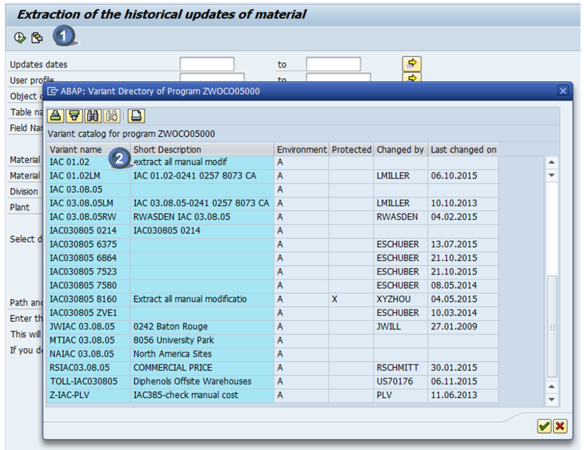
I fill the template IAC 01.02

STEP 1

Start the transaction **ZWOCO050**

Select the Layout

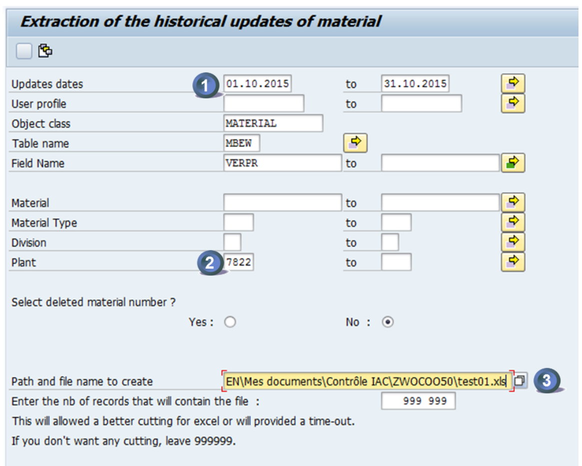
1. Select Layout by clicking on 
2. Click on **IAC 01.02**



STEP 2

1. enter the period
2. enter a plant or a list of plants
3. click on  to enter the path & the file name

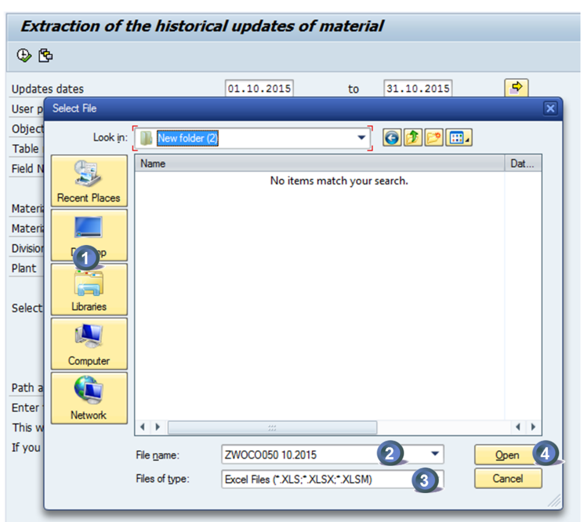
Confirm 4 tables codes in "Field Name"	
VERPR	BEPH1
BWPRH	VJBWH



STEP 3

Upload the file in excel

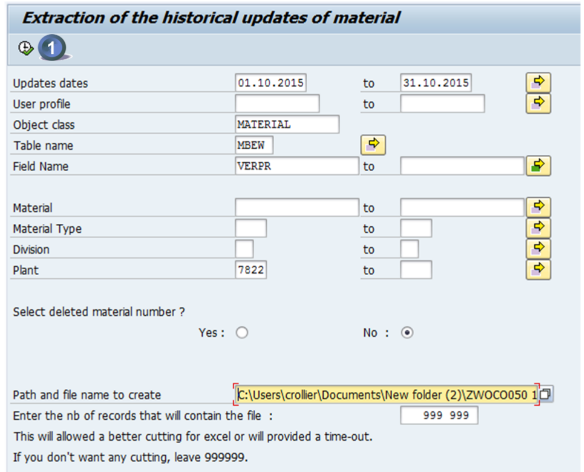
1. choose the folder where you want to save the file
2. enter the file name
3. Select “Excel files” in files of type



STEP 4

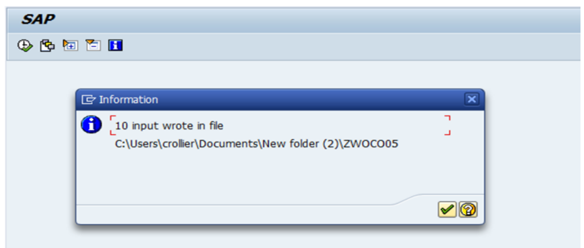
Execute

It may result in a long runtime



STEP 5

There is an information message that informs that inputs were written in the file



STEP 7

The report was saved in excel

Each line of the file has to be justified with the following reason code :

1. Co-product /Sold waste /Recycled material
2. Integrated FIFO
3. Wrong Material file purchase info
4. Erroneous reception
5. Other (detailed explanation to be provided)

Save the file

<u>Example</u>

Material 64569 Blocs exutoire vrac was modified on July, 2nd

The old value was 550 € / T, the new value is 650 € / T

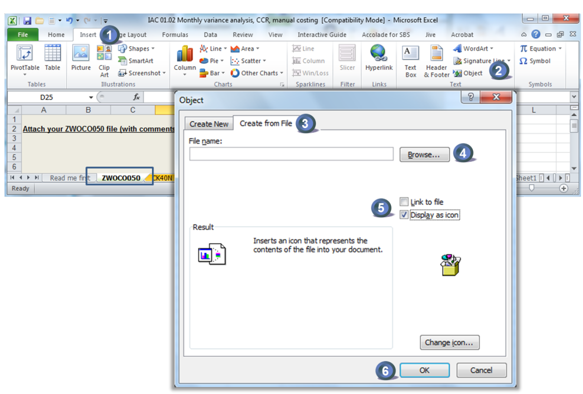
This material is a waste, that's the reason why it has a commercial price. The reason code that corresponds to this modification is the first one : 1-Co-product /Sold waste/Recycled material.

Material nb	Description	Material type	Plant	table name	Field code	Field name	update date	Old value	New value
64569	BLOCS EXUTOIRE VRAC	ZMAT	7822	MBEW	BWPRH	Valuation price based on commercial law: level 1	02.07.2009	550.00	650.00

STEP 8

Insert the file ZWOCO050 in the file IAC 01.02 of the month

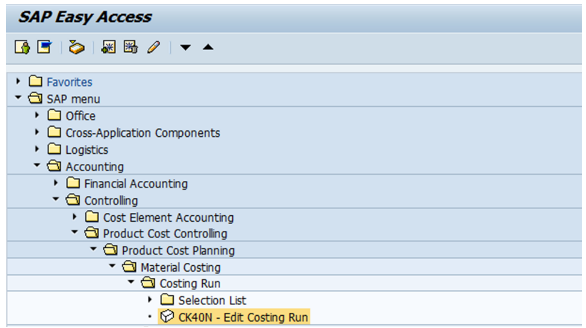
1. Select "insert"
2. Click on “Object"
3. Select “Create from File”
4. Click on “Browse” and select the file
5. Check “Display as icon”
6. Click on OK



