User Manual Product Costing

ElectroSteel Steels Limited

Prepared By:

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Sensitivity: Confidential (C2)

Table of Contents

1. Product Costing	Error! Bookmark not defined.
1.1. Change Plan data for Activity types - KP26	Error! Bookmark not defined.
1.2. Change CElem / Activity Input Planning - KP06	Error! Bookmark not defined.
1.3. Iterative Plan Price Calculation - KSPI	Error! Bookmark not defined.
1.4. Cost Center Actual Manual Price Display - KBK7	Error! Bookmark not defined.
1.5. Cost Centers: Actual/Plan/Variance Report - S_ALR_870136	11Error! Bookmark not defined.
1.6. Create Material Cost Estimate - CK11N	Error! Bookmark not defined.
1.7. Price update: Mark standard price - CK24	Error! Bookmark not defined.
1.8. Release standard price - CK24	Error! Bookmark not defined.
1.9. Display Material Cost Estimate – CK13N	Error! Bookmark not defined.
1.10. Material Update Planned Price	17
1.11. Overhead allocation by using distribution cycle - KSV5	Error! Bookmark not defined.
1.15. Execute Actual Price Calculation based on Actual Production	– KSII 22
1.16. Cost Center Actual Manual Price Display - KBK7	Error! Bookmark not defined.
1.18. Revaluation at actual prices – CON2	Error! Bookmark not defined.
1.19. Variance calculation – KKS6	Error! Bookmark not defined.
1.20. Actual settlement – KK87	Error! Bookmark not defined.
1.21. Order Actual Line Items – KOB1	Error! Bookmark not defined.

1. Product Costing

Electrosteel management has requested PwC to implement the product costing module in their SAP system to eliminate their cumbersome and manual working in excel file during month end. Manual calculation was very time consuming and there were always a chance to have a manual error.

PwC has automated the process and implemented the product costing module of SAP.

Below are details of the steps required to be performed during the month beginning and month-end.

1.1. Change Plan Data for Activity Types

SAP R/3 menu	Sap Menu \rightarrow Controlling \rightarrow Cost Centre Accounting \rightarrow Planning \rightarrow Activity Output/Prices \rightarrow KP26 \rightarrow Create
Transaction code	KP26

This transaction will be used to Input the normal production capacity. This needs to be maintain for each activity type for the production cost centers .i.e. 10110100

Prerequisites:

Creation of Activity Type Group or Select a Range of Activity Types

Change Activ	vity Type/Prid	ce Planning: Initial Screen
🔊 🖉 🗟 🕞		
Layout	1-201	Activity Types with Prices: Standard
Variables		
Version	0	Plan/Act - Version
From Period	12	March
To Period	12	March
Fiscal year	2019	
Cost Center	10110100	Blast Furnace 1 - Operation
to		
or group		
Activity Type	100010	Repairs & Maintainance
to	100050	Admin Overheads
or group		
Entry		
OFree	 Form 	n-Based

Selection Criteria

Provide:

Versions

From Periods

To Periods

Fiscal Year

Activity Types

(Note- Cost Centre we Choose here is for Operational and we have chosen activity Type Ranges in case we have not maintained a Group)

Now Provide the Plan Activity

	Chang	e Activity Ty	pe/F	Price Planni	ng: O	vei	view Scr	een										
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Co	st Cente	r 101	10100		Blast Fu	mace	1 - Operation	ı										
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	100020	500,000	2		2	EA			00001	1			99100020	1	1		0	
	100030	500,000	2		2	EA			00001	1			99100030	1	1		0	
	100040	500,000	2		2	EA			00001	1			99100040	1	1		0	
	100050	500,000	2		2	EA			00001	1			99100050	1	1		0	
	*Activ	2,500,000	J	()										5		0	



1.2. Change CElem/Activity Input Planning

SAP R/3 menu	Sap Menu → Accounting → Controlling → Cost Centre Accounting → Planning → Cost and Activity Inputs→KP06→Change
Transaction code	КРоб

Creation of cost element group for each activity types. As this needs to be maintained for all activity type with reference to the cost elements and cost center.

