MM01
2) create central vendor master record XK01
3) open & close material periods MMPV

Material master record :- a material master record is created for every material that is used in the company code. It contains details about material group, valuation class, purchase organization, purchase group, price control etc.

Step-1

1) create material master record :- T-code : MM01

material : KBSRM1
Industry structure : mechanical engineer
material type : Raw material
enter
select Basic data 1
select Basic data 2

select MRP1
select MRP2
select MRP3
select MRP4
select General plant data/storage1
select General plant data/storage2
select Accounting 1
select Accounting2
select costing 1
select costing2
enter
plant : KBS
storage location: RM1
enter
material : KBS rawmaterial 1
Basic unit of measure: KG
material Group : KMG
Gross weight: 1
Net weight: 1
click on purchasing
purchasing Group : KBP
Material requirement planning type (MRP): ND (no planning)
click on MRP2
planned delivery time: 1
click on Accounting 1
valuation class: KBRM
price control: V
1) standard price 2) moving average price / periodic unit price
moving price: 100
save
material KBSRM1 created.

Step-2

2) Create central vendor master record: T-code: XK01

FI vendor: who can be used in FI ← company code data, General data.

central vendor: central vendor is vendor who can be used by FI and MM ← General data, Co.cd data, Purchase organisation data.

vendor: 9000000006
company code: KBS
purchase organization: KBPO
enter
Order currency: INR
select GR-Based inv. verification
save.

Step-3

3) Open & close material periods: – T-code: MMPV
From co.cd: KBS
period: 2
Fiscal year: 2019
execute.

4) P2P Cycle: procure to pay cycle:
1) create purchase order ME21N
2) Goods receipt against the purchase order MIGO
3) Invoice receipt MIRO
4) vendor payment – F-53 / F110
For purchase order – no accounting entry.

29 15/5/2019

Step-1

1) Create purchase order: – T-code: ME21N
Vendor: 9000000006
click on header
purchasing organisation: KBPO
Purchasing Group: KBP

Co.cd : KBS
click on item overview
item : 1
material : KBS Raw material 1
po Quantity : 100
Net price : 100
plant : KBS
stor. location : RM1
enter
click on check option
save
if we save it gives po no.
standard po created under the number 4500017190.

$\boxed{\text{Step-2}}$

$\boxed{\text{2) Goods receipt against the po :}}$ $\boxed{\text{T-code : MIGO}}$

purchase order no: 4500017190
enter
select item ok
click on check
it gives information Document is ok
click on post
it gives information material document 2000000080 posted.
go back & again go to MIGO
Removes Goods receipt and put display.
enter
click on document information
click on F.I document

$\boxed{\text{entry is}}$

89 → Dr → 250000 → Inv rm a/c → 10000
96 → Cr → 150000 → GR/IR a/c → 10000

Step-3

3) Invoice receipt:- T-code: MIRO → po based invoice

Invoice date: 15/05/2019
Amount: 10000
purchase order no: 4500017190
enter
Tax code: 0%
payment terms: 0001
enter
save
it gives information Document no 5105608812 created.

Entry is

Dr → 86 → GR/IR a/c → 10,000
Cr → 31 → vendor a/c → 10,000

NOTE:

There are two types of Invoices
1) po Based invoice → Invoices comes from MM side.
2) Non po Based invoice. → Invoices comes from FI side.

Step-4

4) payment to vendor:- T-code: F-53/F110

Date: 15/05/2019
Account: 200000
Amount: 10000
vendor: 90000000006
Click on process open items
Save.

Entry is

25 → Dr → vendor → 10000
50 → Cr → Bank → 10000

(21) 16/05/2019

# Price Differences

⇒ If the price control is 'S' - standard

⇒ Difference between material master price and purchase order price
⇒ If material master price is 100 and purchase order price is 110. if the quantity of 100kgs is purchased 110.
⇒ The entry at the time of goods receipt will be

| | | |
|---|---|---|
| RM a/c | Dr — | 10,000 |
| price difference a/c | Dr — | 1000 |
| GR/IR a/c | Cr — | 11,000 |

⇒ The difference between purchase order price and invoice price
⇒ If purchase order price is 110 and invoice receipt will be

| | | |
|---|---|---|
| GR/IR a/c | Dr — | 11000 |
| price difference a/c | Dr — | 1000 |
| vendor a/c | Cr — | 12000 |



T/N MM02
material: KBSRM1
enter
Accounting 1 tab
price control is 'v'
we will create a new material with price control as 's'.

1) To create material master recorod:- T-code: MM01
material : KBSRM2
Industry: mechanical & engineering
material type: Raw material
enter
Select Basic data 1
select Basic data 2

Select MRP1
select MRP2
select MRP3
select MRP4
Select General data/storage1
select General data/storage2
Select Accounting 1
Select Accounting 2
select costing 1
Select costing 2
enter
plant: KBS
location: RM1
enter
material: KBSRM2 KBS material 2
Base unit of measurement: kgs
material Group: KMG
Gross weight: 1
net weight: 1
weight units: KG
Division: D1
purchasing
purchasing group: KBP
material Group: KMG
MRP 1
MRP type: ND (no planning)
MRP2
planned Delivery data: 1
Accounting 1
valuation class: KBRM
price control: S(standard)
standard price: 100
enter

There are three prices
⇒ Material master price
⇒ purchase order price
⇒ Invoice price.
* price difference account is a P&L item.

2) To create purchase order :- T-code : ME21N
vendor : 9000000006
Expand header
purchase organisation : KBPO
purchase Group : KBP
co.cd : KBS
expand item overview
item : 1
material : KBSRM2
Quantity : 100
Delivery date : 16/5/2019
Net price : 110 (check this again)
plant : KBS
storage location : RM1
click on check
save
po created with no : 4500017192.

3) To create Goods receipt :- T-code : MIGO
Here we will get error as we didnot create price difference account and assign it.

3) To create price Difference account :- T-code : FS00
click on create
GL account : 430000
co.cd : KBS & enter

Account Group : Expenses
select P&L account
currency : INR
Select only balances in local currency
select line item display
Sort key : 001
Field status Group : G003 (material consumption a/c)
select post automatically only.
save.

NOTE: In this Gl account we have to change Field status for business area field to optional from required. this will required in MIGO creation otherwise it gives error..

4) Assign price difference account : – T-code : OBYC
select transaction 'PRD' (cost (price) differences)
Chart of accounts : KBCA
Select valuation modifier
select valuation class
click on save
Valuation modifier : 0001
Valuation class : KBRM
Account : 430000
enter & save.

5) To create Goods receipt : – T-code : MIGO
Goods receipt po : 4500017192
enter
Select item ok
click on check
click on post
entry is 89 → 250000 → Dr → INV RM a/c → 10000
83 → 430000 → Dr → price diffrence a/c → 1000
96 → 150000 → Cr → GR/IR a/c → 11000

(6) To create Invoice receipt :- T-code: MIRO

Invoice date : 16/05/2019
Amount : 12000
purchase order: 4500017192
enter
Here change the Amount from 11000 to 12000
Tax code: 0%
payment term: 0001
enter & save.

for entry view → Document → Display → follow on document

86 → 150000 → GR/IR a/c → Dr → 11000
83 → 430000 → price difference a/c → Dr → 1000
81 → 9000000006 → vendor a/c → Cr → 12000

(7) To check vendor lineitem :- T-code: FBL1N

vendor : 9000000006
co.cd: KBS
execute
observe po based document (RE)

(8) payment to vendor :- T-code: F-53

Invoice date: 16/05/2019
Bank account: 200000
Amount : 12000
vendor account: 9000000006
click on process open items
save.

(9) To check the stock in : T-code: MM02

material : KBSRM2
enter

plant: kBS
enter
click on Accounting tab
stock: 100kg
Total Value: 10000
moving price: 120..

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price control 'V' – moving average price
If the price control is V in the material master.
The price difference between material master and purchase order
material master price – 100
purchase order price – 110
the entry will be for 100kgs

Rm a/c DY 11000
GR/IR a/c CY 11000

The price difference between purchase order price and invoice price.
The entry depends on stock availability
If full stock is available

GR/IR a/c DY 11000
RM a/c DY 1000
vendor a/c CY 12000

if partial stock is available (only 60kgs available)

GR/IR a/c DY 11000
RM a/c DY 600
price difference a/c DY 400
vendor a/c CY 12000

If no stock is available

GR/IR a/c DY 11000
price difference a/c DY 1000
vendor a/c CY 12000

1) To create purchase order:- T-code: ME21N

vendor: 9000000006
expand header
purchase organisation: KBPO
purchase Group: KBP
Company code: KBS
expand item overview
item: 1
Net price: 110
material: KBSRM1 plant: KBS
Quantity: 100 Storage location: RM1
Delivery date: 17/05/2019
click on check
save
po created as 4500017193



2) To create Goods receipt:- T-code: MIGO

Goods receipt po: 4500017198
enter
select itemok
check
post
entry is RMa/c → Dr → 11000
GR/IRa/c → Cr → 11000

In MIRO → Invoice price -120↑ → stock availability

| 100kgs | 60kgs | No Stock |
|---|---|---|
| GR/IRa/c Dr 11000 | GR/IRa/c Dr 11000 | GR/IRa/c Dr 11000 |
| Rma/c Dr 1000 | Rma/c Dr 600 | price differencea/c Dr 1000 |
| vendora/c Cr 12000 | Price differencea/c Dr 400 | vendor a/c Cr 12000 |
| | vendora/c Cr 12000 | |

3) To check the stock :- T-code : MMBE
material : KBSRM1
plant : KBS
unit of measure : kg
enter
see the stock availability.