STEP 1

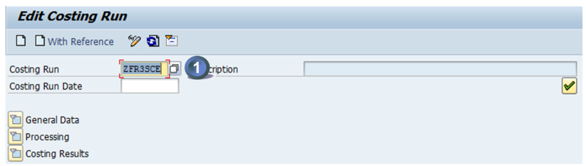
Start the transaction using the menu path or transaction code CK40N

Double-click CK40N - Edit Costing Run



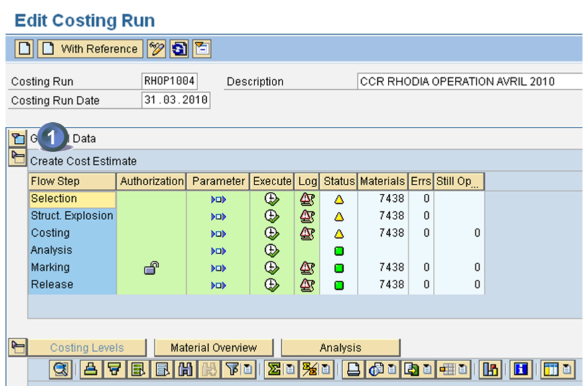
STEP 2

1. enter the costing run of the month and Enter ↵



STEP 3

1. **Expand**



STEP 4

All error messages must be cleared

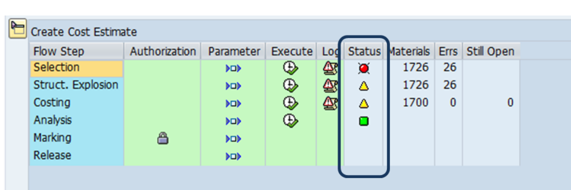
When there is a warning message, it often happens that there is a mistake in the costing. So even if it is not compulsory, it is recommended to check the warning messages and try to correct it.

Note: Sometimes, despite not having any error, some materials remain in column "Still Open". This is related with a technical issue linked to the mixed-costing materials. In order to correct the display table it's necessary to execute transaction CKSU.

STEP 1

WP1 + PF1

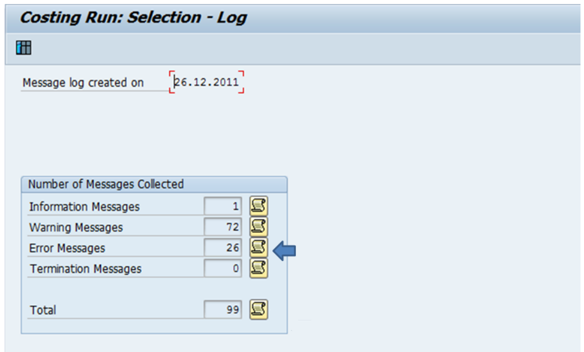
When there are error or warning messages, you must click on to analyse and clear them



STEP 2

WP1 + PF1

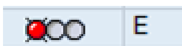
Click on  to have the list of messages



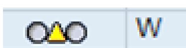
STEP 3

WP1 + PF1

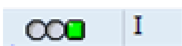
1 - Type of message



Error messages, must be cleared



Warning messages, must be analysed and cleared as much as possible



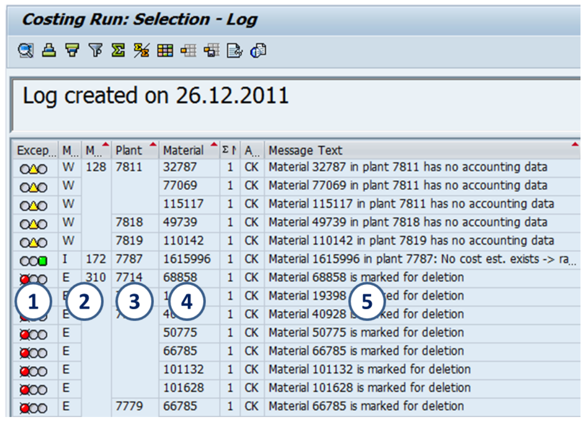
Information messages

2 - Message code

3 - Plant code

4 - Material code

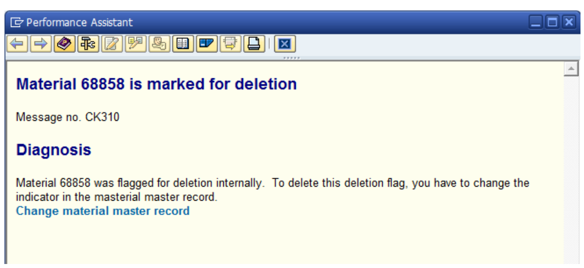
5 - Message description



STEP 4

WP1 + PF1

You can double-click on a message to have a more detailed description of the issue



CK060 - Object was not costed

CK249 - Cost component split for material not saved

CK310 - Material is marked for deletion

CK380 - No valid source of supply could be found

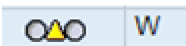
CK468 - No price could be determined for subcontracting

CK023 - No control record for Activity type CHEF/X332900700/ZZANO2 in version 000 / 2017 activity planning/qty planning

CK354 - Material XXXX in plant YYY has material status Z4 : Material deleted

CK430 - Missing formula in work center xxxxx

CK862 - Material XXX in plant XXX does not contain any segment for in-house production



CK053 - Deletion indicator set in material - plant

CK054 - Deletion indicator set in material - valuation area

CK080 - Material plant : BOM not active

CK082 - Material plant: no suitable BOM found

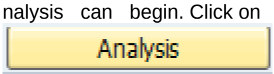
CK128 - Material in plant has no accounting data.

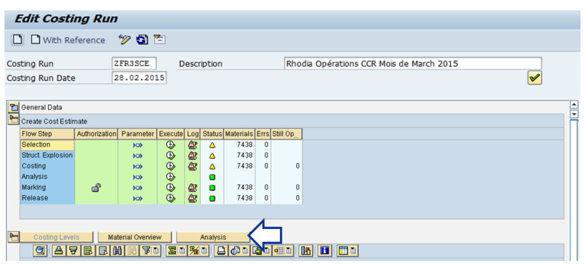
CK382 - Material does not exist in withdrawal plant

CK858 - No suitable or valid production version

STEP 5

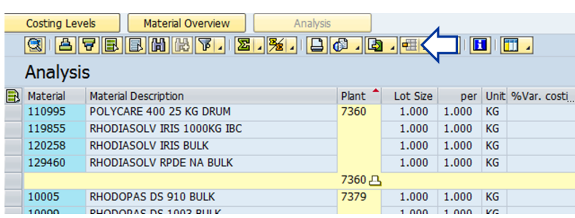
When errors are corrected and warning messages checked , costing a nalysis can begin. Click on





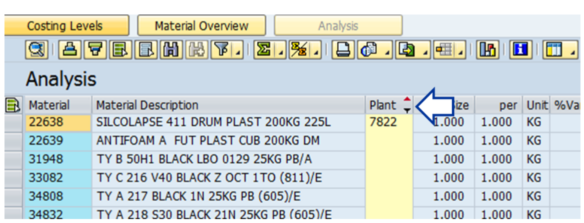
STEP 6

Select the variant. In this example, we are using the variant /IAC0102



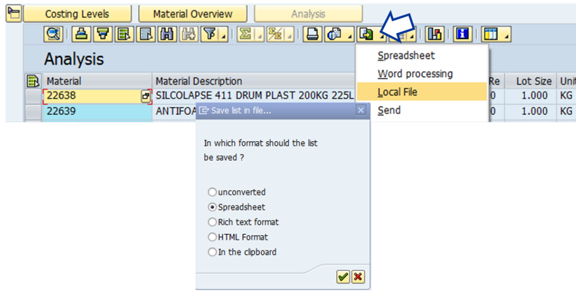
STEP 7

Filter the plant you are responsible for



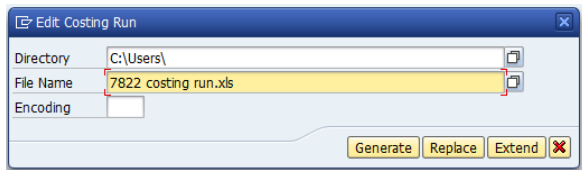
STEP 8

Save in excel : local file => spreadsheet



STEP 9

Enter the directory & the file name and generate the file



STEP 10

All variances above a defined threshold must be commented. The threshold is defined by the FRA :

- Unit cost variance %
- Inventory revaluation value.

