

IAC 01.02. Variance analysis

Process: [Product Costing](#)

Responsibility area: [Internal Control Monitor](#)

Risk

FRA justifies the usage of manual costing vs a reference list validated by plant manager and GCCO, controls inventory revaluation and analyzes variances

Process description

Variances of production costs are analyzed monthly to ensure inventory valuation and cost of sales accuracy

Control description

FRA:

1. WP2 description:
 1. compares list of manual costing vs result of ZWOCO50 transaction
 2. analyzes product costing variances month over month and checks that there were no blocking errors (CK40N reports)
 3. analyses variances (actual vs target) with the variable & fixed cost split (ZWPP_MCKOST or IMEP BW reports)
 - ZWOCO050 file with comments
 - CK40N checklist + CK40N analysis template
2. PF2 description:
 - 1 . Analysis of material cost variances Month N vs Month N-1 above 10K Materiality (ZZM_MAT_VAL_COMP report) r ZWPP_MCKOST or IMEP BW reports) with comments

Scope

WP2 & PF2

Frequency

D10

Control owner

[Finance Responsible Assigned \(FRA\)](#)

References

Error rendering

macro

'contentbylabel'

parameters should

not be empty

Content by label

There is no content with the specified labels

Control evidences

[IAC 01.02 Monthly variance analysis, CCR, manual costing.xls](#)


[IAC 01.02 template PF2.xlsx](#)

Guideline

Download the file [IAC 01.02 Monthly variance analysis, CCR, manual costing.xls](#)

There are 9 sheets in the file :

Read me first / ZWOCO050 / CK40N Check list / CK40N / Variance Template / Perf. analysis / Revaluation / CC variance / IAC 01.09

3. click on  to enter the path & the file name

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

Extraction of the historical updates of material

Updates dates: 01.10.2015 to 31.10.2015

User profile: [] to []

Object class: MATERIAL

Table name: MBEW

Field Name: VERPR to []

Material: [] to []

Material Type: [] to []

Division: [] to []

Plant: 7822 to []

Select deleted material number ?
Yes : No :

Path and file name to create: E:\Mes documents\Contrôle IAC\ZWOCO050\test01.xls

Enter the nb of records that will contain the file : 999 999

This will allowed a better cutting for excel or will provided a time-out.
If you don't want any cutting, leave 999999.

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

Extraction of the historical updates of material

Updates dates: 01.10.2015 to 31.10.2015

User profile: Select File

Object class: []

Table name: []

Field Name: []

Material: []

Material Type: []

Division: []

Plant: []

Select deleted material number ?

Path and file name to create: []

Enter the nb of records that will contain the file : []

This will allowed a better cutting for excel or will provided a time-out.
If you don't want any cutting, leave 999999.

STEP 4

Execute 

It may result in a long runtime

Extraction of the historical updates of material

Updates dates: 01.10.2015 to 31.10.2015

User profile: [] to []

Object class: MATERIAL

Table name: MBEW

Field Name: VERPR to []

Material: [] to []

Material Type: [] to []

Division: [] to []

Plant: 7822 to []

Select deleted material number ?
Yes : No :

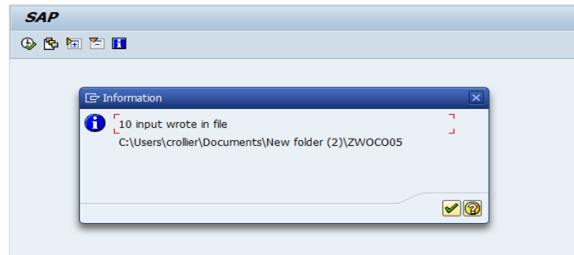
Path and file name to create: C:\Users\croller\Documents\New folder (2)\ZWOCO050

Enter the nb of records that will contain the file : 999 999

This will allowed a better cutting for excel or will provided a time-out.
If you don't want any cutting, leave 999999.