This transaction will be used to Input the planned cost against the cost elements in the combination of cost center and activity type. This needs to be maintained for each activity type for the production cost centers .i.e. 10110100

Change Cost	Element/Activit	y Input Planning: Initial Screen
<u>a</u> a a a a a a a a a a a a a a a a a a		
Layout	1-101 Cost	t Elements Acty-Indep./Acty-Dependent
Variables		
Version		Plan/Act - Version
From period	12	March
To period	12	March
Fiscal year	2019	
Cost Center	10110100	Blast Furnace 1 - Operation
to		
or group		
Activity Type	100010	Repairs & Maintainance
to	100050	Admin Overheads
or group		
Cost Element		
to		
or group	ZCOAL	Cost Element Group for Coal Consumption
Entry		
OFree	 Form-Base 	d

Put the Planned Amount.

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-	Change Cost Element/Activity Input Planning: Overview Screen													
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Ve	Version 0 Plan/Act - Version													
Pe	riod		12		То	12								
Fis	cal Year		201	.9										
Со	st Cente	r	101	10100		Blast Furnace 1	- Oper	ration						
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	100030	71100010		50,000.00	2		2		2		2			
		71100020		50,000.00	2		2		2		2			
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1.3. Iterative Plan Price Calculation

SAP R/3 menu	Sap Menu \rightarrow Accounting \rightarrow Controlling \rightarrow Cost Centre Accounting \rightarrow Planning \rightarrow Allocations \rightarrow Price Calculations
Transaction code	KSPI

This transaction will be used to calculate the planned overhead rate for each activity type base on the normal capacity given and planned cost given against the cost center and activity type. This needs to be run for each activity type for the production cost centers .i.e. 10110100.

다 Price calcula <u>t</u> ion <u>E</u> dit <u>G</u> oto Extr <u>a</u> s System <u>H</u> elp		
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🕼 🔟 Settings		
Controling Area 1000 © Cost center group 1000 Selection Variant	Version	
Fiscal Year 2019		
Processing Background Processing Detail Lists With fixed cost predistr.		
Import: Activity-independent costs and activity inputs	SAP	▷ ESD (4) 200 🔻 eslds4n2ac OVR 🚔 🖨



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Price Calculation Resul	ts - Plan	,									
📕 🔹 🕨 🔛 📲 Activity Analy	🖌 🔸 🕨 🍰 Activity Analysis 🍕 🚏 🖩 🚢 🚏 🕃 🕼 📴 🖆 Choose - 📴 Save 🗷 🐕 📅 🐌 📝 🗐										
Controlling Area 1000 Version 0 Fiscal Year 2019 Period 012 Cost center group 1201 Plan price calc. 1 Currency INR Exchange rate type M Value Date 01.03.20 Processing Status UpdateRu	ontrolling Area 1000 Electrostel Stels Ltd. ersion 0 Plan/Act - Version iscal Fear 2019 erid 012 cost center group 1201 lan price calc. 1 Periodic price urrency INR Indian Rupee xchange rate type M Standard translation at average rate alue Date 01.03.2017 rocessing Status UpdateRun										
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ATY 10110100/100020	EA	500,000	0.20	0.20	1						
ATY 10110100/100030	EA	500,000	0.20	0.20	1						
ATY 10110100/100050	EA	500,000	0.20	0.20	1						
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					SA	7	👂 ESD (4) 200 🔻 esids4n2ac 🛛 OVR				

The price will get split according to the price maintained in the KP06 and KP26 and will be updated as price per unit.

1.4. Cost Centre Actual Manual Price Display

SAP R/3 menu	Sap →Accounting→Controlling→Cost Centre Accounting→Actual Posting→Actual Price→Display
Transaction code	KBK7

This is a report transaction to check the calculated planned rate in the above step 3.