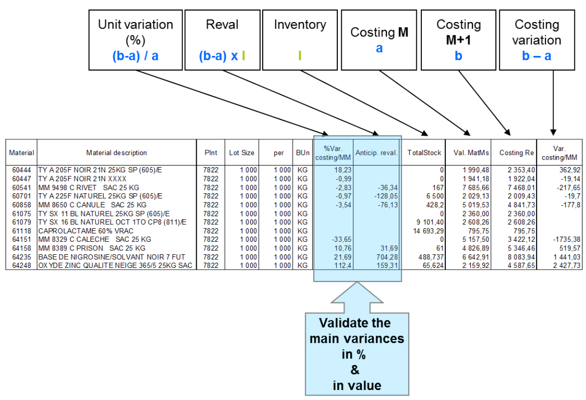
If the threshold is above +/- 10% at unit cost level or +/- 50 k€ at item inventory revaluation level should be authorized by RCOM.

Open the file

If:

- the unit variation is > 10% (or local threshold)
- or Anticipated reval is > 50 kEUR (or local threshold),

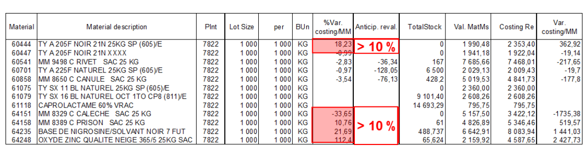
a deeper analysis is requested



Material	Material description	Plnt	Lot Size	per	BUn	%Var. costing/MM	Anticip. reval.	TotalStock	Val. MatMs	Costing Re	Var. costing/MM
60444	TY A 205F NOIR 21N 25KG SP (605)/E	7822	1 000	1 000	KG	18,23		0	1 990,48	2 353,40	362,92
60447	TY A 205F NOIR 21N XXXX	7822	1 000	1 000	KG	-0,99		0	1 941,18	1 922,04	-19,14
60541	MM 9498 C RIVET SAC 25 KG	7822	1 000	1 000	KG	-2,83	-36,34	167	7 685,66	7 468,01	-217,65
60701	TY A 225F NATUREL 25KG SP (605)/E	7822	1 000	1 000	KG	-0,97	-128,05	6 500	2 029,13	2 009,43	-19,7
60858	MM 8650 C CANULE SAC 25 KG	7822	1 000	1 000	KG	-3,54	-76,13	428,2	5 019,53	4 841,73	-177,8
61075	TY SX 11 BL NATUREL 25KG SP (605)/E	7822	1 000	1 000	KG			0	2 360,00	2 360,00	
61079	TY SX 16 BL NATUREL OCT 1TO CP8 (811)/E	7822	1 000	1 000	KG			9 101,40	2 608,26	2 608,26	
61118	CAPROLACTAME 60% VRAC	7822	1 000	1 000	KG			14 693,29	795,75	795,75	
64151	MM 8329 C CALECHE SAC 25 KG	7822	1 000	1 000	KG	-33,65		0	5 157,50	3 422,12	-1735,38
64158	MM 8389 C PRISON SAC 25 KG	7822	1 000	1 000	KG	10,76	31,69	61	4 826,89	5 346,46	519,57
64235	BASE DE NIGROSINE/SOLVANT NOIR 7 FUT	7822	1 000	1 000	KG	21,69	704,28	488,737	6 642,91	8 083,94	1 441,03
64248	OXYDE ZINC QUALITE NEIGE 365/5 25KG SAC	7822	1 000	1 000	KG	112,4	159,31	65,624	2 159,92	4 587,65	2 427,73

In this example, the costing of the following materials 60444, 64151, 64158, 64235, 64248 have to be checked and validated

as the variance is above 10% or/and the revaluation above 50 k€



Material	Material description	Plnt	Lot Size	per	BUn	%Var. costing/MM	Anticip. reval.	TotalStock	Val. MatMs	Costing Re	Var. costing/MM
60444	TY A 205F NOIR 21N 25KG SP (605)/E	7822	1 000	1 000	KG	18,23	> 10 %	0	1 990,48	2 353,40	362,92
60447	TY A 205F NOIR 21N XXXX	7822	1 000	1 000	KG	-0,99		0	1 941,18	1 922,04	-19,14
60541	MM 9498 C RIVET SAC 25 KG	7822	1 000	1 000	KG	-2,83	-36,34	167	7 685,66	7 468,01	-217,65
60701	TY A 225F NATUREL 25KG SP (605)/E	7822	1 000	1 000	KG	-0,97	-128,05	6 500	2 029,13	2 009,43	-19,7
60858	MM 8650 C CANULE SAC 25 KG	7822	1 000	1 000	KG	-3,54	-76,13	428,2	5 019,53	4 841,73	-177,8
61075	TY SX 11 BL NATUREL 25KG SP (605)/E	7822	1 000	1 000	KG			0	2 360,00	2 360,00	
61079	TY SX 16 BL NATUREL OCT 1TO CP8 (811)/E	7822	1 000	1 000	KG			9 101,40	2 608,26	2 608,26	
61118	CAPROLACTAME 60% VRAC	7822	1 000	1 000	KG			14 693,29	795,75	795,75	
64151	MM 8329 C CALECHE SAC 25 KG	7822	1 000	1 000	KG	-33,65		0	5 157,50	3 422,12	-1735,38
64158	MM 8389 C PRISON SAC 25 KG	7822	1 000	1 000	KG	10,76	> 10 %	61	4 826,89	5 346,46	519,57
64235	BASE DE NIGROSINE/SOLVANT NOIR 7 FUT	7822	1 000	1 000	KG	21,69		488,737	6 642,91	8 083,94	1 441,03
64248	OXYDE ZINC QUALITE NEIGE 365/5 25KG SAC	7822	1 000	1 000	KG	112,4		65,624	2 159,92	4 587,65	2 427,73

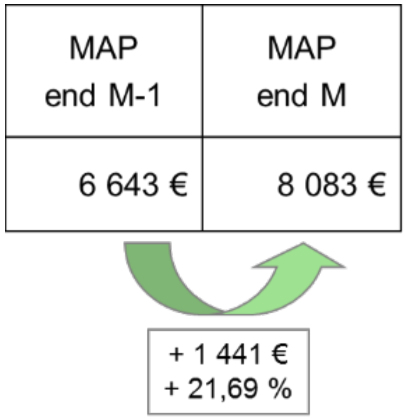
STEP 1

Ex : 64235 BASE DE NIGROSINE /SOLVANT NOIR 7 FUT

The MAP increased from 6 643 € to 8 083 €

- We have to validate the MAP (Moving Average Price) by checking purchase orders of the month.
- It can also help to check the purchase variance of this

material (KE30) to define where does the increase come from.