4) To create Invoice receipt :- T-code : MIRO
Invoice date : 17/05/2019
Amount : 12000
purchase order no : 4500017193
enter
Amount : 12000
Tax code : 0%
payment term : 0001
Simulate receipt
entry will be GR/IR a/c → Dr → 11000
Rm a/c → Dr → 1000
vendor a/c → Cr → 12000

5) To issue the stock to production :- T-code : MB1A
movement type : 201 (consumption for cost center from warehouse)
enter
cost center : p100
material : KBSRM1
Quantity : 240
enter & save.
Accounting entry is
81 → Rm consumption a/c → Dr → 24800
99 → Rm a/c → Cr → 24800

(6) To create invoice receipt:- T-code: MIRO

Invoice date: 17/05/2019

Amount: 12000

purchase order: 4500017193

enter

Tax code: 0%

payment term: 0001

Amount: 12000

enter & simulate

entry is GR/IR a/c → Dr → 11000
Rm a/c → Dr → 600
price difference a/c → Dr → 400
vendor a/c → Cr → 12000

(7) To issue stock again to production:- T-code: MB1A

material type: 210

enter

cost center: p100

material: KBSRM1

Quantity: 60

enter & save.

entry is Rm consumption a/c → Dr
Rm a/c → Cr

(8) To create invoice receipt:- T-code: MIRO

Invoice date: 17/05/2019

Amount: 12000

purchase order: 4500017193

enter Amount: 12000

Tax code: 0% payment term: 0001

simulate entry will be GR/IR a/c → Dr → 11000
price difference a/c → Dr → 1000
vendor a/c → Cr → 12000

post.

(23) 20/05/2019

# FI - SD Integration

In p2p cycle we do - procure to pay
1) purchase order - ME21N - no accounting entry
2) Goods receipt - MIGO
3) Invoice receipt - MIRO
4) vendor payment - F-53/F110

In O2C cycle - order to cash
1) Sales order - VA01
2) Goods delivery to customer - VL01N
for this accounting entry is

| | | | |
|---|---|---|---|
| Inc/Dec in FG a/c | → Dr | → GBB VAX | → 8000 |
| FG a/c | → Cr | → BSX | → 8000 |

Ex: 100kgs Stock of Finished goods
cost price 400
selling price 600

3) Sales Billing - VF01
for this accounting entry is

| | | |
|---|---|---|
| customer a/c | → Dr | → 12000 |
| Sales a/c | → Cr | → 12000 |

this will be in FBL5N
- FB70 - non SO based
- VF01 - SO based or PGI Based (Post Goods issued)

4) Receive payment - F-28
for this accounting entry is

| | | |
|---|---|---|
| Bank a/c | → Dr | → 12000 |
| customer a/c | → Cr | → 12000 |

To do FI-SD integration we need to do
1) SD consultant Jobs

(24) 21/05/2019

Step-1

1) SD Consultant Jobs:-

1) Define region
2) Define sales organisation
3) Define distribution channel
4) Define shipping point
5) Assign sales organisation to company code.
6) Assign sales distribution channel to sales organisation
7) Assign division to sales organisation
8) set up sales area.
9) Assign sales organisation distribution channel - plant
10) Assign shipping point to plant
11) Define common distribution channels
12) Define common divisions
13) maintain pricing procedure
14) Define pricing procedure determination
15) Define tax determination rules
16) set up partner determination for customer master
17) Assign shipping points.

Step-1

1) Define Region:-

Navigation:- SPRO → Reference IMG → SAP net wevar → General settings → set countries → Insert Regions.

click on new entries
Country: IN
Region: TN
Description: Telangana
enter
save.

Step-2

2) Define sales organisation:-

Navigation:- SPRO → Reference IMG → enterprice structure → Definition → sales and distribution → Define copy, delete, check sales organisation.

Sales organisation:- Sales organisation is the organisation Responsible for making the sales of a particular finished goods.

click on new entries

sales organisation: KBSO - KBS sales organization

statistic currency: INR

enter

save

Name: KBS sales organisation

search term: Hyderabad

street: SAP street, 1-2-3.

postal code: 500072

city: Hyderabad

country: IN

po box: 456

postal code: 500072.

save.

Step-3

3) Define distribution channel:-

Navigation:- SPRO → Reference IMG → enterprice structure → Definition → sales and distribution → Difine distribution channel.

Distribution channel:- Distribution channel is the channel through which the finished Goods are distributed to the customers.

click on Define distribution channel

click on new entries

Distribution channel: KD

Name: KBS distribution channel

enter

save.

Step-4

4) Define shipping point :-

Navigation:- SPRO → Reference IMG → enterprice structure → Definition → logistics execution → Define, copy, delete, check shipping point

click on define shipping point

click on new entries

shipping point : KBSH - KBS shipping point

Factory calendar : 01

click on save

name : KBS shipping point

search term : Hyderabad

street : SAP street

postal code : 500072

city : Hyderabad

po box : 405

postal code : 400072

save.



Step-5



5) Assign Sales organization channel :-

Navigation:- SPRO → Reference IMG → enterprice structure → Assignment → Sales and distribution → Assign sales organization to compmany code.

position : KBSO

enter

co.cd : KBS

enter & save.

Step-6

6) Assign sales distribution channel to sales organization :-

Navigation :- SPRO → Reference IMG → enterprice structure → Assignment → sales and distribution → Assign sales distribution to sales organisation.

click on new entries

Sales organization : KBSO

Distribution channel : KD

enter & save.

Step-7

7) Assign division to sales organization:-

Navigation:- SPRO → Reference IMG → enterprice structure → Assignment → Sales and distribution → Assign division to sales organization.

click on new entries

Sales organization: KBSO

Division: D1

enter & save.

Step-8

8) Set up sales area:-

Navigation:- SPRO → Reference IMG → enterprice structure → Assignment → sales and distribution → set up sales area.

Sales area:- Sales area is a combination of sales organization, distribution channel and division.

| Division | channel | Sales organization | Reports like |
|---|---|---|---|
| General med | Retail units<br>Super markets<br>online | KBSO | KBSO<br>General division,<br>Supermarkets ? |
| Syrups, ODC | supermarkets<br>Retail units<br>online | KBSO | KBSO<br>General division,<br>Online ? |
| LS Drugs | hospitals | KBSO | |

click on new entries

Sales organization: KBSO

Distribution channel: KD

Division: D1

enter & save.

Step-9

9) Assign Sales organization distribution channal to plant:-

Navigation:- SPRO → Reference IMG → entrprice structure → Assignment → Sales and distribution → Assign sales organization distribution channel to plant.

click on new entries

sales organization: KBSO

Distribution channel: KD

plant : KBS
enter & save.

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Step-10

10) Assign shipping point to plant:-

Navigation:- SPRO → Reference IMG → Enterprice structure → Assignment → Logistics execution → Assign shipping point to plant.

click on Find : KBS
enter
Select KBS plant
put the cursor on KBS
click on assign
Select KBSH - KBS shipping point
enter & save.

Step-11

11) Define common distribution channels:-

Navigation:- SPRO → Reference IMG → Sales and distribution → master data → Define common distribution channel.

position : KBSO
enter
Distribution channel - Conditions : KD
Distribution channel - customers : KD
save

Step-12

12) Define common divisions:-

Navigation:- SPRO → Reference IMG → Sales and distribution → master data
Define common divisions.

position : KBSO
Division : D1
enter
Divi. con : D1
Divi. cus : D1
enter & save

Step-13

13) maintain pricing procedure:-

Navigation:- SPRO → Reference IMG → Sales & Distribution → Basic functions → pricing → pricing control → Define and Assign pricing procedures.

click on maintain pricing procedures

position: RVAA01 - standard

enter

select RVAA01 - standard

click on control data

position: 914

enter

Remove the ticks for manual, Required for 914, 915.

Save.

Step-14

14) Define pricing procedure determination:-

Navigation:- SPRO → Reference IMG → Sales & distribution → Basic functions → pricing → pricing control → Define and assign pricing procedure determination.

click on Define pricing procedure determination.

click on new entries

sales organization: KBSO

Distribution channel: KD

Division: D1

Do pr: A

cus pr: 1

pri. pro. det: RVAA01

Condition type: PR00

click on save.

Step-15

15) Define tax determination rules:-

Navigation:- SPRO → Reference IMG → Sales & distribution → Basic functions → taxes → Define tax determination rules.

click on new entries

Tax country: IN
sequentional no: 1
Tax category: UTXJ
enter & save

Step-16

16) setup partner determination for customer master:-

Navigation:- SPRO → Reference IMG → sales & distribution → basic functions → partner determination → set up partner determination

click on setup partner determination for customer master
click on the partner function
position: SP (sold to party)
enter
select SP
click on account group function assignments
click on new entries.

| partner | Account Group |
|---|---|
| SP (sold to partner) | corp |
| SH (Ship to partner) | corp |
| BP (Bill to partner) | corp |
| PY (payer) | corp |

Save
click on partner determination procedures.
click on the new entries
partner determination: KBS
Name: KBS partner determination
enter
select KBS
click on partner functions in procedures
click on new entries

| partner functions | Not Modifiable | Madate function |
|---|---|---|
| SP | ☑ | ☑ |
| SH | ☐ | ☑ |
| BP | ☐ | ☑ |
| PY | ☐ | ☑ |



enter & save
click on partner determination procedure Assignment
position: CORP
enter
partner determination: KBS
enter & save.

Step-17

17) Assign shipping points:-

Navigation:- SPRO → Reference IMG → logistics execution → shipping → Basic shipping functions → shipping point and Goods receiving point determination → Assign shipping points.
click on new entries
shipping condition: 02
Loading Group: 0003
plant: KBS
shipping point: KBSH
save.

Step-2

2) FI Consultant Jobs:-

Step-1

1) Create sales revenue a/c:- T-code: FS00

we already created sales revenue account at the time of AR.

Step-2

2) Assign sales revenue account for automatic posting:- T-code: VKOA

click on customer Group/material Group/Account key
click on new entries
Application: V Sales/Distribution
condition type: ~~FO~~ KOFI

Easter Saturday (Australia)

chart of accounts: KBCA
sales organization: KBSO
Account Assignment Group: 01
AAG(product): 03 (finished goods)
Account key: ERL (sales)
sales a/c: 300000
enter & save.

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Step-3

3) END USER JOBS:-

1) create central customer master record: XD01
2) create finished goods material master: MM01
3) create pricing condition types: VK11 → PR00 → RS600
4) post Goods receipt from production: MB1C

Step-1

1) Create central customer master record:- T-code: XD01



Easter Day

Co.Cd: KBS
customer: Reliance (1900000000)
Sales organisation: KBSO
Distribution channel: KD
Division: D1
enter
customer pricing procedure: 1 (standard)
click on shipping
Delivery priority: 02 (normal)
shipping conditions: 02 (standard)
Delivery plant: KBS
click on the billing documents
select price determination
incurred terms: EXW (from plant)
payment terms: 0001

Account assignment Group: 01 (Domestic Groups)

Tax code: 1(payable to tax)
Save.