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Cost Centers r	Manual Actual Price D	ispiay: Initial Screen		
Layout	1-N01 Manual Actua	l Price Cost Centers		
Variables				
Period	12	March		
To period	12	March		
Fiscal year	2019			
Cost Center				
to				
or group	1201			
Activity Type	100010	Repairs & Maintainance		
to	100050	Admin Overheads		
or group				
Entry				
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	Cost Centers Manual Actual Price Display: Overview Screen										
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Version Plan/Act - Version Period 12 To 12 Fiscal Year 2019 Cost Center 10110100 Blast Furnace 1 - Operation											
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	100020	0.00	0.00	INR	00001	7	0.20	0.00	INR	00001	1
	100030	0.00	0.00	INR	00001	7	0.20	0.00	INR	00001	1
	100040	0.00	0.00	INR	00001	7	0.20	0.00	INR	00001	1
	100050	0.00	0.00	INR	00001	7	0.20	0.00	INR	00001	1
	*Activ										
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	-										

1.5. Cost Centers:Actual/Plan/Variance Report

SAP R/3 menu	
Transaction code	S_ALR_87013611

This is a cost center report transaction. Planned cost and planned normal capacity can be checked using this report.

Cost Centers: Actual/Plan/Variance: Selection						
🚱 Data Source 🚺						
Selection values						
Controlling Area	1000					
Fiscal Year	2019					
From Period	1					
To Period	12					
Plan Version	0					
Selection groups						
Cost Center Group	1201					
Or value(s)		to				
Cost Element Group						
Or value(s)		to	_			

Hit Execute

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Cost Centers: Actual/Plan/Variance								
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 1201 1201 10110100 Blast Furnace 1 - Operation 	Cost Centers. Actual/Fian/Valia	nice Date.	13.03.2020	Column:	1/2			
• 🔁 10110100 Blast Furnace 1 - Op	Cost Center/Group 120 Person responsible: *	01						
	Reporting period: 1	to 12 2019	9					
	Cost Elements	Act. Costs	Plan Costs	Var.(Abs.)	Var.(%)			
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	71100020 CONSUMPTION- CORI 72100030 CONSUMPTION - SCR	1,350.00	250,000.00	1,350.00	100.00-			
	72100070 CONSUMPTION - TMT	6,593.60		6,593.60				
	72600010 COGS- SFG BILLET	841,822.95		841,822.95				
	73100010 CONSUMPTION- S&S	3,700.00		3,700.00				
	73100020 CONSUMPTION- 545	511,000.00		511,000.00				
	74100040 DEP-RAILWAY SIDIN	1,941,96		1,941,96				
	74100100 DEP-INTANGIBLE AS	231.55		231.55				
	76100020 R&M - VEHICLES &							
	77100021 OPERATION & M_HAN	1,000,000.00		1,000,000.00				
	77100041 MACHINE HIRE CH_H							
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	99100010 ACTIVITY-REPAIR &		107,440.00-	107,440.00	100.00-			
	99100020 ACTIVITY-STORES &		100,000.00-	100,000.00	100.00-			
	99100030 ACTIVITY-MANPOWER		100,000.00-	100,000.00	100.00-			
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1.6. Create Material Cost Estimate

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SAP R/3 menu	Sap Menu → Controlling→ Processes → Manufacturing →Product Costing →Individual Costing→Material Cost Estimate→Create
Transaction code	CK11N

This transaction will be used to create the material cost estimate/standard cost. This will update the planned price in material master.

Create Mate	rial Cost Estimat	e with Qua	ntity S	Structure
🗅 &r 🔹 🕨	Costing Structure On	Detail List On	🔄 Hold	1 🗾 😃
Material	M3020000000012	Q		
Plant	1000			
Val. Type				
Costing Data	Dates Qty Struct.			
Costing Variant Costing Version Costing Lot Size Transfer Control	PPC1 1			

Fill up the required field 1) Material code

- 2) Plant
- Costing variant
 Costing version

Then Press Enter to Run.

면 Cost Estimate Edit Goto Costs Extras Settings System Help					
- 🔮 🔄 - 🔍 - 😓 I 🕲 😒 😒 I 🖨 III 🖏 I 🗊 🔽 I 😢 🖳	0				
Create Material Cost Estimate with Quantity Structure					
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Image: Solution of the second seco	ON DUST Costs				*
Costs Based On 1 Costing Lot Size 1	TO				#
(1) (1) Cost Component View Total Costs Fixed Costs Variable Cur Cost of Goods Manufactured 109,092.00 0.00 109,092.00 NH Cost of Goods Sold 109,092.00 0.00 109,092.00 NH	rency				
Sales and Administration C 0.00 0.00 0.00 NN Inventory (Commercial) 109,092.00 0.00 109,092.00 NN Inventory (Tax-Based) 109,092.00 0.00 109,092.00 NN					
1 Cost of Goods Manufactured 👻 🧐 📰 🛃 Partner					* *
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ItmNo I Resource	Cost Element Σ	Total Value Σ	Fixed Value COCr	Quantity Un	
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System messages were generated. See log	SAP			ESD (1) 200 *	eslds4n2ac OVR 😽 🖨