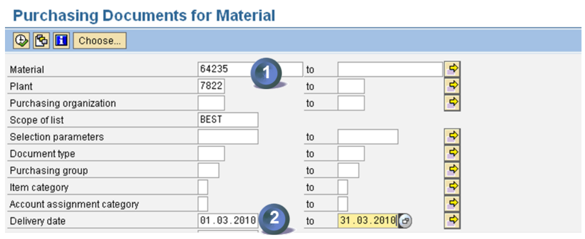


STEP 2

Display purchase orders with the transaction **ME2M**

Enter

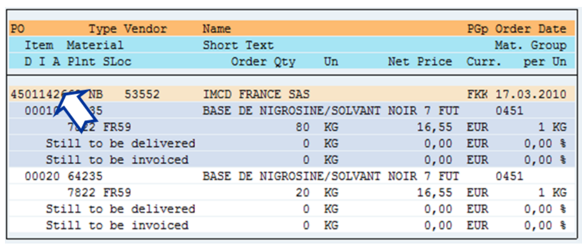
1. the material code & the plant
2. the period



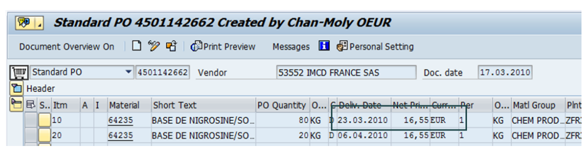
STEP 3

There is one purchase order to check.

=> Double-click on it



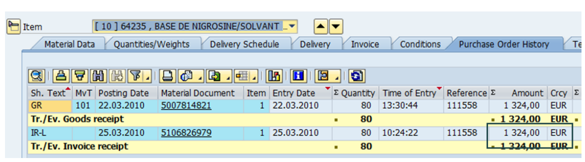
In march, the purchase price is 16,55 € / KG



It corresponds to the price invoiced

= 1 324 € / 80 kg

= 16,55 € / kg



At the end of M-1, the MAP was 6,64 € / kg. As the purchase price of M is 16,55 € / kg, it is normal that the MAP increases in M.

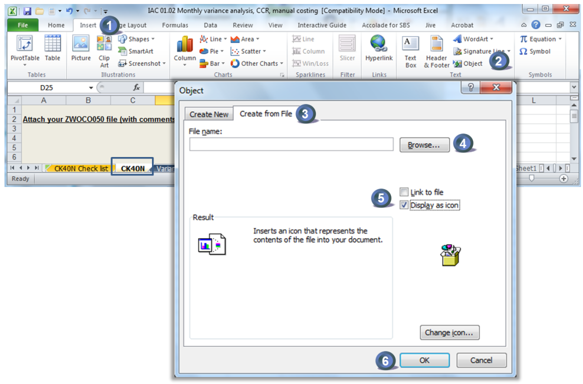
ⓘ If there is a mistake in the calculation of the new MAP due to an error in the purchase order, invoice price etc:

- Ask to correct the purchase order,
- If the MAP is still not correct => use the field Commercial 1 in view accounting 2 to correct it manually,
- Prepare a documentation for control IAC 01.02

STEP 11

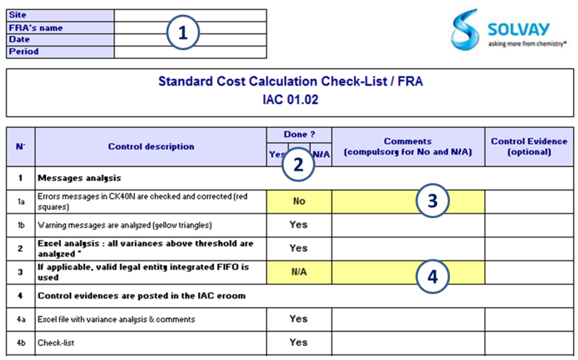
When the analysis is completed, insert the file with your comments in the file IAC 01.02 of the month (sheet "CK40N").

1. Select "insert"
2. Click on “Object”
3. Select “Create from File”
4. Click on “Browse” and select the file
5. Check “Display as icon”
6. Click on OK



Once the CK40N analysis was completed, fill the checklist to confirm that all tasks have been properly performed

1. enter your site, name, date & period
2. enter the status of the task
3. when a task has not been performed, it is compulsory to comment
4. integrated FIFO is only applicable in limited cases



Site	
FRA's name	
Date	
Period	

Standard Cost Calculation Check-List / FRA
IAC 01.02

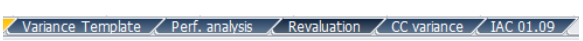
N°	Control description	Done ? Yes / No / N/A	Comments (compulsory for No and N/A)	Control Evidence (optional)
1	Messages analysis			
1a	Errors messages in CK40N are checked and corrected (red squares)	No		
1b	Warning messages are analyzed (yellow triangles)	Yes		
2	Excel analysis : all variances above threshold are analyzed *	Yes		
3	If applicable, valid legal entity integrated FIFO is used	N/A		
4	Control evidences are posted in the IAC eroom			
4a	Excel file with variance analysis & comments	Yes		
4b	Check-list	Yes		

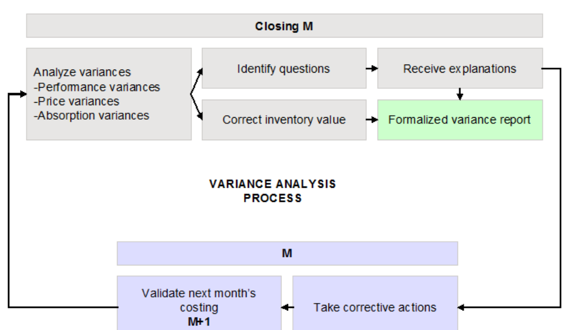
The variance is the difference between the expected standard cost and the actual cost incurred. Variance analysis involves breaking down the total variance to explain how much of it is caused by usage of resources being different from the standard and how much of it is caused by the price of resources being different from the standard.

Each site controller has the responsibility to analyze each month the variance and to explain this variance in order to :

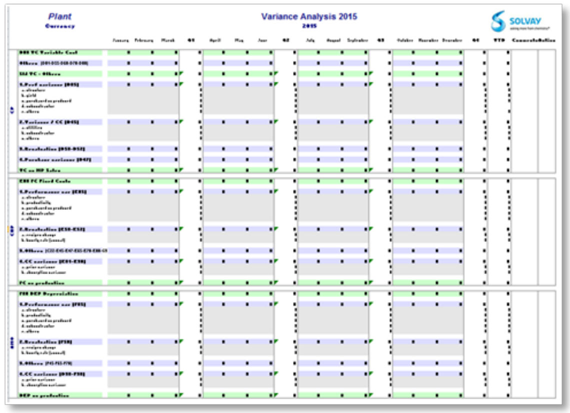
- Understand the reasons
- Initiate corrective actions
- If needed adjust the inventory value and change the semi-standard way of calculation, depending on the origin of the variance.