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

Example

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

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

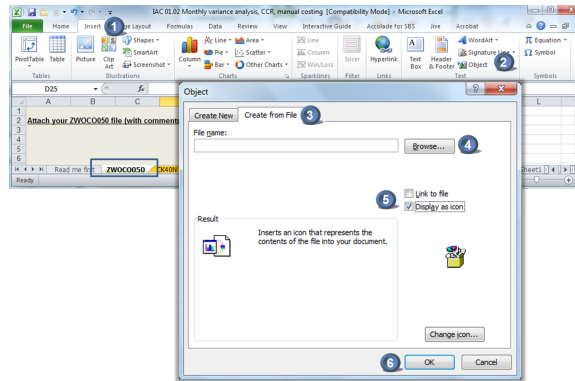
This material is a waste, that's the reason why it has a commercial price. The reason code that corresponds to this modification is the first one : 1-Co-product /Sold waste/Recycled material.

| Material no | Description | Material type | Plant | Table name | Field code | Field name | update date | Old value | New value |
|-------------|---------------------|---------------|-------|------------|------------|---|-------------|-----------|-----------|
| 64569 | BLOCS EXUTOIRE VRAC | TRMAT | 7822 | MBCV | BWPRE | 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

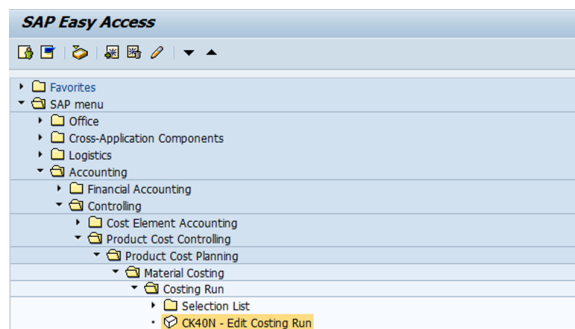
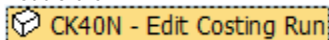
1. Select "insert"
2. Click on "Object"
3. Select "Create from File"
4. Click on "Browse" and select the file
5. Check "Display as icon"
6. Click on OK



STEP 1

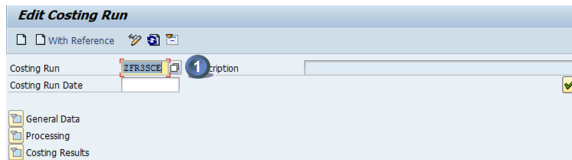
Start the transaction using the menu path or transaction code CK40N

Double-click



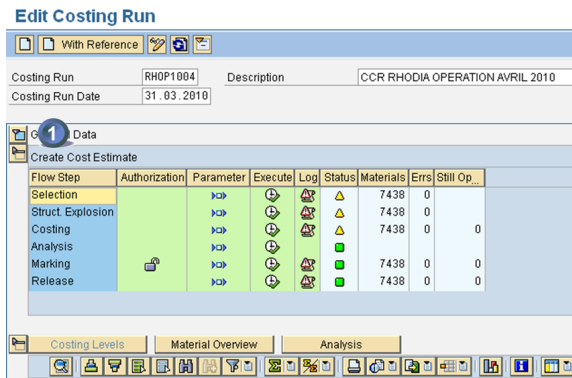
STEP 2

1. enter the costing run of the month and



STEP 3

1. Expand



STEP 4




i All error messages must be cleared

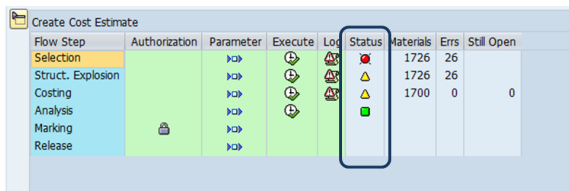
When there is a warning message, it often happens that there is a mistake in the costing. So even if it is not compulsory, it is recommended to check the warning messages and try to correct it.

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

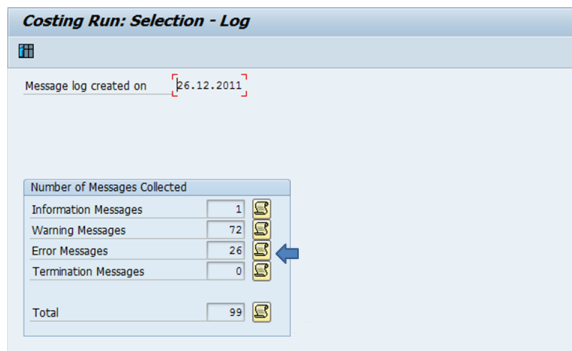
When there are error  or warning  messages, you must click on  to analyse and clear them