*Material cost estimate has been created

1.7. Price Update: Mark Standard Price

SAP R/3 menu	Sap Menu \rightarrow Accounting \rightarrow Controlling \rightarrow Product Cost Planning \rightarrow Material Costing \rightarrow Price Update
Transaction code	CK24

This transaction will be used to mark and release the material cost estimate/standard cost. The new cost will be updated in material price in current price tab in costing 2 tab of material master data.

Price Update: Mark Standard Price							
🕼 🚸 🆆 🖶 💱 Release	🔁 Other Prices						
Posting Period/Fiscal Year	3 2020		Marking Allownce				
Company Code	1000	to					
Material	M302000000012						
Processing Options							
With List Output							
Parallel Processing							
Background Processing							

Fill up the required field

- 1) Posting period/Fiscal year
- 2) Company code
- 3) Plant
- 4) Material code
- 5) Marking allowance



Screen 2

Price	Price Update							
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Log crea	ated on 13.03.2020							
Informat Warning: Error	Information 3 Warnings Error							
Total	Iotal 3							
∆ т	Material	Plnt	AppAr	MsgNo	Message Text	ItmNo		
			CK CK	701 790 705	Marking not authorized for period 003 / 2020 in company code 1000 **********************************			

1.8. Release Standard Price

SAP R/3 menu	Sap Menu → Accounting → Controlling → Product Cost Planning → Material Costing → Price Update
Transaction code	CK24

This transaction will be used to mark and release the material cost estimate/standard cost. The new cost will be updated in material price in current price tab in costing 2 tab of material master data.

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Price Update: Mark Standard Price	
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Company Code 1000 to 📄	
Plant 1000 to 🖻	
Material M3020000000012 to	
Processing Options	
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√With List Output	
Parallel Processing	
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- Fill up the required field1) Posting period/Fiscal year2) Company code

 - 3) Plant
- 4) Material code and then press execute 5) Screen 2

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Price Update					
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Log created on 13.03.2020					-
Information 2 Warnings					
Error Total 2					
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					*
Of 0 materials, 0 cost estimates were updated succe	ssfully SAP		➢ ESD (1) 200 ▼ eslds4n2ac OVR		ſ

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1.9. Display Material Cost Estimate

SAP R/3 menu	Sap Menu → Accounting → Controlling → Product Cost Controlling → Product Cost Planning→Material Costing→Cost Estimate with Quantity Structure→Display
Transaction code	CK13N

년 Cost Estimate Edit Goto Costs Extras Settings System Help	
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Display Material Cost Estimate with Quantity Structure	
🗅 % 🔹 🕨 Costing Structure On Detail List On 📓 Hold 🚺 🔡	
Material M302000000012 Plant 1000 Val. Type	
Costing Data Costing Variant PPC1 Costing Version Image: Cost and the second	
	▶ ESD (1) 200 ▼ esids4n2ac OVR 1457

1.10. Material Update Planned Price

SAP R/3 menu	
Transaction code	ZFIMP

Material Update P	lanned Price			
Ø				
Input Details				
Period/Year	012.2019			
Plant	1000	to	(
Material	30200011120000	<u>a</u>		

Perquisites- Maintain SM30 Table for last 3 month for same Material.

Assign,

Period/Year Plant Material

And Execute.