Step-2

2)Create finished goods material master:- T-code: MM01

material: KBSFG1
Industry: mechanical engineering
material type: finished product
enter
Select Basic data 1&2
select sales organisation data 1&2
Select Sales General/plant data
select MRP 1,2,3&4.
select Accounting 1&2
select General plant/storage 1&2
select costing 1&2.
enter
plant: KBS
Storage location: FG1
sales organization: KBSO
Distribution channel: KD
enter
material: KBS finished Goods1
Basic units of measure: KG
Gross weight: 1
net weight: 1
Division: D1
weight in units: KG
click on sales organization1
tax code: 1
click on sales organization2
account assignment Group: 03 (Finished goods)

Sales General plant data
availability check: KP (no check)
transaction Group: 0003
loading Group: 0003 (manual)
MRP1
MRP type: ND (no planning)
MRP2
plant delevary day: 1
Accounting 1
valuation class: KBFG
price control: S
standard price: 400
save.

Step-3

3) Create pricing conditions: — T-code: VK11
condition type: PR00
enter
select material with release status
enter
material: KBSFG1
Amount: 600
unit: INR
per: 1
uom: KG
save
Go back
Condition type: UTXJ
select domestic taxes
country: IN
Tax classification customer: 1 (UTXJ1)
Tax cal. cat: 1
Tax code: 00 enter & save.

Step-4

4) post Goods Receipt from production :- T-code : MB1C

Movement type : 521 (Receipt without production order into unrestr-usestock)
plant : KBS
storage location : FG1
enter
material : KBSFG1
Quantity : 100KG
enter
ignore warning message
save.
Go to display → overview → Accounting documents
entry is

DY → 89 → FGa/c → 40,000
cr → 91 → Inc/Dec in FGa/c → 40,000

To check the stock : T-code : MMBE

material : KBSFG1
plant : KBS
storage location : FG1
execute.
observe the stock.

Step-4

4) O2C cycle :- Order to cash

Step-1

1) Create sales order :- T-code : VA01

Order type : OR (standard order)
enter
Sold to party : 1900000000
po number : 340
po date : 23/05/2019
Complete delivary : 23/5/2019
Delivering plant : KBS
item : 1

material : KBFG1
order quantity : 10
plant : KBS
enter & enter
go to → Item → conditions.
check selling cost
click on shipping
go to et storage location : FG1
goto edit → Incomplete log.
save
sales order no: 12070.

Step-2

2) Goods Delivery to customer : — T-code: VL01N

shipping point : KBSH
order no : 12070
enter
Actual goods issueing date : 23/5/19
picking
picking qty : 10
click on post Goods issue
click on document flow
Select goods issued delevery completed.
accounting entry:
Dr → Inc/Dec in FG a/c → 4000
Cr → FG a/c → 4000

Step-3

3) Sales Billing : — T-code: VF01

SO document no
enter
Select SO no execute.
Select again(1) & save

Entry:
Dr → 01 → customer a/c → 6000
Cr → 50 → sales revenue a/c → 6000

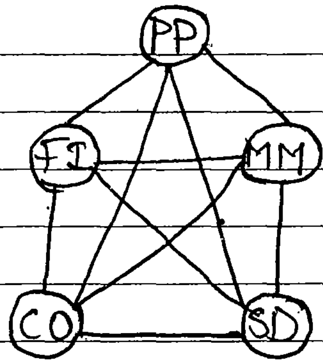
Step-4

4) Incomming payment: — T-code: F-28

posting date: 23/5/19
Document date: 23/5/19
Bank Account: 200000
Amount: 6000
customer Account: 1900000000
click on process openitems
Save.
entry is:
Dr → 40 → Bank a/c → 6000
Cr → 15 → customer a/c → 6000

27/05/2019

# Product costing




FI —— CO

CO

cost element Accounting
cost center Accounting
profit center Accounting
Internal order

→ after this we need to do product costing for understand product costing we need to do Integration for FI-MM & FI-SD, FI-PP.

→ To do product costing we need some information.

→ That information will be given by production people, about

→ production they are doing.

→ After Integration of all modules only we can do product costing

## Standard cost estimate:-

(1) Raw material:- It is decided by BOM - Bill of material
BOM - is list with the item for a materials and how much quantity.

KBSRM1 - 1kg - 100
KBSRM2 - 1kg - 100
200

(2) production cost / conversion cost / Activity costs:- May Day / Labour Day / Workers' Day

production cost will be done by ROUTING

Routing:- it contains all the activities what they do to convert raw material to finished goods.

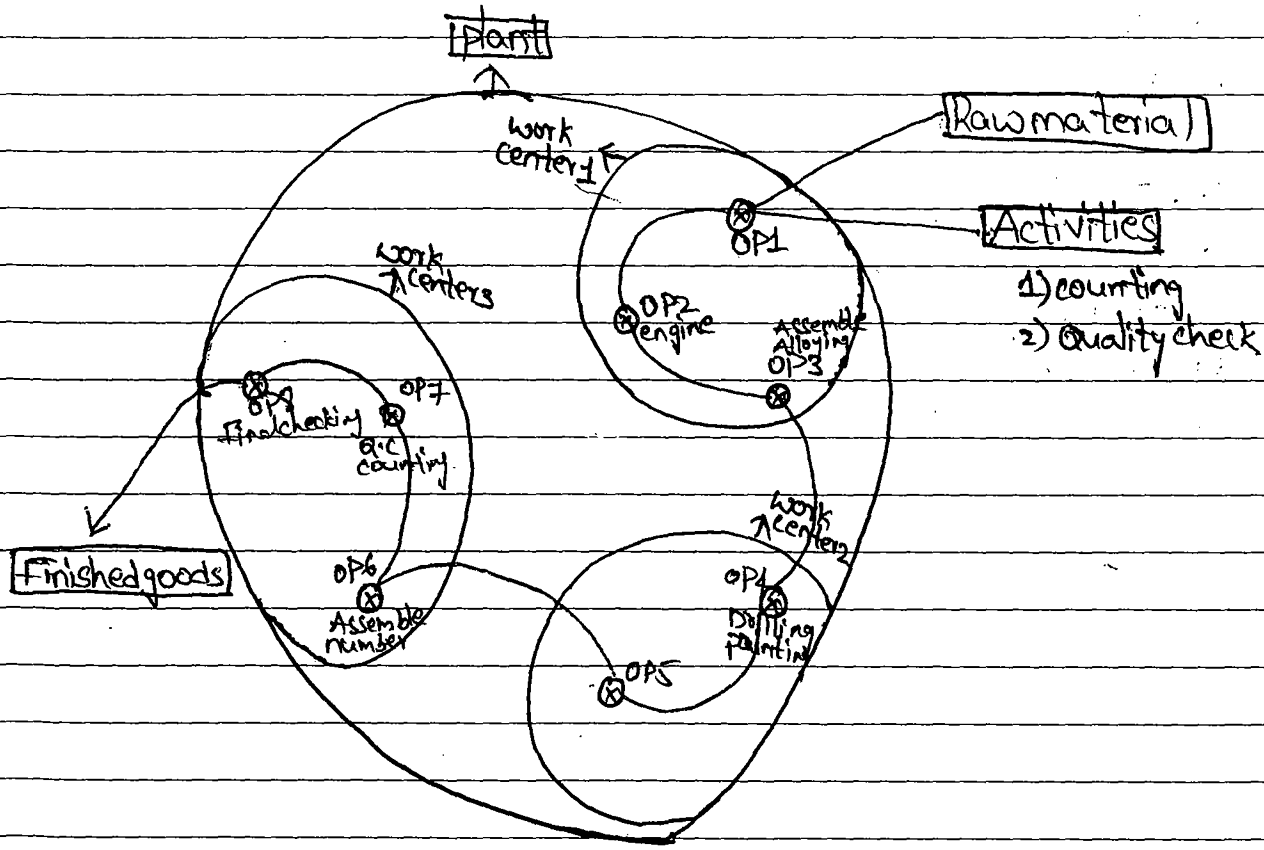
make to stock:- Here we make the production to stock the stock & after we sell.

ex: Soaps.

Make to order:- If order came for manufacturing then only we do production.

ex. Aeroplain, Jwellery.

ROUTING will be like this.




In a plant we have so many work centers in every work centers they have their own activities. By this we get Routing for from Rm to FG what is the cost.

- **Work center:** — A place or a Group of people doing a different set of work.

**Operations:** — Every work center have different types of operations.

**Activities:** — Every operation have their own set of activities.

**Activity rate per hour:** —

$$\text{Rate per hour} = \frac{\text{Total costs}}{\text{Total hours}}$$

Activity hrs
Activity 1. ....
2....
3....

**Overhead costs:** — Always takes in percentage, overhead costs will change according to cost of materials.

**Production planning:** —

| Standard cost estimate | 100 kgs production planning | 100 kgs Actual |
|---|---|---|
| Rawmaterials | | |
| KBSRM1 - 1kg - 100 | 100 kg - 10000 | 110 kgs - 11000 |
| KBSRM2 - 1kg - 150 - 250 | 100 kg - 15000 - 25000 | 110 kgs - 16500 |
| production costs | | 27500 |
| MACHR - 5hr | | |
| @ 10RS/hr - 50 | 50 hrs | 60 hr |
| OH costs | @ 10/hr - 5000 | 10 /hr - 600 |
| 10% Rm cost - 25 | 10% - 2500 | 10% - 2750 |
| 275 | 27500 | 30250 |

Target cost — variance. — Actual cost

(28) 28/05/2019

Standard cost estimate :-

1) Raw materials xx
2) production costs xx
3) overhead costs xx
standard cost estimate xxx

Step-1

1) Raw material :-

1) Create raw material master reords : MM01
2) Create Finished Goods material master records : MM01
3) Create Bill of material for finished Goods : CS01
4) make raw material consumption a/c (450000) as cost element : FS00

first two steps we already created at the time of FI-MM & FI-SD integration.