STEP 2

WP1 + PF1


Click on  to have the list of messages





STEP 3

WP1 + PF1

1 - Type of message

 **E** Error messages, must be cleared

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

 **I** Information messages

2 - Message code

3 - Plant code

4 - Material code

5 - Message description

Costing Run: Selection - Log

Log created on 26.12.2011

| Excep... | M... | M... | Plant | Material | Σ | A... | Message Text |
|----------|------|------|-------|----------|---|------|--|
| | W | 128 | 7811 | 32787 | 1 | CK | Material 32787 in plant 7811 has no accounting data |
| | W | | | 77069 | 1 | CK | Material 77069 in plant 7811 has no accounting data |
| | W | | | 115117 | 1 | CK | Material 115117 in plant 7811 has no accounting data |
| | W | | 7818 | 49739 | 1 | CK | Material 49739 in plant 7818 has no accounting data |
| | W | | 7819 | 110142 | 1 | CK | Material 110142 in plant 7819 has no accounting data |
| | I | 172 | 7787 | 1615996 | 1 | CK | Material 1615996 in plant 7787: No cost est. exists -> ra... |
| | E | 310 | 7714 | 68858 | 1 | CK | Material 68858 is marked for deletion |
| | E | | | 19398 | 1 | CK | Material 19398 is marked for deletion |
| | E | | | 40928 | 1 | CK | Material 40928 is marked for deletion |
| | E | | | 50775 | 1 | CK | Material 50775 is marked for deletion |
| | E | | | 66785 | 1 | CK | Material 66785 is marked for deletion |
| | E | | | 101132 | 1 | CK | Material 101132 is marked for deletion |
| | E | | | 101628 | 1 | CK | Material 101628 is marked for deletion |
| | E | | 7779 | 66785 | 1 | CK | Material 66785 is marked for deletion |

STEP 4

WP1 + PF1

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

Material 68858 is marked for deletion

Message no. CK310

Diagnosis

Material 68858 was flagged for deletion internally. To delete this deletion flag, you have to change the indicator in the material master record.
[Change material master record](#)



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

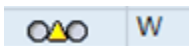
CK468 - No price could be determined for subcontracting

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

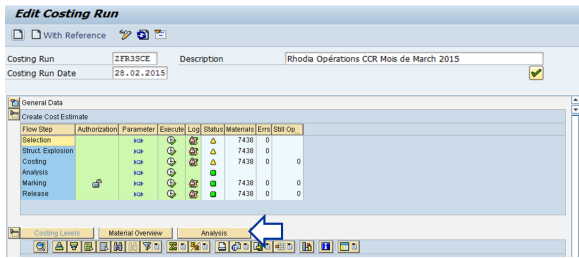
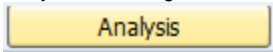
CK862 - Material XXX in plant XXX does not contain any segment for in-house production