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Material Update Planned Price								
(에 이 프 이 프 이 마이 이 프 이 Display Selections	Rows	Columns Current Cell						
Material Material description	Plant	Plant Name	Cons Qty	Unit AmtConsQty	Currency	PIndPrice1	Status	Message
MTX111216080002 C LMBR HRDWOOD;GRN BMBOO,6M,DIA: 4-5 IN	1000	Iron & Power Unit-SBU Electrosteel Steels Ltd.	1,690	EA 101,400.00	INR	60.00		

And Now Save,

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MTX111216080002 CLMBR HRDWOOD;GRN BMBOO,6M,DIA: 4-5 IN	1000	Iron & Power Unit-SBU Electrosteel Steels Ltd.	1,690	EA	101,400.00	INR	60.00	 Image: A start of the start of	The m

We see that Status Field is Updated with Green Tick Mark.

1.11. Overhead allocation by using distribution cycle

SAP R/3 menu	Sap Menu \rightarrow Accounting \rightarrow Controlling \rightarrow Cost Center Accounting \rightarrow Period End Closing \rightarrow Single Functions \rightarrow Allocations \rightarrow Distributions
Transaction code	KSV5

This transaction will be used to run the different distribution cycles created in the system. Distribution cycles have been created in the system to allocate the cost to production cost centers .i.e. 1010010 which are getting booked in the different production cost centers.

Electrosteel has multiple cost centers created in the system where costs are getting related to production. At the end all needs to be allocated to the main production cost centers to get the actual production cost correctly.

There are total 8 Distribution rules have been created in the system as per the requirement.

Execute Actual Distribution: Initial Scree	2/7
🚱 🔟 Settings	
Parameters	Additional Functions
Controlling Area1000Period12ToFiscal Year2019	 Lock Segments for Test Run Display Documents and Simulations Show Executions in Schedule Manager
Processing Options Background Processing Test Run Detail Lists	
Cycle Start Date	
TEST1 01.01.2020 Test for Distribution Cycle Image: Construction Cycle Image: Construction Cycle <t< td=""><td></td></t<>	

Hit Execute.

Screen 2

Display CCA: A	ctual Distribution Basic I	List			
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Cycle Start Da	te Text	P	Senders	Number of Receivers	No. of Messages
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Version 0 Fiscal Year 2019 Period 12 To 12 Cycle TEST1 Test for Distributio Valid From 01.01.2020 P Segment Cost Element OTy Object PTy Partner Object [P] TEST 73100010 CTR 30110200 CTR 30110202 TEST 73100010 CTR 30110202 CTR 30110200 TEST 73100010 CTR 30110201 CTR 30110202 TEST 73100010 CTR 30110202 CTR 30110202 TEST 73100010 CTR 30110201 CTR 30110202	
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Screen 4

Cost center 1010010 Balance after distribution the cost to 30110200,02,04,05 – KSB1

Display Actual Cost Line	Items for Co	st Cen	ters	s : Initial Scre	een
	a				
Controlling Area	1000 🔍				
Cost Center	30110200	to)	30110205	
or					
Cost Center Group					
Cost Element		to)		
or					
Cost Element Group					
Posting Data					
Posting Date	01.03.2020	to)	31.03.2020	
Settings					
Layout	1SAP	Primary o	cost p	oosting	
More Settings					

Hit Execute.