1) Raw materials:
KBSRM1
KBSRM2

2) Finished Goods:
KBSFG1

Step-3

3) Create Bill of material for finished Goods :- T-code: CS01

material : KBSFG1
plant : KBS
Bom usage : 1 (production)
enter

| Component | Quantity | units |
|---|---|---|
| KBSRM1 | 1 | kg |
| KBSRM2 | 1 | KG |

enter
save.

Step-2

2) production costs :-

1) Create production cost center : KS01
2) Do cost planning for the cost center : KP06
3) Create secondary cost element for activity allocation : KA06
4) Create activity type : KL01
5) Do activity planning : KP26
6) Calculate activity rate per hour : KSPI
7) Create work center : CR01
8) Create Routing : CA01

Step-1

1) Create production cost center :- T-code: KS01

Cost Center : PRD1
valid from : 01/04/2019 to 31/12/9999
enter
Name : PRD1 Cost center
Discription : PRD1 Cost Center



persion Responsible : production manager
cost center category : 1
Hirarchy : KBSSTDCHY
profit center : HydPC
Save.

Step-2

2) Do cost planning for the cost center :- T-code : KP06

Version : 0
From period : 2
To period : 2
Fiscal year : 2019
cost center : PRD1
cost element : 400001
Select form based

Click on overview
Plan fixed costs: 70,000
enter & save

Step-3

3) Create secondary cost element for activity allocation:- T-code: KA06

Cost element: 4300
Valid from: 01/04/2019 to 31/12/9999
enter
Name: Activity allocation cost element
Discription: Activity allocation cost element
cost element category: 43 (Internal activity allocation)
Save.

Step-4

4) Create activity type:- T-code: KL01

Activity type: KBSMH
Valid from: 01/04/2019 to 31/12/9999
enter
Name: KBS machine hour activity
Discription: KBS machine hour activity
Activity units: HR
Category: *
Act. category type: 1
Allocation cost element: 4300
Save

Step-5

5) Do Activity planning:- T-code: KP26

Version: 0
To period: 2
From period: 2
Cost center: PRD1
Activity type: KBSMH
Select form based

- click on overview

plan activity : 7000

save.

Step-6

(6) Calculate activity rate per hour :— T-code : KSPI

70000 per month

7000 Hrs of KBSMH activity

10 Rate per hr : 70000/7000

10RS per hr.

Select all cost centers

Version : 0

period : 2 to 2

Fiscal year : 2019

Select test run

select detail list

execute, go back

click on post & save.

Step-7

7) Create work center :— T-code : CR01

work center : KBSWC1

work center category : 0001 (machine)

click on basic data

work center : KBS work center1

usage : 009 (All tasks)

standard value key : SAP1 (normal production)

enter

machine : key for : 001

click on costing

cost center : PRD1

machine activity type : KBSMH

machine activity units : HR

machine formula : SAP002 (production machine time)

enter & save.

Step-8

8) Create Routing :- T-code: CA01

material : KBSFG1
plant : KBS
enter
usage : 1 (production)
status : 4 (Released status)
click on the operations
work center : KBSWC1
count valuekey : PP01 (In-house production)
enter
machine : 5
units : HR
save.
Routing was saved with Group 50001302 and material KBSFG1.

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Step-3

3) Overhead Costs :-

1) Create secondary cost element for overhead rates : KA06
2) Create overhead key : OKOG
3) Create overhead Group : OKZ2
4) Specify overhead Group in the FG material master : MM02
5) Create calculation Bases : KZB2
6) Create percentage overhead rates : KZZ2
7) Define credit key to allocate cost to a cost center : KZE2
8) Define costing sheet ~~to~~ : KZS2
9) Assign costing sheet to plant : OKKN

Step-1

1) Create secondary cost element :- T-code : KA06

Cost element : 4100
Valid from : 1/04/2019 to 31/12/9999
enter

- Name: overhead cost element
Description: overhead cost element
cost element category: 41
save.

Step-2

2) create overhead key: – T-code: OKOG
click on new entries
overhead key: KBS
Description: KBS overhead key
enter & save.

Step-3

3) create overhead Group: – T-code: OKZ2
click on new entries
valuation area: KBS
overhead Group: KBS
overhead key: KBS
Name of overhead Group: KBS overhead Group.
enter & save.

Step-4

4) specify overhead Group in the FG material master: – T-code: MM02
material: KBSFG1
enter
select costing 1 & costing 2
enter
plant: KBS
enter
overhead Group: KBS
save.

Step-5

5) create calculation Basis: – T-code: KZB2
click on new entries

| Base | Name |
|---|---|
| K1 | Raw materials |

K2 production costs
enter
select K1
click on details
controlling area:
new entries
From cost element: 450000
To cost element: 450000
Save & go back
Select K2
click on details
controlling area: KBS
new entries
from cost element: 4300
To cost element: 4300
Save.

Step-6

(6) Create percentage overhead rates:- T-code: KZZ2
click on new entries
overhead rate: K3
Name: overhead rate
Dependency: D010 - overhead type / OH key.
enter
select K3
click on details
click on new entries
Valid from: 01/06/2019
Valid To: 31/03/2020
CO Area: KBS
overhead type: 2 - planned overhead rate
OH key: KBS
percentage: 10
Unit: % enter & save.

Step-7

(7) Define credit key to allocate cost to a cost center :- T-code: KZE
new entries
credit: K4
Name: overhead credit key
enter
select K4
click on details
co. area : KBS
new entries
valid to: 31/03/2020
cost element: 4100
Fixed % : 100
cost center: H100
enter & save.

Step-8

(8) Define costing sheet :- T-code: KZS2



new entries
Costing sheet : KBS

Description: KBS costing sheet
enter
select KBS
click on costing sheet & rows
click on new entries

| Row | Base | overhead | Description | From | To | credit |
|---|---|---|---|---|---|---|
| 10 | K1 | | Raw material | | | |
| 20 | K2 | | production costs | | | |
| 30 | | K3 | RM OH costs | 10 | 10 | K4 |
| 40 | | | COGM - cost of Goods manufactured | 10 | 30 | |

enter
save.

Step-9

9) Assign costing sheet to plant :- T-Code: OKKN

Costing variant :- costing variant contains information about all the control parametars required to do costing of a material.

Costing variant Includes :-

1) Costing ~~var~~type :- The purpose of the costing. Why we are doing the costing.

2) Valuation variant :- valuation variant contains information about how the material, activities and overhead has to be calculated on a material.

For example :-

For material valuation - we use moving AVG price or STD price or purchase order price etc.

3) Date control :- It specifies the validity of the costing. from which date to which it will applay. It also controls the validity dates of BOM and Routings.

4) Quantity structure control :- It controls which Bom or routing will be used for costing purposes.

5) Transfer control :- This is used in case of multi level costing structures when one finished is used in the manufacture of another finished Goods. the costing data of the first FG can be transferred directly and used in the costing of the second FG.

6) Reference variant :- we can use one variant as reference to create another variant.

Note :- we are doing standard costing varinat

PPC1 - Standard cost est (mat)

Go to OKKN

click on PPC1

click on valuation variant

click on create

O in plant: KBS
enter & save go back & save
click on 001 - KBS

| priority | strategy sequence |
|---|---|
| 1 | moving Average price |
| 2 | planned price1 |
| 3 | standard price |
| 4 | price from purchasing info.record. |

Internal activity tab

| priority | strategy sequence |
|---|---|
| 1 | plan price for the period |
| 2 | plan price as Average of All fiscal year periods. |

overhead tab
OH.FG. costing sheet: KBS costing sheet
OH. M. costing sheet: KBS costing sheet.
click on save.

→ **Cost component structure:** — **T-code: OKTZ**
It is structure of a cost estimate
we have two cost component structure.
1) primary cost component structure → GL a/c's.
2) Auxillary cost component → what ever it takes GL/secondary costele.
go to OKTZ
select 01 - product costing
click on cost components with attributes
select 01 - Raw materials
click on Assignement of cost components.
click on new entries
cost component structure: 01
chart of account: KBCA
From cost element: 450000
cost component: 010 - Raw material
save

go back
Select 01 – production machine
click on Assignment of cost components
click on new entries
cost component: 01
chart of account: KBCA
From cost element: 4300
cost component: 050 – production machine
save.
Select – 01 – material overhead
click on Assignment of cost components
click on new entries
cost component: 01
chart of accounts: KBCA
From cost element: 4100
cost component: 80 – material overhead:
Save
go back & go back
Select – 02 – primary costing
click on cost components with attributes
Select 02 – Raw material
click on Assignment of cost components
Cost component: 02
Chart of accounts: KBCA
From cost element: 450000
cost component: 010 – raw material
Save
go back
Select 02 – Depriciation
click on Assessignment of cost components
click on new entries
cost structure: 02 – Depreciation
chart of accounts: KBCA

O From cost element: 4300
Cost component: 050 – Depreciation
save
Select -02- material overhead
click on Assignment of cost components.
click on new entries
cost component structure: 02
chart of accounts: KBCA
From cost element: 4100
cost component: 80 – material overhead.
save
go back & back
01 ☑ product costing } activate both after assigning a/c's.
02 ☑ primary costing }

* Create Standard Cost estimate: – T-code: CK11N

Material: KBSFG1
plant: KBS
costing variant: PPC1
enter
Costing date from: 01/06/2019
Costing date To: 31/12/9999
enter

| Resource | costelement | Total Value |
|---|---|---|
| PRD1 AG1WC1 AG1MH | 4300 | 50 |
| KBS RM1 | 450000 | 103.33 |
| KBS RM2 | 450000 | 120.00 |
| over head cost | 4100 | 22.33 |

enter
Save
-
To See cost estimate: CK13N

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⇒ Marking of the cost estimate :- T-code : CK24

out of many cost estimate that are created, one cost estimate is selected and marked up.
Mark up means that we are going to use that standard cost estimate for the valuation of the material in future.

⇒ Release of the cost estimate :- T-code : CK24

After ~~make up~~ markup cost estimate has to be released on a chosen date (usually period start date) to apply the marked standard estimate price for the valuation of the material.

1 Note :- only one cost estimate is marked up per period.
2. Note :- only marked cost estimate can be released.

Step-1)

1) Marking of the cost estimate :- T-code : CK24

posting period : 3/2019
co.cd : KBS
plant : KBS
material : KBSFG1
Select test run
Select with listout.
Click on marking allowence
click on KBS
Costing variant : ppc1
click on save.
again CK24 & execute
Remove test run & execute.