- 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

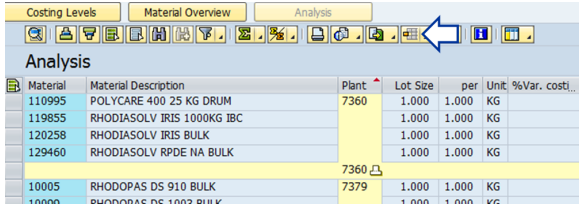
STEP 5

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



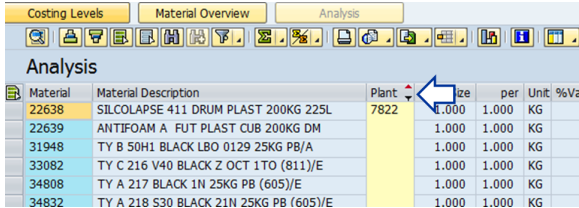
STEP 6

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



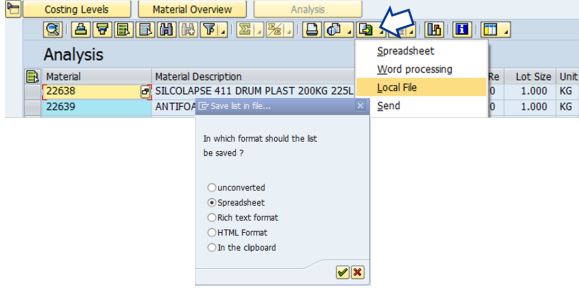
STEP 7

Filter the plant you are responsible for



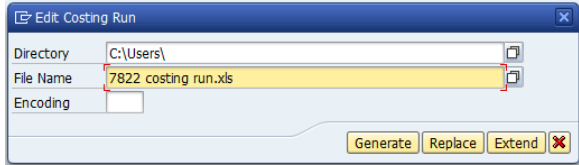
STEP 8

Save in excel : local file => spreadsheet



STEP 9

Enter the directory & the file name and generate the file



STEP 10

i 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 | Plant | Lot Size | per | BUin | %Var costing/M | Anticip reval | TotalStock | Val MatMa | Costing Re | Var costing/Ma |
|----------|---|-------|----------|------|------|----------------|---------------|------------|-----------|------------|----------------|
| 60444 | TY A 250F NOIR 21N 25KG SP (855)E | 7822 | 1000 | 1000 | KG | 18,23 | | 0 | 1.990,48 | 2.353,40 | 362,92 |
| 60447 | TY A 250F NOIR 21N XXXX | 7822 | 1000 | 1000 | KG | -0,99 | | 0 | 1.941,18 | 1.922,04 | -19,14 |
| 60541 | MM 858 C RIVET SAC 25 KG | 7822 | 1000 | 1000 | KG | -2,83 | -36,34 | 167 | 7.685,66 | 7.468,01 | -217,65 |
| 60701 | TY A 250F NATUREL 25KG SP (855)E | 7822 | 1000 | 1000 | KG | -0,97 | -128,04 | 6.900 | 2.029,13 | 2.009,43 | -19,7 |
| 60858 | MM 850 C CANULE SAC 25 KG | 7822 | 1000 | 1000 | KG | -3,54 | -76,13 | 428,2 | 5.019,53 | 4.841,73 | -177,8 |
| 61075 | TY SX 11 BL NATUREL 25KG SP (855)E | 7822 | 1000 | 1000 | KG | | | 0 | 2.360,00 | 2.360,00 | 0 |
| 61076 | TY SX 10 BL NATUREL OCT 1 TO CP8 (811)E | 7822 | 1000 | 1000 | KG | | | 9.191,40 | 755,75 | 2.609,26 | 2.609,26 |
| 61118 | CAPROLACTAME 60% VSAC | 7822 | 1000 | 1000 | KG | | | 14.693,20 | 795,75 | 795,75 | 0 |
| 64151 | MM 8329 C CALECHE SAC 25 KG | 7822 | 1000 | 1000 | KG | -33,65 | 31,69 | 0 | 5.157,50 | 3.422,12 | -1.735,38 |
| 64158 | MM 839 C PRISON SAC 25 KG | 7822 | 1000 | 1000 | KG | 10,73 | | 61 | 4.826,89 | 5.348,46 | 519,57 |
| 64235 | BASE DE NIGROSINE/SOLVANT NOIR 7 FUT | 7822 | 1000 | 1000 | KG | | | 488.737 | 6.642,91 | 8.083,94 | 1.441,03 |
| 64248 | OXYDE ZINC QUALITE HERSE 365/5 25KG SAC | 7822 | 1000 | 1000 | KG | 112,4 | | 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€

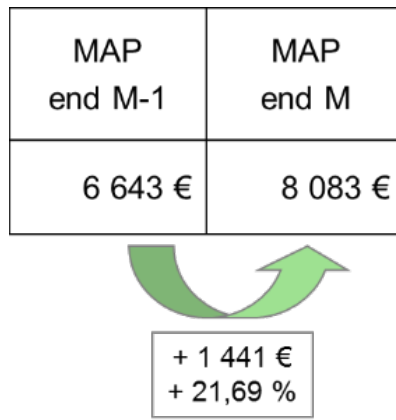
| Material | Material description | Plant | Lot Size | per | BUin | %Var costing/M | Anticip reval | TotalStock | Val MatMa | Costing Re | Var costing/Ma |
|----------|---|-------|----------|------|------|----------------|---------------|------------|-----------|------------|----------------|
| 60444 | TY A 250F NOIR 21N 25KG SP (855)E | 7822 | 1000 | 1000 | KG | 18,23 | > 10 % | 0 | 1.990,48 | 2.353,40 | 362,92 |
| 60447 | TY A 250F NOIR 21N XXXX | 7822 | 1000 | 1000 | KG | -0,99 | | 0 | 1.941,18 | 1.922,04 | -19,14 |
| 60541 | MM 8488 C RIVET SAC 25 KG | 7822 | 1000 | 1000 | KG | -2,83 | -36,34 | 167 | 7.685,66 | 7.468,01 | -217,65 |
| 60701 | TY A 250F NATUREL 25KG SP (855)E | 7822 | 1000 | 1000 | KG | -0,97 | -128,04 | 6.900 | 2.029,13 | 2.009,43 | -19,7 |
| 60858 | MM 850 C CANULE SAC 25 KG | 7822 | 1000 | 1000 | KG | -3,54 | -76,13 | 428,2 | 5.019,53 | 4.841,73 | -177,8 |
| 61075 | TY SX 11 BL NATUREL 25KG SP (855)E | 7822 | 1000 | 1000 | KG | | | 0 | 2.360,00 | 2.360,00 | 0 |
| 61076 | TY SX 10 BL NATUREL OCT 1 TO CP8 (811)E | 7822 | 1000 | 1000 | KG | | | 9.191,40 | 2.609,26 | 2.609,26 | 0 |
| 61118 | CAPROLACTAME 60% VSAC | 7822 | 1000 | 1000 | KG | | | 14.693,20 | 795,75 | 795,75 | 0 |
| 64151 | MM 8329 C CALECHE SAC 25 KG | 7822 | 1000 | 1000 | KG | -33,65 | > 10 % | 0 | 5.157,50 | 3.422,12 | -1.735,38 |
| 64158 | MM 839 C PRISON SAC 25 KG | 7822 | 1000 | 1000 | KG | 10,73 | | 61 | 4.826,89 | 5.348,46 | 519,57 |
| 64235 | BASE DE NIGROSINE/SOLVANT NOIR 7 FUT | 7822 | 1000 | 1000 | KG | | | 488.737 | 6.642,91 | 8.083,94 | 1.441,03 |
| 64248 | OXYDE ZINC QUALITE HERSE 365/5 25KG SAC | 7822 | 1000 | 1000 | 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 the 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