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Display Actual Cost Line Items for Cost Centers						
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1SA er 301 erency INR	P Primary cos 10200 DIP - Melti Rupee	t posting ng Zone R				
Cost element name	Σ Val.in rep.cu	. Total quantity	PUM C	OffsetAcct	Name of Offsetting Account	
CONSUMPTION- S&S CON	N 15,000.00					
CONSUMPTION- S&S CON	N 85,000.00					
CONSUMPTION- S&S CON	N 30,000.00					
CONSUMPTION- S&S CON	N 30,000.00					
CONSUMPTION- S&S CON	N 25,000.00					
CONSUMPTION- S&S CON	N 85,000.00	-				
CONSUMPTION- S&S CON	N 85,000.00					
	Actual Cost Line t & Master Record r 301 rency INR Cost element name CONSUMPTION- S&S COI CONSUMPTION- S&S COI	Actual Cost Line Items for Cost Cert t Isap t Isap trency Isap trency Isap Primary cost DIP - Meltin rency INR Cost element name Val.in rep.cur CONSUMPTION- S&S CON 15,000.00 CONSUMPTION- S&S CON 30,000.00 CONSUMPTION- S&S CON 25,000.00 CONSUMPTION- S&S CON 85,000.00 CONSUMPTION- S&S CON 85,000.00	Actual Cost Line Items for Cost Centers t IsaP t IsaP Signature IsaP Primary cost posting DIP - Melting Zone R Rupee Cost element name Example Cost element name Example Val.in rep.cur. Total quantity CONSUMPTION- S&S CON CONSUMPTION- S&S CON Solution Consumption Solution Consumption Solution Solution Consumption Solution <td>Actual Cost Line Items for Cost Centers t & Master Record Image: Second S</td> <td>Actual Cost Line Items for Cost Centers t Isap t Isap isap Isap Primary cost posting 30110200 DIP - Melting Zone R Rupee Cost element name 2 Val.in rep.cur. Total quantity Cost element name 2 Val.in rep.cur. Total quantity Consumption 85,000.00 Consumption 85,000.00 Consumption 85,000.00 Consumption 85,000.00 Consumption 25,000.00 Consumption 85,000.00 Consumption 85,000.00 Consumption 85,000.00 Consumption 85,000.00 Consumption 85,000.00 Consumption 85,000.00 Consumption 85,000.00</td>	Actual Cost Line Items for Cost Centers t & Master Record Image: Second S	Actual Cost Line Items for Cost Centers t Isap t Isap isap Isap Primary cost posting 30110200 DIP - Melting Zone R Rupee Cost element name 2 Val.in rep.cur. Total quantity Cost element name 2 Val.in rep.cur. Total quantity Consumption 85,000.00 Consumption 85,000.00 Consumption 85,000.00 Consumption 85,000.00 Consumption 25,000.00 Consumption 85,000.00 Consumption 85,000.00 Consumption 85,000.00 Consumption 85,000.00 Consumption 85,000.00 Consumption 85,000.00 Consumption 85,000.00	

1.12. Execute Actual Price Calculation based on Actual Production

SAP R/3 menu	Sap Menu \rightarrow Accounting \rightarrow Controlling \rightarrow Cost Centre Accounting \rightarrow Period End Closing \rightarrow Single Functions \rightarrow Price Calculations
Transaction code	KSII

This transaction would be used to calculate the actual overhead rate activity wise. This will get calculated on the basis of cost posted in the main production cost center divided by the actual production. This transaction is required to load the actual overhead cost in the product cost collector and to get the correct actual cost of production and variance.

Execute Actual	Price Calculation: Initial Screen	
🚱 🔟 Settings		
Controlling Area	1000	
● Cost center group	1201	
Oselection Variant		D 🖉 🎸
○ All Cost Centers		
Parameters		
Period	12 To 12	
Fiscal Year	2020	
Processing		
Background Processing	9	
✓ Test Run		
✓ Detail Lists		

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Price Calculation Resul	ts -	Actual						
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Controlling Area 1000 Version 0 Fiscal Year 2019 Period 012 Cost center group 1201 Actual price calc. 1 Currency INR Exchange rate type M Value Date 01.03.20 Processing Status TestRun Number of Messages 1 Maximum Categ. Error	P I S 17	lectrosteel Steels Lt lan/Act - Version 'eriodic price ndian Rupee tandard translation a	1. t average rate					•
OTy Object	AUn	Activity Quantity	Total Price	Price (Fixed)	PUnit			33
ATX 10110100/100010	FA	0	0.24	0.24				
ATY 10110100/100020	FA	0	0.24	0.24	1			
ATY 10110100/100030	EA	0	0.24	0.24	i			
ATY 10110100/100040	EA	0	0.24	0.24	1			
ATY 10110100/100050	EA	0	0.24	0.24	1			
					SAP	► ESD (1) 200 🔻 🛛 eslds4n2ac 🛛 OVR	i ≝

1.12.1. Cost Center Actual Manual Price Display

SAP R/3 menu	Sap Menu \rightarrow Accounting \rightarrow Controlling \rightarrow Cost Center Accounting \rightarrow Actual Posting \rightarrow Actual Price \rightarrow Display
Transaction code	KBK7

This is a report transaction which will be used to display the actual price calculated for a particular period against the cost centers.