Note :- after marking cost estimate we can see the cost estimate in MM02 - costing2 tab in future period.
Cost as 295.66.

→ Before Release of the cost estimate we have to create GL account for Gain/Loss of stock revaluation.
→ Assign GL account for account determination.
→ create no. range for Price change.

Step-1

1) To create GL account for revaluation gain/Loss :- T-code : FS00

click on create
GL account : 360000
Co.cd : KBS
enter
Account Group : Incomes
select P&L a/c
short text : Gain/Loss of stock revaluation a/c
long text : Gain/Loss of stock revaluation a/c
Select only balances in local currency
Select line item display
Sort key : 001



Field Status Group : G030 (Change in stock accounts)
select post automatically only.
Save.

Step-2

2) Assign GL account for account determination :- T-code : OBYC

Select UMB
Chart of account : KBCA
Save.
Account : 360000
enter
Save.

Step-3

3) Create Number range for price change :- T-code : OBA7

click on PR - Price change
click on no.range information
click on insert intervel
year : 2019
No : 48
From : 4800000000
To : 4899999999
enter & save.

Step-2

2) Release of the cost estimate :- T-code : CK24

click on release
period : 03 / 2019
co.cd : KBS
plant : KBS
material : KBSFG1
Select test run
Select with listout
execute.
Remove test run & execute.

entry is
83 → Dr → 360000 → Gain/Loss stock revaluation a/c → 9390.60
99 → Cr → 251000 → Inventory FG a/c → 9390.60

# Actual Costing

⇒ production order planning
⇒ production order Actual costing.

**Step-1**

**1) Define costing variant for manufacturing orders :-** **T-code : OPL1**

click on PPP1 – production order plan
click on valuation variant
click on create
click on new entries
in plant: KBS
click on save go back and again save
click on 006 – KBS – production order plan

| priority | strategy sequence |
|---|---|
| 1 | Moving Average price |
| 2 | Standard price |
| 3 | valuation price According to price control in MRxxx |

click on internal acty tab

| Priority | strategy sequence |
|---|---|
| 1 | plan price for the period |
| 2 | plan price as Average of all fiscal year periods. |

click on overhead tab
costing sheet: KBS costing sheet.
enter & save.
Again go to opl1

click on PPP2 – production order – actual
click on valuation variant
click on create
click on new entries
in plant: KBS
click on save go back and again save.

click on 007 - production order - actual

| priority | Strategy Sequence |
|---|---|
| 1 | Moving Average price |
| 2 | Standard price |
| 3 | valuation price According to price control in m... |
| 4 | planned price 1 |

Click on internal activity tab

| Priority | Sequence Strategy |
|---|---|
| 1 | plan price for the period |
| 2 | plan price as Avg of all Fiscal year period |

Click on overhead tab
costing sheet: KBS costing sheet.
enter & save.

Step-2

2) Define Goods received valuation for order delivery:-

Navigation:- SPRO → Reference IMG → Controlling → product cost controlling → cost object controlling → product cost by order → Define Goods received valuation for order Delivery.
Click on new entries
valuation area: KBS
valuation variant: 007 - production order - actual
enter & save.

Here we have to do configurations to do product costing plan & actual. The configurations are.
1) Work in process - configuration
2) Variance Calculation - configuration
3) Settlement of production order - configuration.
These configurations will help to post automatic entries in finance for WIP, Variance amount, Settlement amounts.

Configuration-1 .

1) Work in process :- It is possible that at month end there could be some production orders which have not been completed and converted in to finished goods. The value of the work in process that is in these incompleted production orders should be calculated and posted to a balance sheet account (WIP a/c) for month end closing ~~pro~~ purposes. This is refered to as capitalization of WIP.

Step-1

1) Define result analysis key :- T-Code: OKG1

Navigation :- Spro → Reference Img → Controlling → product cost controlling → cost object controlling → period-end-closing → work in process → Define result analysis key.

we use standard key : FERT

check for FERT - WIP calculation is there or not.

if there save & go back

otherwise create it.

Step-2

2) Create 5 secondary cost elements for order analysis :- KA06

3100 to 3104 - 5 secondary cost elements.

→ Cost element : 3100

Valid from: 01.04.2019

enter

Name: order analysis cost element

Description: order analysis cost element

cost element category : 31

enter & save.

→ Cost element : 3101

Valid from: 01.04.2019

enter

Name: order analysis cost element

Description: order analysis cost element

cost element category: 31
enter & save.
⇒ cost element: ~~30~~ 3102
Valid from: 01/04/2019
enter
Name: order analysis cost element
Description: order analysis cost element
cost element category: 31
enter & save
⇒ cost element: 3103
valid from: 01/04/2019
enter
Name: order analysis cost element
Description: order analysis cost element
cost element category: 31
enter & save
⇒ cost element: 3104
Valid from: 01/04/2019
enter
Name: order analysis cost element
Description: order analysis cost element
cost element category: 31
enter & save.
Step-3
3) Define results analysis versions :- T-code: OKG9
Navigation:- spro → reference Img → Controlling → product cost controlling → cost object controlling → period end closing → Work in progress → Define results analysis versions.
Click on new entries
Controlling area: Plan/Act - version for KBS
Technical RA cost element: 3100
enter & save.

[Step-4]
4) Define valuation method:- T-code: OKGC
Navigation:- spro → reference IMG → controlling → product cost controlling → cost object controlling → period end closing → Work in progress → Define valuation method.
click on Actual cost
controlling area: KBS
RA version: 0
RA key: FERT
enter & save
for this Four Statuses will be created for WIP calculation.
1) Released ⇒ for this WIP will calculated.
2) Deliverd ⇒ for this WIP will not calculated. (cal. on. FG)
3) partially ⇒ for this WIP will calculated.
4) Technically ⇒ for this WIP will not calculated. (cal. on. FG)

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[Step-5]
5) Define line ID's:-
Navigation:- spro → reference IMG → controlling → product cost Controlling → cost object controlling → period end closing → Work in progress → Define ~~valuation method~~ line id's.
select ABR, EK, EL, FK for 1000 controlling area
click on copy
change the controlling area to KBS for all.
enter & save.

[Step-6]
6) Define Assignment:- T-code: OKGB
Navigation:- spro → reference IMG → controlling → product cost Controlling → cost object controlling → period end closing → Work in progress → Define Assignment
select ABR, EK, EL, FK for 1000 controlling area
click on copy

change the controlling area to KBS for all
KBS → FK → 4+++
KBS → ABR → 4100
KBS → EL → 3+++++
KBS → EK → 45++++.
enter & save.

Step-7

7) Define update :- T-Code: OKGA

Navigation :- spro → reference IMG → controlling → product cost controlling → cost object controlling → period end closing → Work in progress → Define update
click on new entries
controlling area : KBS
Version : 0
RA key : FERT
LID : EK/K
creation :

| Co. Area | vrn | RAkey | LID | | Creation |
|---|---|---|---|---|---|
| KBS | 0 | FERT | EK | K | 3101<br>3102 |
| KBS | 0 | FERT | FK | K | 3103<br>3104 |
| KBS | 0 | FERT | EL | N | |
| KBS | 0 | FERT | ABR | A | |

enter & save.

Step-8

8) Create two GL accounts for WIP Calculation :- T-code: FS00
1) WIP a/c — Asset a/c } for this entry is WIP a/c — Dr
2) Inc/Dec in WIP a/c    Inc/Dec in WIP Cr
→ click on create
GL account : 260000
Co.cd: KBS

enter
account Group : Assets
short text : WIP a/c
long text : work in process a/c
Select Balance sheet a/c
select only balances in local currency
select line item display
Sort key : 001
Field status Group : G006
select post automatically only
Save.
→ click on create
GL account : 351000
co.cd : KBS
enter
account Group : Incomes
select P&L a/c
Short text : Inc/Dec in WIP a/c
long text : Inc/Dec in WIP a/c
select only balances in local currency
select line item display
Sort key : 001
Field status group : G006
Select post automatically only
save.

Step-9

9) Define posting rules for setting WIP –

Navigation: – Spro → reference IMG → Controlling → product cost controlling → cost object controlling → period end closing → Work in progress → Define posting rules for setting WIP.
Click on new entries
Controlling area : KBS

Co.cd: KBS
RA version: 0
RA category: WIPR
P&L a/c: 351000
B/S a/c: 260000
enter & save

Step-10
10) Define results analysis versions: —
Navigation: —SPRO → reference IMG → controlling → product cost controlling → cost object controlling → period end closing → Work in process → Define result's analysis versions.
position: KBS
enter
Click on KBS
select transfer to financial accounting
enter & save.

Configuration-2
2) Variance Calculation: — The difference between plan & actual.
1) Define variance key
2) Define Default variance key for plant
3) Define target cost version
4) Specify variance key in material master - costing 1 tab.
Step-1
1) Define variance key: — T-code: OKV1
Navigation: — SPRO → Reference IMG → Controlling → product cost controlling → cost object controlling → period end closing → variance → variance calculation for product cost elements → Define variance key.
Click on new entries
Variance key: KBS / KBS variance key
Select scrap
Save.

Step-2

2) Define Default variance key for plant :- T-code: OKVW

Navigation :- SPRO → Reference IMG → controlling → product cost controlling → cost object controlling → period end closing → variance → variance calculation for production cost elements → Define Default variance key for plants.

position : KBS
enter
variance key : KBS
enter & save

Step-3

3) Define target cost version :- T-code:

Navigation :- SPRO → Reference IMG → controlling → product cost controlling → cost objects controlling → period end closing → variance → Define target cost version.

select 1000 for IDES Europe
click on copy
Remove co.area 1000 & put KBS / Target cost version KBS
enter & save.

Step-4

4) Specify variance key in material master :- T-code: MM02

Material : KBSFG1
enter & select Costing 1 tab & enter
plant : KBS
enter
Go to Costing 1 tab
variance key : KBS
enter
save.