Purchasing Documents for Material

| | | | | |
|-----------------------------|------------|---|----|------------|
| Material | 64235 | 1 | to | |
| Plant | 7822 | | to | |
| Purchasing organization | | | to | |
| Scope of list | BEST | | | |
| Selection parameters | | | to | |
| Document type | | | to | |
| Purchasing group | | | to | |
| Item category | | | to | |
| Account assignment category | | | to | |
| Delivery date | 01.03.2016 | 2 | to | 31.03.2016 |

STEP 3

There is one purchase order to check.

=> Double-click on it

| PO | Type | Vendor | Name | PGp | Order | Date |
|---------|-----------|--------|--------------------------------------|------|------------|--------------|
| Item | Material | | Short Text | | Mat. Group | |
| D I A | Plnt SLoc | | Order Qty | Un | Net Price | Curr. per Un |
| 4501142 | NB | 53552 | IMCD FRANCE SAS | FKK | 17.03.2010 | |
| 0001 | 64235 | | BASE DE NIGROSINE/SOLVANT NOIR 7 FUT | 0451 | | |
| | 7822 | FR59 | | | | |
| | | | 80 KG | | 16,55 EUR | 1 KG |
| | | | Still to be delivered | | 0,00 EUR | 0,00 % |
| | | | Still to be invoiced | | 0,00 EUR | 0,00 % |
| 00020 | 64235 | | BASE DE NIGROSINE/SOLVANT NOIR 7 FUT | 0451 | | |
| | 7822 | FR59 | | | | |
| | | | 20 KG | | 16,55 EUR | 1 KG |
| | | | Still to be delivered | | 0,00 EUR | 0,00 % |
| | | | Still to be invoiced | | 0,00 EUR | 0,00 % |

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

Standard PO 4501142662 Created by Chan-Moly OEUR

Document Overview On | Print Preview | Messages | Personal Setting

Standard PO: 4501142662 | Vendor: 53552 IMCD FRANCE SAS | Doc. date: 17.03.2010

| Item | Material | Short Text | PO Quantity | Deliv. Date | Net Price | Cur | Per | Mat. Group | Plnt |
|------|----------|-------------------------|-------------|-------------|-----------|-----|-----|------------|---------------|
| 10 | 64235 | BASE DE NIGROSINE/SO... | 80 KG | 23.03.2010 | 16,55 EUR | 1 | | KG | CHEM PROD_ZFR |
| 20 | 64235 | BASE DE NIGROSINE/SO... | 20 KG | 06.04.2010 | 16,55 EUR | 1 | | KG | CHEM PROD_ZFR |

It corresponds to the price invoiced

= 1 324 € / 80 kg

= 16,55 € / kg

Item: [10] 64235, BASE DE NIGROSINE/SOLVANT

Material Data | Quantities/Weights | Delivery Schedule | Delivery | Invoice | Conditions | Purchase Order History

| Sh. Text | MvT | Posting Date | Material Document | Item | Entry Date | Quantity | Time of Entry | Reference | Amount | Crcy |
|-------------------------|-----|----------------|-------------------|------|------------|----------|---------------|-----------|----------|------|
| GR | | 101 22.03.2010 | S007814821 | 1 | 22.03.2010 | 80 | 13:30:44 | 111558 | 1 324,00 | EUR |
| Tr./Ev. Goods receipt | | | | | | 80 | | | 1 324,00 | EUR |
| IR-L | | 25.03.2010 | S106826979 | 1 | 25.03.2010 | 80 | 10:24:22 | 111558 | 1 324,00 | EUR |
| Tr./Ev. Invoice receipt | | | | | | 80 | | | 1 324,00 | EUR |

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.