This process of analysis, whatever the result be a change of costing or not, must be formalized, and archived as a justification of records based on following sheets :





Open the sheet "Variance Template"

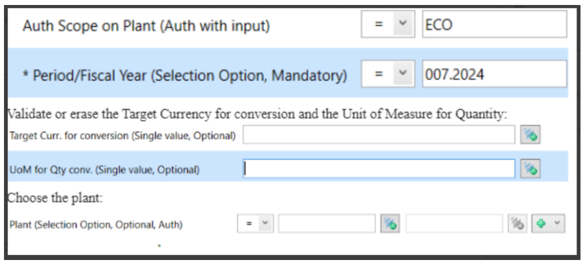


STEP 1

Step 1: Open the file.

Choose the authorization scope and the period / fiscal year

SCOPE : SCO



BW File on

BW - IMEP - WP2 Variance Analysis

STEP 2

Control that the report BW = KE30:
Total column P = D05
Total column Q = E05
Total column R = F05

STEP 3

List the products that generate the main variances

		Total
128581	FENTAMINE MADHT BULK(CN)	101,523 CNY
128201	FENTACARE DHT21 I 75 BULK	109,349 CNY
128428	FENTACARE EAPB BULK(CN)	145,125 CNY
128568	FENTAMINE DMAPA CRUDE BULK(CN)	170,968 CNY
128192	FENTACARE DHT21 E 75 BULK	201,829 CNY
124051	FENTAMINE DMA1270 BULK	204,609 CNY
128620	JAGUAR C 14 S BULK(CN)	224,074 CNY
128541	FENTAMINE DMA1270D BULK(CN)	246,764 CNY
128567	FENTAMINE DMAPA BULK(CN)	354,980 CNY
128278	INT NITRIL HT BULK(CN)	618,017 CNY
TOTAL		2,377,238 CNY

STEP 4

Explain the main variances

a. structure: Production version change / Raw material / Recycling / Others

How to read this variance ?

- *Material 53789 TY A 218 V30 BLACK 34NG XXXX was produced with a different production version than the one used for the costing*
- *In the production version (B332) used for the costing, it is forecasted to produce one batch in 18,239 hours. But this material was produced in 17,90 h on an other production line.*

It creates the following variance on process order :

Order	Mat...	Material description	Origin	Σ Actual Qty	Σ Tgt Qty SCE	Item UM	Σ FC Var.	Σ DEP Var.	PrdVer...	Pr.Vr...
2084855	53789	TY A 218 V30 BLACK 34NG XXXX	7822-1133 AMO	17,900	0,000	H	0,00	376,83	B332	A413
	53789	TY A 218 V30 BLACK 34NG XXXX	7822-1133 CNP	17,900	0,000	H	3 620,24	0,00	B332	A413
	53789	TY A 218 V30 BLACK 34NG XXXX	7822-1133 MANHO	17,900	0,000	H	2 665,67	0,00	B332	A413
	53789	TY A 218 V30 BLACK 34NG XXXX	7822-1141 AMO	0,000	18,239	H	0,00	385,40-	B332	A413
	53789	TY A 218 V30 BLACK 34NG XXXX	7822-1141 CNP	0,000	18,239	H	3 719,52-	0,00	B332	A413
	53789	TY A 218 V30 BLACK 34NG XXXX	7822-1141 MANHO	0,000	18,239	H	2 805,63-	0,00	B332	A413
20848...				**53,700**	**54,717**	**H**	**239,24-**	**8,57-**		

	Actual hours	Standard hourly rate 7822-1133	Actual costs	Std hours	Standard hourly rate 7822-1141	Standard costs	Variances
MANHO	17,90	148,92	2 665,67	18,24	153,83	2 805,63	-139,96
CNP	17,90	202,25	3 620,24	18,24	203,93	3 719,52	-99,28
E05 FC ProcessO Var			**6 285,91**			**6 525,15**	**-239,24**
AMO	17,90	21,05	376,83	18,24	21,13	385,40	-8,57
F05 DEP PocessO Var			**376,83**			**385,40**	**-8,57**

b. yield: RM consumption is higher or lower than std quantity

How to read this variance ?

- *The actual time (96 h) to produce material 64712 PA 66 MOLTEN POLYMER is higher than the standard time (84,261h)*
- *It creates the following variance on process order :*

Order	Mater...	Material description	Origin	Origin Description	Σ Actual Qty	Σ Tgt Qt...	Item...	Σ FC Var.	Σ DEP Var.	PrdVers PO	Pr.Vr...
2090986	64712	PA 66 MOLTEN POLYMER	7822-1304 AMO	ATY Z006/7822-1304/AMO	96,000	84,261	H	0,00	264,50	PC41	PC41
	64712	PA 66 MOLTEN POLYMER	7822-1304 CNP	ATY Z006/7822-1304/CNP	96,000	84,261	H	1 666,32	0,00	PC41	PC41
	64712	PA 66 MOLTEN POLYMER	7822-1304 MANHO	ATY Z006/7822-1304/MANHO	96,000	84,261	H	497,75	0,00	PC41	PC41
20909...					**288,000**	**252,783**	**H**	**2 164,07**	**264,50**		

	Actual hours	Standard hourly rate 7822-1304	Actual costs	Std hours	Standard hourly rate 7822-1304	Standard costs	Variances
MANHO	96,00	42,45	4 075,03	84,26	42,45	3 576,73	498,30
CNP	96,00	141,95	13 626,91	84,26	141,95	11 960,60	1 666,32
E05 FC ProcessO Var			**17 701,94**			**15 537,32**	**2 164,62**
AMO	96,00	22,55	2 164,84	84,26	22,55	1 900,12	264,72
F05 DEP PocessO Var			**2 164,84**			**1 900,12**	**264,72**

c. purchased vs produced: material is purchased instead of produced or vice & versa

How to read this variance ?

- *Material 63324 is supposed to be produced but it was purchased*
- *As it is purchased, the production cost = 100 % CP while in the costing the production cost is splited into CP / CNP / AMO*

Order	Mater...	Material description	Origin	Origin Description	Σ Actual Qty	Σ Tgt Qt S...	Item...	Σ FC Var.	Σ DEP Var.
2084538	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E	63324	SB 27 AE 1 F (EX 27/A-00 MS) N	8 000	8 000	KG	2 863,94-	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E	1050003	CARTON TOP 1121*1121*190	0	8,960-	PC	0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E	1050009	CARTON BOTTOM FOR CRATE 1	0	8,960-	PC	0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E	1050012	BELT REP FOR CARTON 1085X'	0	8,960-	PC	0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E	1050019	CARTON SIDE EXT 1101X1101X	0	8,960-	PC	0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E	1050023	PE SACK 2000X3300 200µ	0	8,960-	PC	0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E	1060594	WOOD PALLET CP8 1140X1140	0	8,960-	PC	0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E	62575	SB 27 AE 1 F (ex 27/A-00 MS)	0	8 000-	KG	8 836,34	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E						0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E	7822-1008 UELEC	ATY Z006/7822-1008/UELEC	0	0,256-	MWH	0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E	7822-1180 AMO	ATY Z006/7822-1180/AMO	0,000	5,336-	H	0,00	59,65
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E	7822-1180 CNP	ATY Z006/7822-1180/CNP	0,000	5,336-	H	155,15	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E	7822-1180 MANHO	ATY Z006/7822-1180/MANHO	0,000	5,336-	H	0,34	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)/E	SETLEMENT	SETLEMENT				0,00	0,00
20845...					**0,000**	**16,008-**	**H**	**6 127,89**	**59,65**

d. subcontractor: Material is produced by a subcontractor instead of an internal production

How to read this variance ?