~~process~~

Configuration-3

3) Settlement of production order:-

step-1

1) creation of allocation structure:-

Navigation:- SPRO → Refence IMG → controlling → product cost controlling → object cost controlling → period end closing → settlement → create allocation structure.

click on new entries
Allocation Structure: KB
Text: KBS PO allocation structure.
enter
select KB
click on Assignments
click on new entries
Assignment: 1
Text: Raw materials
Assignment: 2
Text: Production costs
Assignment: 3
Text: Overhead costs
enter
select raw material
click on source
Co. area: KBS K enter
from cost element: 450000
click on settlement cost center
click on new entries
Receivier category: GL ak
select by cost element
go back
select production costs
click on source

Pancasila Day (Indonesia), Madaraka Day (Kenya)

from cost element : 4300
click on settlement cost center
click on new entries
Receiving category: GL account
select by cost element.
go back
select oh(overhead) costs
click on source
from cost element: 4100
click on settlement cost center
click on new entries
Receiving category: GL a/c
select by cost element
enter & save.

Step-2

2) create settlement profile :-



Navigation:- SPRO → Reference IMG → Controlling → product cost controlling → cost object controlling → period end closing → settlement → create settlement profile.
click on new entries
settlement profile: KBSPOS / KBS production order settlement profile.
Allocation structure: KB
select % settlement
select equianlence numbers
select Amount settlement
GL account: settlement optional
Document type: SA
Max. no. distr. rls: 10
Residence time: 3

Western Australia Day (Australia), Queen's Birthday (New Zealand), Martyrs' Day (Uganda)

Step-3

3) Add Business transactions :- T-code : KANK

co.area : KBS
click on Groups
Select Grop1
Select RKL - actual activity allocation
Select KZPI - actual overhead calculation (periodic)
click on Add element / Group.
Save.

Step-4

4) Create production order difference a/c :- T-Code : FS00

Click on create
GL account : 460000
co.cd : KBS
enter
GL acct Group : Expenses
Select P&L account
short text : production order difference a/c
long text : production order difference a/c
select only balances in local currency
select line item display
sort key : 001
Field status Group : G003
Select post automatically only
Save.

Step-5

5) Assign GL a/c for automatic postings :- T-code : OBYC

PRD - 460000
GBB - AUF - Inc/Dec in FG a/c - Goods receipt from order
GBB - AUA - Inc/Dec in FG a/c - settlement of order

Eid-ul-Fitr (Madagascar)

standard cost estimate.

295.66 → 'S'

Target cost x 100

29566.00

order
100kgs
35600

29566
5400

Actual costs

FG a/c

100kgs 29566

Prod ord diff.

5400

for FG entry is

FG a/c --- Dr 29566 → BSX

To Inc/Dec in FG a/c 29566 → GBB AUF

production diff entry is

production order diff a/c --- Dr → 5400 → PRD

To Inc/Dec in FG a/c --- Cr → 5400 → GBB AUA

go to OBYC.

Select PRD - cost price difference

valuation mode: 0001

Valuation class: KBFG

GL account: 460000 (prod ord diff)

enter & save.

go back

Select GBB

| Valuation meth | Valuation modi | valuation class | GL account |
|---|---|---|---|
| 0001 | AUF | KBFG | 350000 |
| 0001 | AUA | KBFG | 350000 |

enter

save.

PP Consultants Jobs:-

Step-1

1) Define MRP Controller:-

Navigation:- SPRO → Reference IMG → production → material requirement planning → master data → define MRP controllers

click on new entries

plant: KBS

MRP controller: A/MRP controller

enter & save.

Step-2

2) Define Floats:- time gap between activities

Navigation:- SPRO → Reference IMG → production → MRP → planning → scheduling and capacity parametars → Define floats (scheduling margin key)

click on new entries

plant: KBS

Marg: KBS

op per: 1

FL. Bef: 1

FL. Aft: 1

Rel. per: 1

enter & save.

Step-3

3) Define production scheduler:-

Navigation:- SPRO → Reference IMG → production → shop floor control → master data → Define production scheduler.

click on new entries

plant: KBS

production schedular: B

Description: production scheduler

save.

Step-4

(4) Determine person responsible for work center :-

Navigation:- SPRO → Reference IMG → production → basic data → work center → General data → determine person responsible.

click on new entries

plant : KBS

persion responsible : C

persion responsible work center : work center manager

enter & save.

Step-5

(5) Define order type dependent parameters :- T-code: OPL8

position: 1000 plant

enter

select 1000 for PP01 - Standard production order

click on copy

Remove 1000 plant & put KBS

enter & save.

Step-6

(6) Define scheduling parameters for production orders :- OPU3

position: 1000 plant

enter

select 1000 for PP01

click on copy

Remove 1000 & put KBS plant

save.

Step-7

(7) Define conformation parameters :- T-code: OPK4

position: 1000

enter

select 1000 for PP01

click on copy

Remove 1000 & put KBS plant

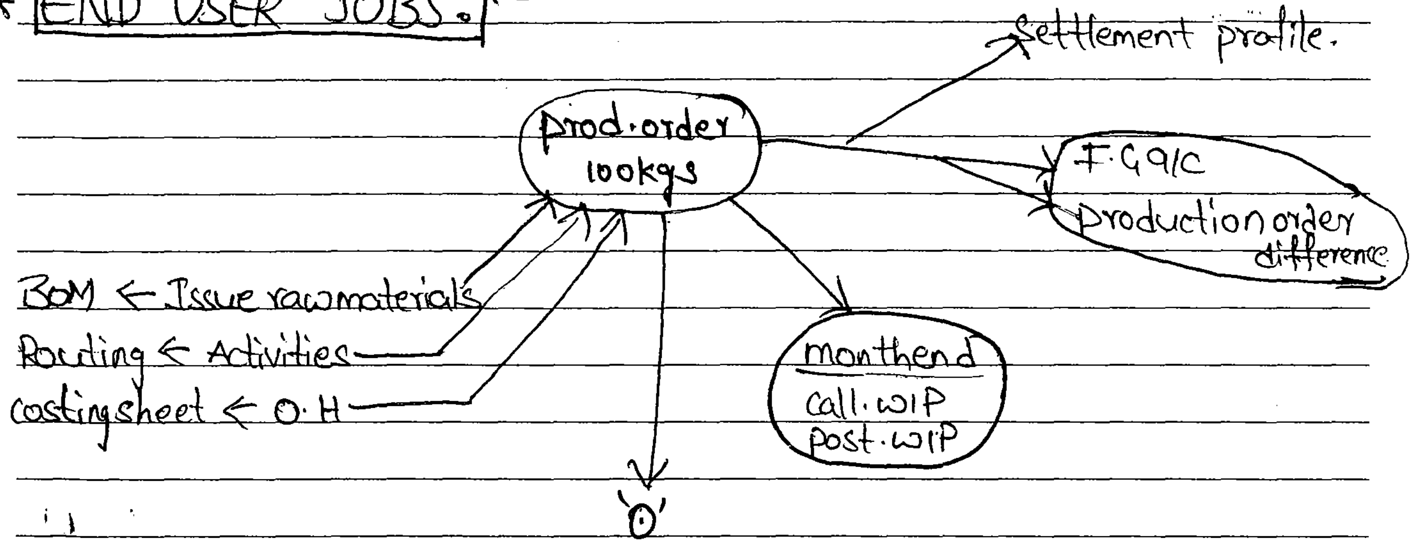
enter & save

Step-8

8) Define Checking control :- T-code: OPJK

Position: 1000 enter
Select 1000 for pp01-1 & pp01-2
click on copy
Remove the 1000 & put KBS for pp01-1 & pp02
enter
save.

* END USER JOBS:-




When settlement has done.

1) Create production order: CO01
To manufacture 100 kgs of KBSFG1
2) Release production order: To start manufacturing process
note down the reservation no.
Whenever a production order is created, the system will create a reservation for the materials required for the order.: CO02
3) Issue raw material to production order: MB1A
4) calculate actual overhead: KGI2
5) If * period end happens in the middle of the order*
Calculate WIP: KKAX
6) Execute settlement of order - to post WIP values

Father's Day (Austria)

to accounts: $\boxed{KO88}$
*new period started*
7) conformation of activities / operations: $\boxed{CO11N}$
To update any activities that we have undertaken as a part of production process.
8) post finished Goods receipt from production order: $\boxed{MB31}$
9) Make production order technically complete: $\boxed{CO02}$
10) Calculate variance: $\boxed{KKS2}$
11) Calculation of WIP again (To check WIP is ZERO): $\boxed{KKAX}$
12) Settlement of order again in the next month to post variance to the accounts and to reverse the WIP postings: $\boxed{KO88}$

$\boxed{Step-1}$
$\boxed{1) Create production order:}$ — $\boxed{T-code: CO01}$
First we need to assign work scheduling data to material master KBSFG1



Pentecost Sunday (Austria, Netherlands, Germany), National Heroes' Day (Uganda)

$\boxed{Go to MM01}$
material: KBSFG1
Industrial: mechanical
material type: finished product
enter
select work scheduling
plant: KBS
enter
production scheduler: B
save.
$\boxed{Go to CO01}$
material: KBSFG1
plant: KBS
or. type: PP01

enter
Total Quantity: 100
start date: 5/6/19
finish date: 5/06/19
enter
click on cost order (ctrl+f7)
enter
Goto → costs → Analysis
observe the costs & go back
click on assignments
Note the Reservation no: 66996
click on save.
MRP controller: A
save
order no 60003385 saved.

Step-2

2) Release production order: — T-code: CO02
order: 60003385
enter
click on (release) (ctrl+f1)
save & enter.

Step-3

3) Issue raw materials to production order: T-code: MB1A
storage location: RM1
To reservation no: 66996
enter
save
Display → overview → Accounting document
Dr → 81 → RM consumption a/c → 10333
Cr → 99 → Inv. Rm a/c → 10333
Dr → 81 → RM consumption a/c → 10000
Cr → 99 → Inv. Rm a/c → 10000

Step-4

4) Calculate actual overhead :- T-code : KGI2

first we need to create actual overhead rate in KZZ2

select K3

click on details

click on new entries

valid from : 01/06/2019

valid To : 31/03/2020

controlling area : KBS

overhead type : 1

overhead key : KBS

percentage : 20

enter & save.

now go to KGI2

order no : 60003385

period : 3

☑ test run

☑ Display dialog

execute.

go back

remove test run & execute.

Step-5

5) Calculate WIP :- T-code : KKAX

WIP to period : 3

Fiscal year : 2019

RA version : 0

☑ test run

☑ Log information message

execute

Remove test run

execute.