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Layout	1-N01 Manual A	ctual Price Cost Centers			
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Period	12	March			
To period	12	March			
Fiscal year	2019				
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to	10110100	Blast Pulliace 1 - Operation			
or group					
Activity Type	100010	Repairs & Maintainance			
to	100050	Admin Overheads			
or group					
Entry					
OFree	 Form-Based 				
			SAP	SAP	SAP ESD (1) 200 - eslds4n2ac OVR

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Variables			
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Fiscal year	2019	March	
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to			
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to	100050	Admin Overheads	
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Entry			
OFree	Form-	Based	
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Actual Price would be Updated.

1.12.2. Revaluation at Actual Prices:Production/Process Order

SAP R/3 menu	Sap Menu → Accounting →Controlling→Product Cost Controlling→Cost Object Controlling→Product Cost by Period→Period- End Closing→Single Functions: Product Cost Collector→Revaluation at Actual Prices →Collective Processing
Transaction code	CON2

This transaction would be used to reevaluate the product cost collector with the actual overhead rate.

Planned overhead rate gets updated in the product cost collector while confirming the productions. This needs to be revaluate with the actual cost later on when all the actual gets posted in the system .i.e. at month end to get the correct actual cost of production and calculate the variance.



Assign Plant i.e. 1000 Period 12 Fiscal Year 2019 Select Test Run and Execute.

로 List Edit Goto Settings	Extras Environment System	Help		
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• • • • •				
Revaluation at Actual P	rices: Production/Proce	ss Orders Basic list		
Selection				
Selection Parameters	Value	Name		
Controlling Area	1000	Electrosteel Steels Ltd.		
Currency	INR	Indian Rupee		
Exchange Rate Type	М	Standard translation at average rate	▲ ▼	
Processing Options				
Selection Parameters	Value			
Execution Type	Revaluations Executed			
Processing Mode	Update run			
Processing completed with no errors	;			1
Statistics				
Processing Category	Σ Number			
Revaluations Executed	42			
Not Relevant				
Inappropriate Status	1			
Error				
	4 3			
			SAP	▷ ESD (1) 200 ▼ eslds4n2ac OVR

We can see the Processing is complete

1.12.3. Variance calculation

SAP R/3 menu	Sap Menu → Accounting →Controlling→Product Cost Controlling→Cost Object Controlling→Product Cost by Period→Period- End Closing→Single Functions: Product Cost Collector→Variances →Collective Processing
Transaction code	KKSI

This transaction would be used to calculate the production variance. Variance would be (Standard cost posted to the product cost collector – Actual cost posted to the product cost collector).

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Variance Calculation: Initial Screen	
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Parameters	
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Processing options	
Background Processing	
Test Run 🗸	
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Enter The Material Number

Period

Fiscal Year

Select Test Run and Execute

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Variances Calculated	/	0 🗖		
Not Relevant		0		
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Error		0 🕱		
Objects Selected		022		
Messages Error		0		
Warning		0		
Information		1		
Total		1 🔀		
Selection				
Controlling Area	1000	Electrosteel Steels Ltd.		
Plant	1000	Iron & Power Unit-SBU		
Production Orders	Select			
Product Cost Collectors	Do Not Select			
Process Orders	Select			
Fiscal Year	012			
All Target Cost Versions	000			
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			SAP	▷ ESD (1) 200 ▼ eslds4n2ac OVR →

1.12.4. Actual Settlement

SAP R/3 menu	Sap Menu → Accounting →Controlling→Product Cost Controlling→Cost Object Controlling→Product Cost by Period→Period- End Closing→Single Functions: Product Cost Collector→Settlement→Collective Processing
Transaction code	CO88

Image: Section of the section of t
Actual Settlement: Production/Process Orders Plant VWth Production Orders Wth Productors Orders
Plant Looo Q Iron & Power Unit-SBU With Production Orders With Process Orders
Plant [100]Q Iron & Power Unit-SBU With Production Orders With Process Orders
Plant [1000]QLiron & Power Unit-SBU ☑ With Production Orders ☑ With Process Orders
With Production Orders With Process Orders
Vith Process Orders
With Product Cost Colectors Untrive of the content of the conte
I With QM Orders
With Orders for Projects/Natworks
With orders for Cast Objects
Combined Orders Only
Parameters
Settlement Period 12 Posting period
Fiscal Year 2019
Processing Type 1 Automatic
Processing Options
Background Processing
O Test Run
Detailist Layouts
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▶ ESD (1) 200 ▼ eslds4n2ac OVR 🗠

This transaction would be executed to post the production variance calculated for the product cost Order.