- *Same principle as the previous variance*
- *When a material is produced by a subcontractor instead of an internal production*

e. others: to be commented

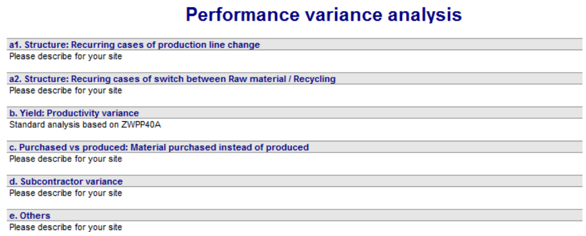
STEP 5

Fill in those information in « variance template » tab

	YTD	Comments	Action
D00 VC Variable Cost			
Others (D01+D55+D60+D70+D80)			
Std VC + Others			
1.Perf variance (D05)			
a. structure			
b. yield			
c. purchased vs produced			
d. subcontractor			
e. others			
CP			
2.Variance / CC (D45)			
a. utilities			
b. subcontractor			
c. others			
3.Revaluation (D50+D52)			
4.Purchase variance (D47)			
VC on MP Sales			

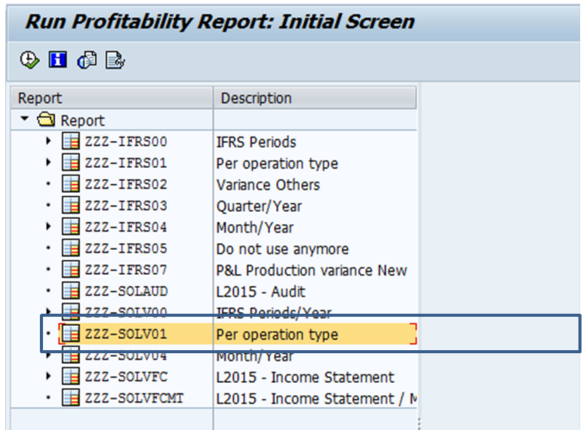
STEP 6

When there are recurring performance variances, they can be listed in the sheet "Perf. analysis"



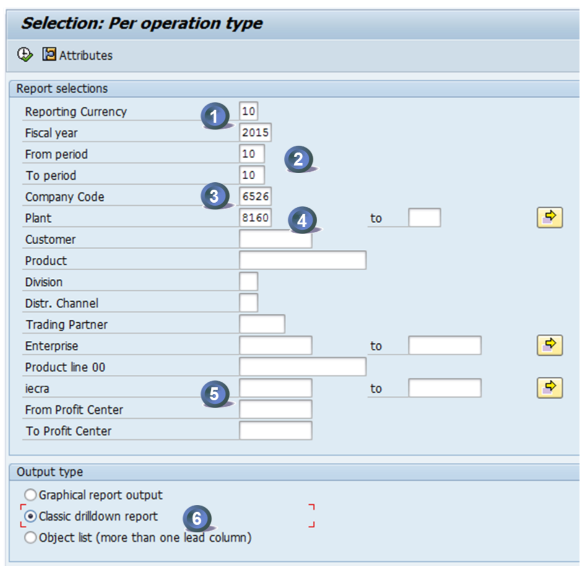
STEP 1

Use the transaction **KE30** and choose the report **ZZZ-SOLV01**



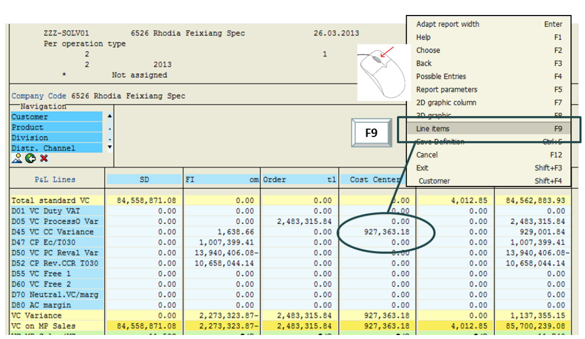
Enter

1. the reporting currency = 10
2. the period
3. the company code
4. the plant code
5. the IECRA (when applicable)
6. select : "Classic drilldown report"



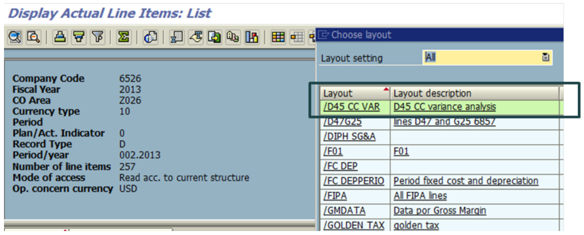
STEP 2

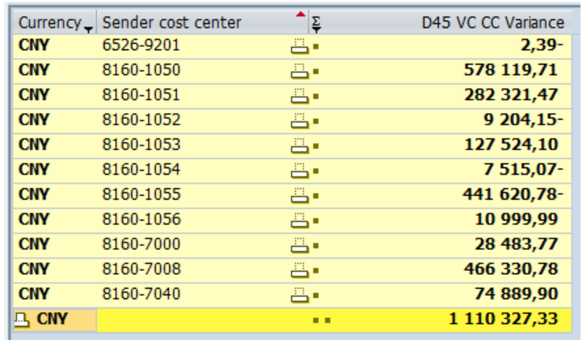
To have the detail of the value field D45 VC CC Variance => click on the amount, right click and select "Line items" or click F9



STEP 3

Use the lay out **/D45 CC VAR** to have the variance by cost center





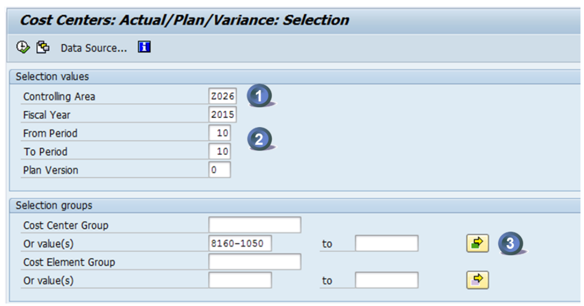
Currency	Sender cost center	D45 VC CC Variance
CNY	6526-9201	2,39-
CNY	8160-1050	578 119,71
CNY	8160-1051	282 321,47
CNY	8160-1052	9 204,15-
CNY	8160-1053	127 524,10
CNY	8160-1054	7 515,07-
CNY	8160-1055	441 620,78-
CNY	8160-1056	10 999,99
CNY	8160-7000	28 483,77
CNY	8160-7008	466 330,78
CNY	8160-7040	74 889,90
CNY		1 110 327,33

STEP 4

To have the detail of the cost centers, you can use the transaction **S_ALR_87013611**

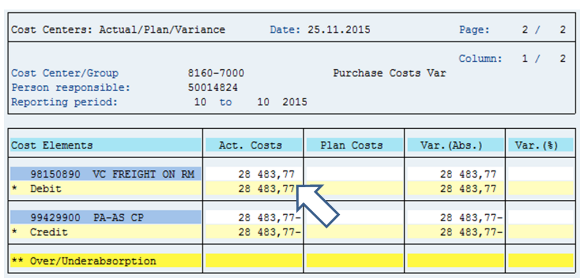
Enter :

1. the controlling area
2. the period
3. the list of cost centers you want to analyse