June 12 Commemoration (Nigeria)

Step-6

6) Execute settlement of order :- T-code: KO88

order no : 60003385
Period: 3
Fiscal year : 2019
processing type: Automatic
☑ test run
execute.
Remove test run
execute.
entry is
40 → Dr → WIP a/c → 24399.60
50 → Cr → Inc/Dec in WIP a/c → 24399.60

Step-7

7) Conformation of activities / operations:- T-code: CO11N

order: 60003385
enter
Machine hr: 700 (hr)
Save.

Step-8

8) Post finished Goods receipt from production order:- T-code: MB31

order no : 60003385
plant: KBS
storage location: KBSFG1
movement type: 101
enter & save.
In FS00 we have to change 350000 as cost element & give cost element category : 22 (external settlement) before MB31 & save.
entry is
Dr → 89 → FG a/c → 29,566.00
Cr → 91 → Inc/Dec in FG a/c → 29,566.00

step-9
9) Make production order technically complete :- T-code: CO02
order: 60003385
enter
Functions → restrict processing → Technically complete.
save.
step-10
10) calculate variance :- T-code: KKS2
order: 60003385
period: 3
fiscal year: 2019
☑ Test run
☑ Detail
execute
Remove test run
execute.
step-11
11) Again calculate WIP :- T-code: KKAX
order: 60003385
period: 3
fiscal year: 2019
☑ Test run
☑ Detail
execute.
Remove test run
execute.
step-12
12) Settlement of order :- T-code: KO88
order: 60003385
period: 3
fiscal year: 2019
active type: automatic
☑ test run

☑ Detail
execute
remove test run
execute.
entry is

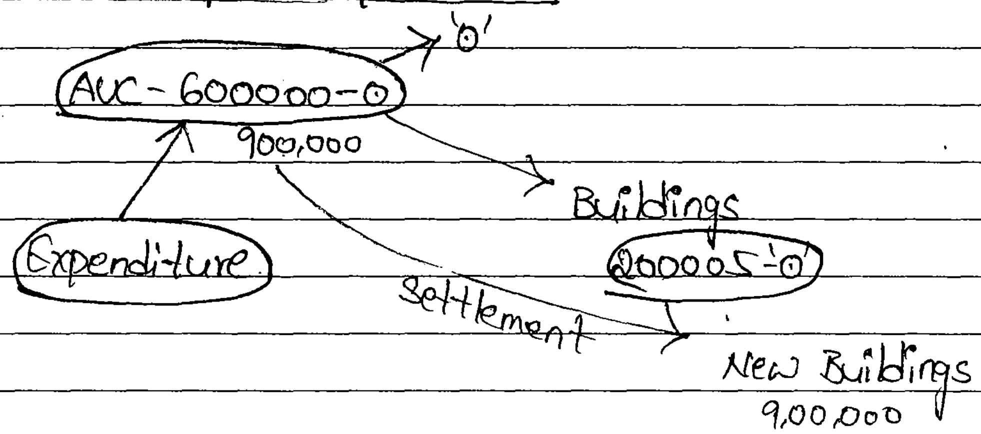
| | | | | |
|---|---|---|---|---|
| 83 | → Dr | → prod. order diff a/c. | → | 1833.60 – |
| 91 | → Cr | → Inc/Dec in FA a/c | → | 1833.60 |
| 40 | → Dr | → Inc/Dec in WIP a/c | → | 24399.60 |
| 50 | → Cr | → WIP a/c | → | 24399.60 – |

32
08/09/2019

AUC Settlement :-
Asset under construction settlement :-

first we need to create AUC account and post expenditure to that account. after completion of that Asset we have to settle that asset to relavent asset like Building, plant, furniture etc.

To create AUC & post expenditure :-




1) Create AUC GL account – 200600 : FS00
2) Account determination for AUC : AO90
3) Depreciation area for AUC : OAYZ
Deactivate it & give dep key – 0000
4) Create AUC Asset : AS01

05) Spending the money on AUC : $\boxed{F-02}$
400,000 expenditure - AUC
500,000 expenditure - AUC

**To settlement of AUC to main Asset :-**

1) Maintain settlement profile for AUC settlement : $\boxed{OKO7}$
2) Assign settlement profile to co.cd : $\boxed{OAAZ}$
3) Create the new building master record under buildings class : $\boxed{AS01}$
4) Settle AUC asset (600000-0) to new building asset master : $\boxed{AIAB}$

**Step-1**

**1) Maintain settlement profile for AUC settlement :-** **T-code : OKO7**

position : AI
enter
click on AI - settlement of AUC
observe settings
save.



**Step-2**

**2) Assign settlement profile to co.cd :-** **T-code : OAAZ**

position : KBS
enter
Settlement profile : AI
save

**Step-3**

**3) Create new building maste record under Buildings class :-** **T-code : AS01**

create new building account for 200004-0

**Step-4**

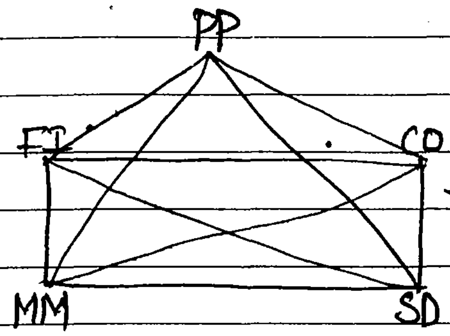
**4) settle AUC asset :-** **T-code : AIAB**

Co.cd : KBS
Asset : 600000
sub no : 0
execute.

Martin Miguel de Guemes Day (Argentina), Youth Day (South Africa)

Settings
layout : 1SAP
Additional area : 1 & execute.
Select the transactions
Click on enter
category : FxA
Settlement receiver : 200004-0
% : 100
No : 1 & enter
go back
enter
Click on execute settlement
click on yes
Asset value date : 08/06/19
Text : Being AUC settlement
click on execute.
go back
Remove the test run
execute.
* check the Asset value for 600000-0 is $\boxed{\text{ZERO}}$

# COPA
# CONTROLLING PROFITABILITY ANALYSIS




→ COPA → profitability reports.

KBS

25 crors profit

Here we can see profitability analysis in many ways like:

500 customers:

1 Customer - 22 crores

499 customers - 3 crores

50 sales man:

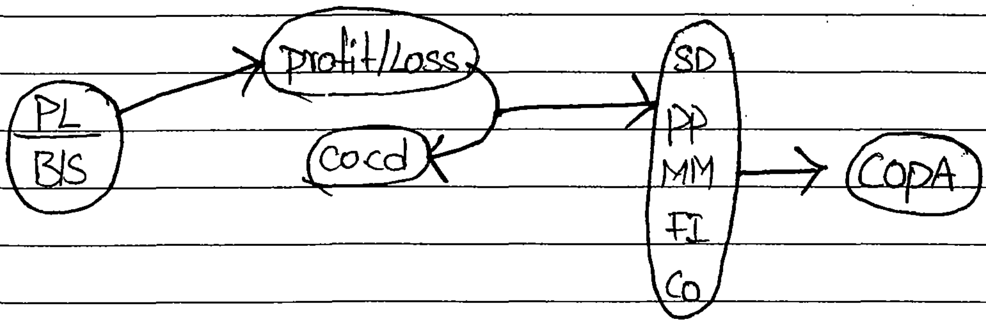
1 sales man - 19 crores

49 sales man - 6 crores

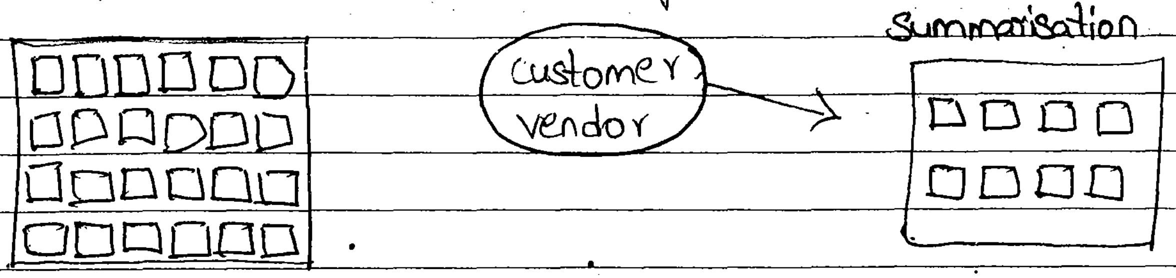
10 products: sales

1 product - 24 crores - 100 crores

9 product - 1 crore - 300 crores.

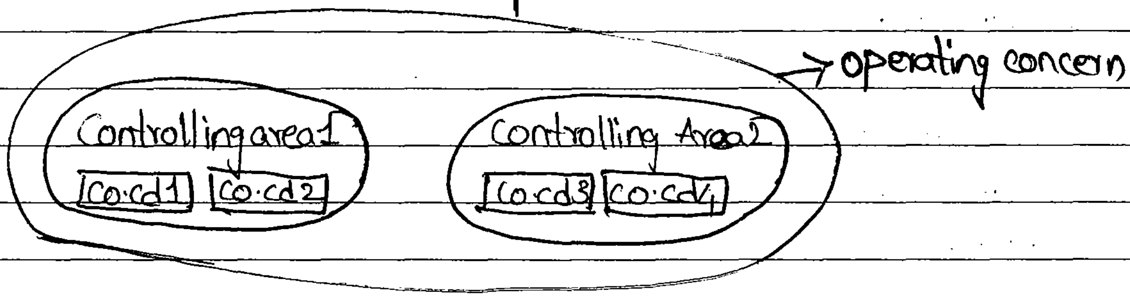


for reports it access so many tables




we can see reports in
⇒ Characters
⇒ value fieds

★ **Operating Concern:** – operating concern is the highest organizational unit in controlling.