1.12.5. Variance calculation

SAP R/3 menu	Sap Menu → Accounting →Controlling→Product Cost Controlling→Cost Object Controlling→Product Cost by Period→Period- End Closing→Single Functions: Product Cost Collector→Variances →Collective Processing
Transaction code	KKSI

This transaction would be used to calculate the production variance. Variance would be (Standard cost posted to the product cost collector – Actual cost posted to the product cost collector).

Actual Settlement: Product Cost Collector Basic list							
III I I							
Selection							
Selection Parameters	Value	Name					
Material	40000002						
Plant	1000	Plant 1-KAFCO					
Production Process No	100195999						
Period	007						
Posting period	007						
Fiscal Year	2018						
Posting Date	28.02.2019						
Controlling Area	1000	Kafco					
Currency	USD	United States Dollar					
Males data	20.02.2010						
Processing Options							
Selection Parameters	Value						
Execution type	Settlement execut	ed					
Processing mode	Update run	Update run					
Processing completed with no errors							
Statistics							
Processing category	Σ Number						
Settlement executed	1						
No change							
Not relevant							
Inappropriate status							
Error							

1.12.6. Order : Actual Line Items

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SAP R/3 menu	
Transaction code	KOB1

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Displa	y Actual Cost Line	e Items for Orders						
Socon	enc ogrimaster Record							
Levout	191	D Drimary cost post	29					
Order	\$11	VST Sustaing CAPEX Mod	iel Order					
Report C	urrency IN	R Rupee						
Cost Flom	Cost element esma	Valia can cur	Total quantity DUM O OfficetA	set Name of Officiation Account				
73100010	CONS -Stores Spares	2 valin rep.cur.	10 FA S 332000	10 GR/IR Account				
	CONS -Stores Spares	124.000.00	3 EA S 332000	10 GR/IR Account				
Order 900	000 WIP-S4 HANA	L= 125,230.00						
73100010	CONS -Stores Spares	2.00	1 EA S 332000	10 GR/IR Account				
	CONS -Stores Spares	0.54-	S 332000	10 GR/IR Account				
	CONS -Stores Spares	1.46-	A 421000	30 CWIP-Investment Mgt				
76100080	R&M - Technical Srv	0.84	K 400009	B.K.ENGINEERING WORKS .				
	R&M - Technical Srv	1.70	K 400009	B.K.ENGINEERING WORKS .				
	R&M - Technical Srv	1.70	K 400009	B.K.ENGINEERING WORKS .				
	R&M - Technical Srv	1.70	K 400009	B.K.ENGINEERING WORKS .				
	R&M - Technical Srv	1.70	K 400009	B.K.ENGINEERING WORKS .				
	R&M - Technical Srv	1.70	K 400009	B.K.ENGINEERING WORKS .				
	R&M - Technical Srv	1.70	K 400009	B.K.ENGINEERING WORKS .				
	R&M - Technical Srv	1.70	K 400009	B.K.ENGINEERING WORKS .				
	R&M - Technical Srv	1.70	K 400009	B.K.ENGINEERING WORKS .				
	R&M - Technical Srv	14.44-	A 421000	30 CWIP-Investment Mgt				
Order 900	001 WIP BF STOVE CA	<u> </u>						
73100010	CONS -Stores Spares	114.17	1 EA M 512000	10 Inv-Stores & Spares				
Order 200	000000003 UAT FOR	<u>114.17</u>						
73100010	CONS -Stores Spares	631.43-	1- EA					
	CONS -Stores Spares	631.43	1 FA M 512000	10 Inv-Stores & Snares				
				SAP	🕨 ESQ (1) 100 🔻 eslqs4n2ac 🛛 OVR 🛛 🚔 📑			

Order Balance will be Zero after Settlement.