STEP 5

Double click on the amount you want to analyse



Cost Centers: Actual/Plan/Variance Date: 25.11.2015 Page: 2 / 2
Column: 1 / 2
Cost Center/Group 8160-7000 Purchase Costs Var
Person responsible: 50014824
Reporting period: 10 to 10 2015

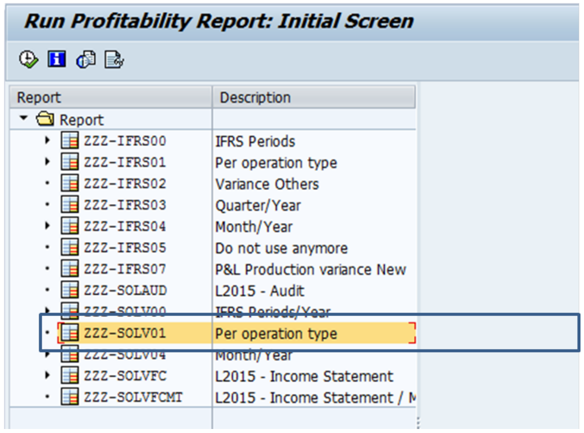
Cost Elements	Act. Costs	Plan Costs	Var.(Abs.)	Var.(%)
98150890 VC FREIGHT ON RM	28 483,77		28 483,77	
* Debit	28 483,77		28 483,77	
99429900 PA-AS CP	28 483,77-		28 483,77-	
* Credit	28 483,77-		28 483,77-	
** Over/Underabsorption				

STEP 6

Fill you the variance template with your analysis

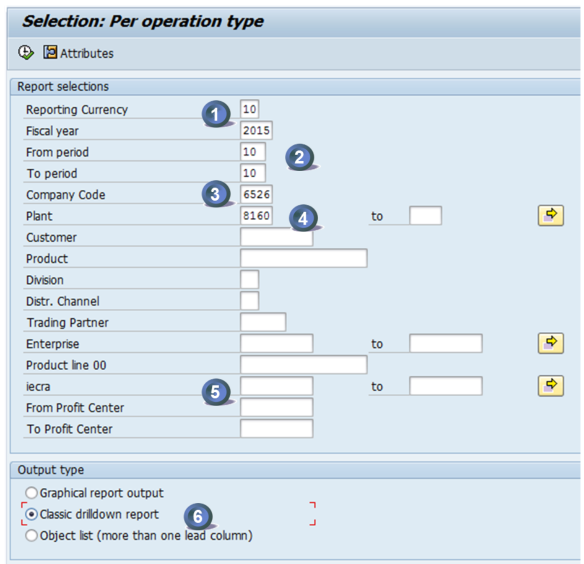
STEP 1

Use the transaction **KE30** and choose the report **ZZZ-SOLV01**



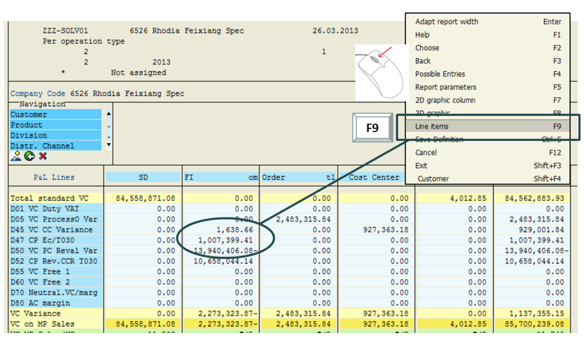
Enter

1. the reporting currency = 10
2. the period
3. the company code
4. the plant code
5. the IECRA (when applicable)
6. select : "Classic drilldown report"



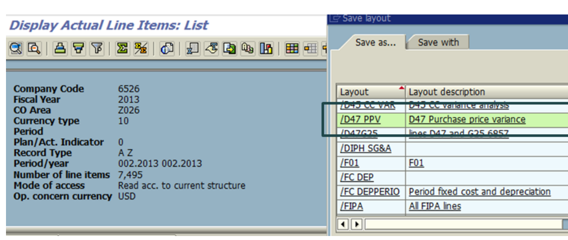
STEP 2

To have the detail of the value field D47 Ec/T030 => click on the amount, right click and select "Line items" or click F9



STEP 3

Use the lay out **/D47 PPV** to have the variance by material code



Product		D47 CP Ec/T030
128730		118,48
128738		8 958,14-
128746		139 256,44
128747		160 507,75
128750		8 030,52
128751		52 574,80
128760		49 182,45
128763		84 364,24
128764		43 254,41-
128769		655,67
128772		0,18
128773		20 245,17

STEP 4

Explain the main variances

Display the standard costing of the material with CK13N.

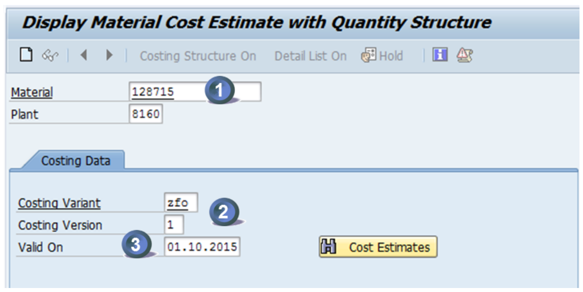
Enter :

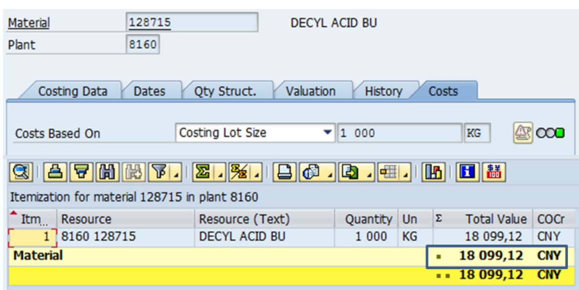
1. The material & plant code
2. The costing variant
3. The validity date

and Enter ↵

The standard cost of the material code 128715 is

18 099,12 CNY / 1 000 kg



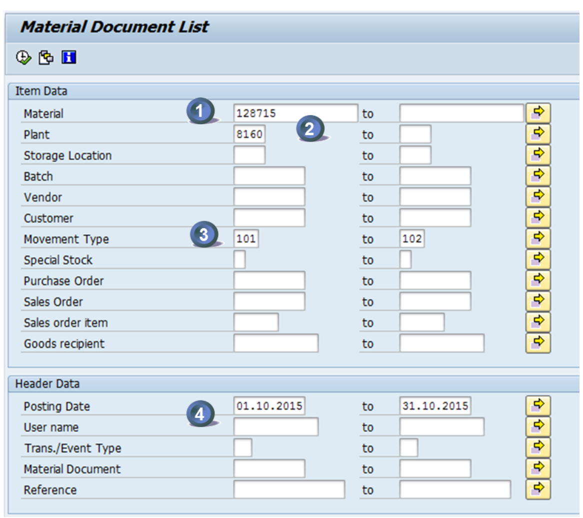


STEP 5

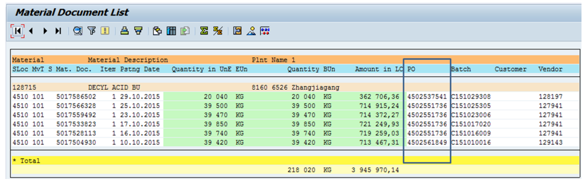
Display the actual purchase price of the same material with the transaction MB51.