Operating concern also created as same as controlling area or cross controlling area.
⇒ 1:1
⇒ 1:N

**Configuration for COPA:** –
1) Maintain operating concern : KEA0
2) Set operating concern : KEBD
3) Define profitability segment characteristics : KEQ3
4) Assign controlling area to operating concern : KEKK
5) Define number range for actual postings in PA : KEN1
6) Assign SD conditions to COPA value fields : KE4I
7) Maintain PA transfer structure for Direct posting from FI : KEI2
8) Activate profitability analysis : KEKE

National Flag Day (Argentina), Corpus Christi (Austria, Germany)

Step-1

1) Maintain operating concern:- T-Code: KEA0

operating concern: KBS1
enter
yes
enter
Description: KBS operating concern
select costing based
click on Attributes
operating concern currency: INR
select co.cd currency
Fiscal year variant: B3
click on save
go back to data structure
click on create
select characteristic what you want
sales employee for characteristic
select VV010 - Revenue for value fields
select VV140 - cost of goods sold for value field.
go to data structure → save.
again data structure → activate.
click on save.
go back
33 it gives message Do you wish to generate operating concern
9/6/19 click on yes.

Step-2

2) Set operating concern:- T-Code: KEBD

operating concern: KBS1
enter.

Step-3

3) Define profitability segment characteristics :- T-code : KEQ3

Select customer, product for
Cost Based + Account based
save.

Step-4

4) Assign controlling area to operating concern :- T-code : KEKK

position : KBS
enter
operating concern : KBS1
save.

Step-5

5) Define no. range for actual postings in PA :- T-code : KEN1

operating concern : KBS1
click on Groups
select generated group
click on interval maintain
From no : 0000000001
To no : 0999999999
save.

Step-6

6) Assign SD condition to COPA value field :- T-code : KE4I

condition type : PR00 - Revenue.
Value field : VV010
Condition type : VPRS - cost
Value field : VV140
enter
save.

Step-7

7) Maintain PA transfer structure for Direct postings from FI :- T-code : KEI2

Select FI - Financial a/c → COPA
Click on Assignment lines
Select 20 - Direct revenues from FI

click on source ·
cost element from : 300000 to : 399999
click on source value fields
click on new entries
Qty value:
Value field : F : 3 - Sum of fixed and variable amounts.
value field : VV010
enter & save.
go back
Select 10 - Direct costs from FI
click on source.
Expenditure From : 400000 to : 499999
click on value field
click on new entries
Qty value:
Value field : F : 3
Value field : VV140
enter & save.



Step-8

8) Activate profitabity analysis :- T-Code : KEKE

position : KBS
enter
Active status : 4 - component active for both types of profitability analysis.
Save.

For Report painter configuration requires :-

1) Define forms for profitability reports : KE34
2) create profitability report : KE31
3) post transactional data :
4) Execute the report : KE31

Step-1

1) Define forms for profitability reports:- T-code: KE34

Form: KBSPAFORM | KBSPAFORM
select two axes (matrix)
click on create.
select operating currency.
click on row1
select value field with characters
enter
select revenue
check & confirm
click on row2
select value field with characters
enter
select cost of goods sold
check & confirm & click on row3
select formula
enter
select (Y001 - Y002)
enter
check & confirm
click on coloumn1
select charateristics
enter
select plan/Act, Fiscal year, period.

| Name | Variable | From | text | Variable | To |
|---|---|---|---|---|---|
| Plan/Actual | - | 0 | Actual data | - | 0 |
| Fiscal year | ☑ | 1 | Local variable | ☑ | 2 |
| Period | ☑ | 1 | Local variable | ☑ | 2 |

check & confirm
click on save.

- go to edit → General data selection → General data selection
give record type

| Name | variable | From | text | variable | To | Text |
|---|---|---|---|---|---|---|
| Record type | | B | Directpostings | | F | Billing date |

check & confirm
go to extras → variables → variables definition
Description:-
1) From fiscal year
1) From period
2) To fiscal year
2) To period.
enter & save.

Step-2

2) Create profitability report:- T-code: KE31
Report: KBSPA REPORT / KBSPA REPORT
Select Report with form: KBSPAFORM
click on create.
select operating currency
select customer, plant, product, sales organisation.
charcter
customer
plant
product
sales org
click on variables
we given
click on output type
select classic - drilldown
- Basic list
D-down
select available on selection screen
click on save
enter.

Independence Day (Madagascar)

Step-3

3) post transactional data:-

Here we can post any data and we can see reports as required.

For example now we posting (SD-O2C cycle) Sales
For this we will get error in VL01N.

Error: Account determination for entry KBCA GBB001 VAY KBFG not possible.

solution:

Go to OBYC
click on GBB
chart of accounts: KBCA
Valuation method: 0001
General modification: VAY
Valuation class: KBFG
Account: 350000
save.

Step-4

4) Execute the reprot:- T-code: KE31

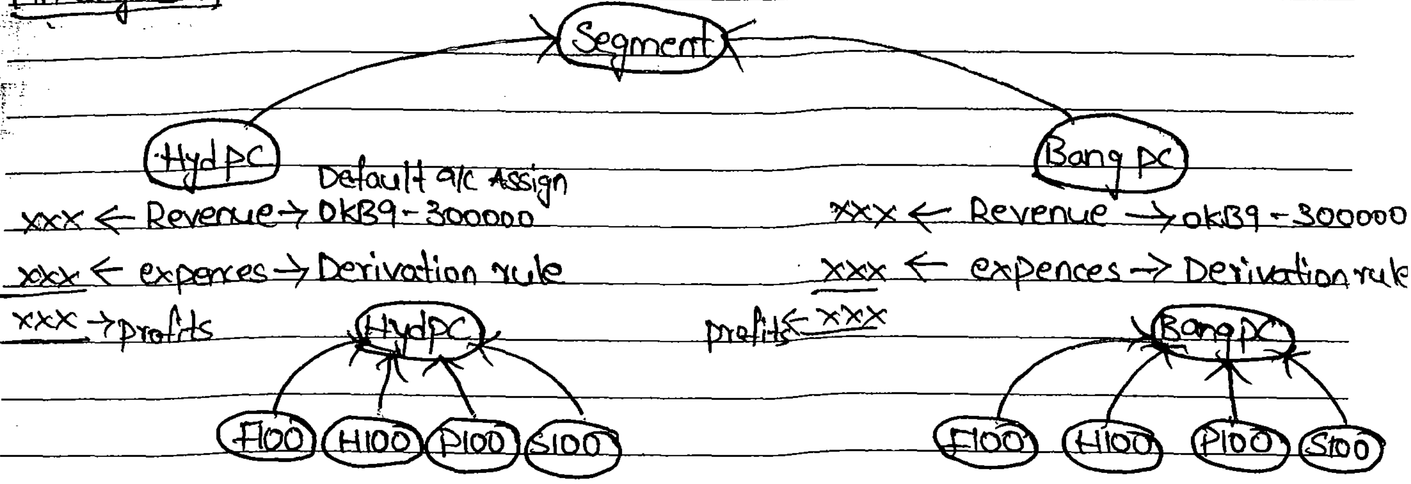
Report: KBSPAREPORT | KBSPAREPORT
select Report with form: KBSPAFORM
click on Display
Here we can observe profitability analysis by customer, product etc.

34 14/06/2019

# NEW G/L CONCEPTS

1) Segment reporting
2) Document splitting
3) Foreign currency revaluation
4) CO-FI Reconciliation
5) parallel ledgers.

[in segment]




[In Document Splitting]:

If we sale to customer in Hyd & Bang to same customer we can post to two sales revenue to one same customer at the time of posting we have to activate Document splitting.

For that sales entry system will post separate two entries.

*

| | |
|---|---|
| Customer a/c Dr | 100000 |
| To sales a/c (300000) Cr | 80000 |
| To sales a/c (300001) Cr | 20000 |

⇒ Sub ledger entry

*

| | |
|---|---|
| S/Debtors a/c Dr | 100000 |
| To sales (300000) Cr | 80000 |
| To sales (300001) Cr | 20000 |

⇒ General edger entry.

In document splitting the General ledger entry will be divided in to two entries.

| | | | |
|---|---|---|---|
| S/Debtors a/c | Dr | 80,000 | ⇒ Hyd pc |
| Sales a/c (300000) | Cr | 80,000 | |

| | | | |
|---|---|---|---|
| S/Debtors a/c | Dr | 20,000 | ⇒ Bang pc |
| Sales a/c (300001) | Cr | 20,000 | |

● Concept-1

1) Segment Reporting :-

1) Create Banglore pc : KES1
2) create cost centers : KS01 - F200, H200
3) create sales a/c (300001) : FS00
4) Assign default a/c assignement for pc : OKB9
5) creation of segment
6) Assign the segment in the profit center master : KES2

Step-1

1) Create Banglore profit center :- T-code: KES1

profit center : Bangpc
enter
Analysis period : 01/04/2019 to 31/12/9999
Name : Banglore pc
Long text : Banglore profit center
person responsible : profit center manager
profit center Group : KBSpcchy



● Revolution Day (Sudan)

click on activate
save.

Step-2

2) create cost center :- T-code : KS01

cost center : F200
valid from : 01/04/2019 to 31/12/9999
enter
Name : FIN CC
Description : FINance CC
person responsible : Finance manager
cost center category : 8
Hierarchy area : KBSSTDCHY
currency : INR
save.

cost center: H200
valid from: 01/04/2019 to 31/12/9999
enter
Name: HRCC
Description: HR CC
persion responsible: HR manager
cost center category: 4
Hierarchy area: KBSSTDCHY
Currency: INR
save.

Step-3

3) create sales a/c (300001): — T-code: FS00
click on create
GL account: 300001
Co.cd: KBS
enter
Acct Group: Incomes
select P&L a/c
short text: Sales revenue2
long text: Sales revenue2
select only balances in local currency
select line item display
sort key: 001
F.S.G: G029
save
again click on edit
click on edit cost element
valid from: 01/04/2019 & enter
element category: 11
enter
save.

Step-4

4) Assign default account assignment for PC :- T-code : OKB9

click on new entries

| company code | costelement | profit center |
| --- | --- | --- |
| KBS | 300000 | HydPC |
| KBS | 300001 | BangPC & save |

Step-5

5) Creation of segment :- T-code:

Navigation :- Spro → Reference Img → Enterprice structure → Definction → Financial Accounting → Define segment

click on new entries

segment: KBSSI

Description: KBS South india segment

click on save.

Step-6

6) Assign the segment in the profit center master :- T-code : KE52

In Hyd PC

segment: KBSSI

save

activate it.

*if any changes made in pc, again we have to activate it.

In BangPC

segment: KBSSI

save

activate it.