Enter:

1. the material code
2. the plant code
3. the movement type = **101** to **102**
4. posting date = 1 month

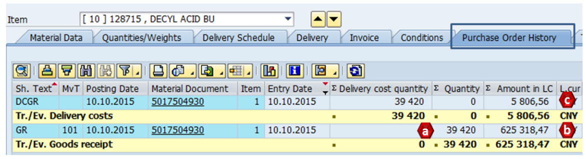


The list of purchase orders to be analysed is displayed



STEP 6

Display a purchase order to calculate the purchase price variance



a - Quantity purchased

b - Purchase price

c - Delivery costs

d - TOTAL costs = **b** + **c**

e - Actual unit price = **d** / **a**

f - Standard cost (from CK13N)

h - Purchase price var = (**f** - **e**) / **a**

Purchase orders	4502561849		
Purch qty	39.420,00	KG	a
Purchase price	625.318,47	CNY	b
Delivery costs	5.806,56	CNY	c
TOTAL costs	631.125,03	CNY	
Actual unit price	16.010,27	CNY / Ton	
Standard cost	18.099,12	CNY / Ton	
Purchase price var	82.342,28	CNY	

Each month, the inventory is revaluated with the new standard cost.

Revaluation = [Standard cost (M) – Standard cost (M-1) x Quantity 01/01/M (00h00)
The variance is due to a more or less efficient use of the time available to carry out the actual production. It compares the actual time taken to carry out an activity with the standard time allowed and values the difference at the standard.

The analysis is performed with the report ZWPP40A
Each month, the inventory is revaluated with the new standard cost. Revaluation = [Standard cost (M) – Standard cost (M-1) x Quantity 01/01/M (00h00)

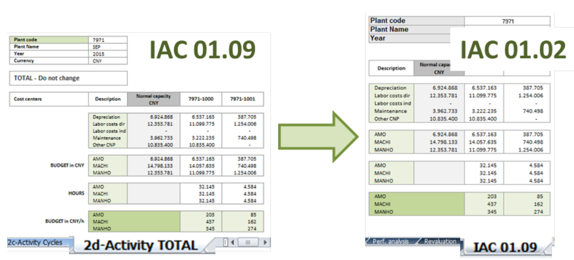
There is a revaluation of fixed costs when:

- there is a modification of the production process
- in January with the new standard hourly rate

STEP 1

Once a year, when the control IAC 01.09 is completed and uploaded in WP2.

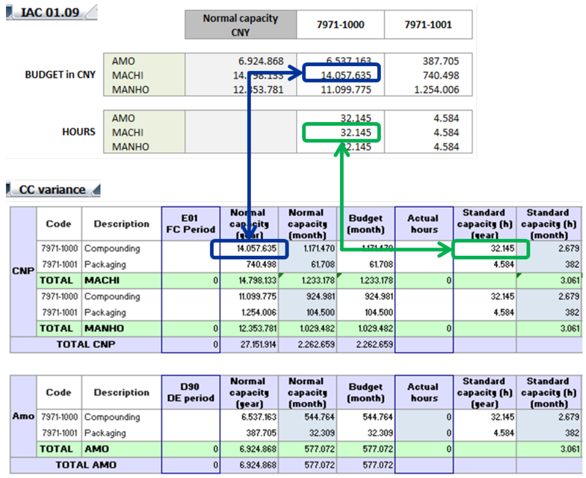
- Copy the result of the sheet "2d-Activity TOTAL" and paste the result in the tab "IAC 01.09"



STEP 2

Update the sheet "CC variance" and enter:

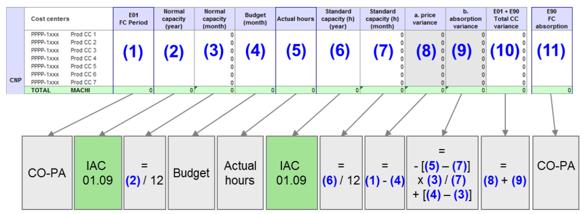
- the list of production cost centers
- the column "normal capacity (year)"
- the column "Budget (month)" - usually it is equal to the column "Normal capacity (month)"
- the column "standard capacity (h) (year)"



STEP 3

Each month, you have to update the actual costs & hours.

The price variance & the absorption variance will be automatically calculated

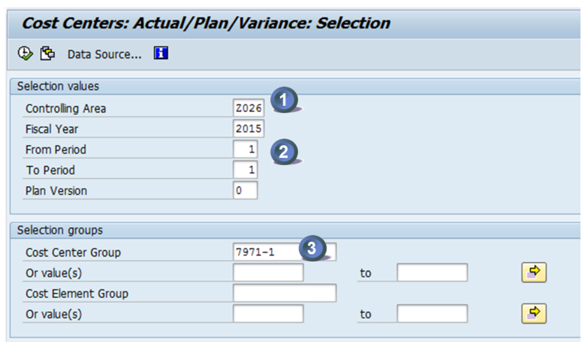


STEP 4

For the monthly update use the transaction S_ALR_87013611

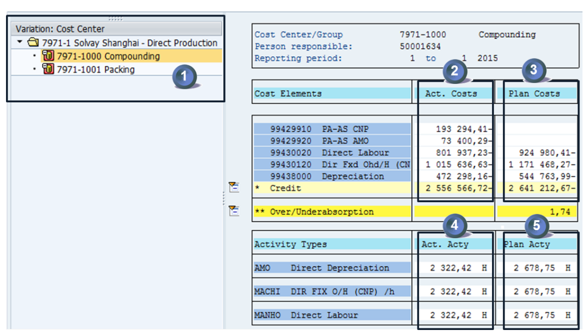
Enter

1. the controlling area
2. the period
3. the group of production cost centers



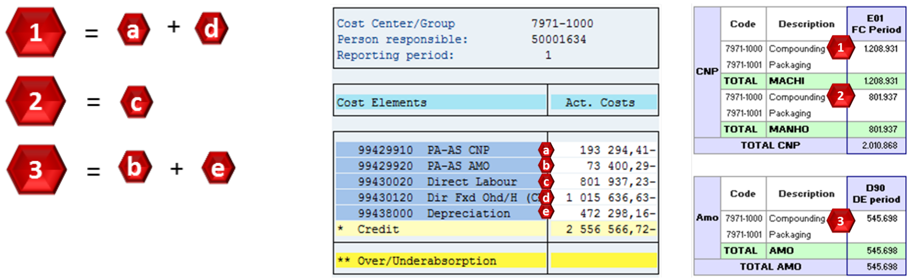
STEP 5

1. Production cost centers
2. Actual fixed costs
3. Plan costs from IAC 01.09 (local currency)
4. Actual hour
5. Normal capacity from IAC 01.09 (h)

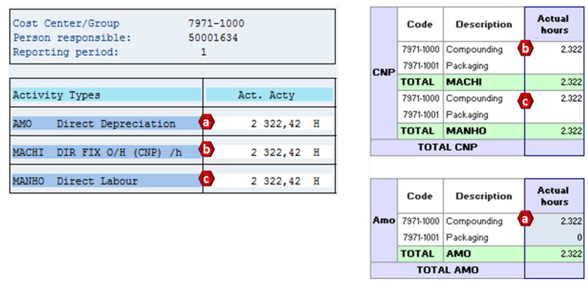


STEP 6

Report the actual costs of each cost center per activity



Report the actual hours of each cost center per activity



STEP 7

Once the file is completed, the price & absorption variance can be reported in the variance analysis template