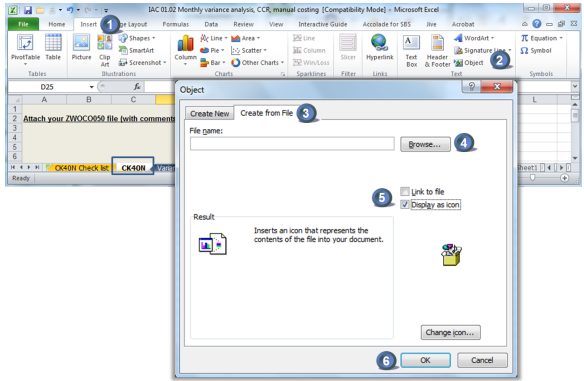
i If there is a mistake in the calculation of the new MAP due to an error in the purchase order, invoice price etc:

- 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



Workflow history

This view shows the 5 most recent entries. The complete workflow log is available from the 'Document Activity' menu item.

| Oct 08, 2020 | Actor | Type | Activity | Version |
|--------------|-----------------------|-------|--|---------|
| Published | GONCALO, Ana Catarina | Edit | updated the page at 11:32 am | |
| | | State | changed state to Published at 9:32 am | v19 |
| Draft | GONCALO, Ana Catarina | State | gave <i>Approvers</i> approval at 9:32 am | |
| | | State | changed state to Draft at 9:32 am | v19 |

Jun 13, 2016

| | | | | |
|-----------|-------------------------------------|-------|--|-----|
| Published | Sylvain Michel Alexandre Pingont | State | changed state to Published at 2:02 pm (Space Initialization) | v18 |
| Draft | Sylvain Michel Alexandre Pingont | State | gave <i>Approvers</i> approval at 2:02 pm | |
| | | State | changed state to Draft at 2:02 pm | v18 |


From Nov 20, 2015 to Apr 05, 2016

| | | | |
|---|------|---------------------------------------|---------------------------------|
| Alexandra Lepercq and ROLLIER, Charlotte | Edit | multiple updates from R, Charlotte | Alexandra Lepercq and ROLLIE |
|---|------|---------------------------------------|---------------------------------|

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 ? | | Comments (compulsory for No and N/A) | Control Evidence (optional) |
| | | Yes | N/A | | |
| 1 | Messages analysis | | | | |
| 1a | Error 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 | | | |

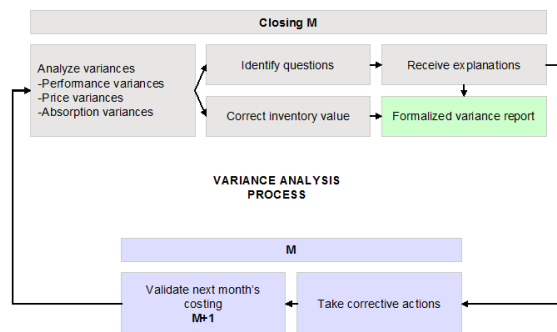
The variance is the difference between the expected standard cost and the actual cost incurred. Variance analysis involves breaking down the total variance to explain how much of it is caused by usage of resources being different from the standard and how much of it is caused by the price of resources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

Variance Template / Perf. analysis / Revaluation / CC variance / IAC 01.09



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 | Actual Qty | Tgt Qty | SCE | Item UM | FC Var | DEP Var | PrVnr | PrVr |
|---------|-------|------------------------------|-----------------|------------|---------|-----|---------|----------|---------|-------|------|
| 2084855 | 53789 | TY A 218 V30 BLACK 34NG 0000 | 7822-1133 AMO | 17,900 | 0,000 | H | | 0,00 | 376,83 | B332 | A413 |
| | 53789 | TY A 218 V30 BLACK 34NG 0000 | 7822-1133 CNP | 17,900 | 0,000 | H | | 3 620,24 | 0,00 | B332 | A413 |
| | 53789 | TY A 218 V30 BLACK 34NG 0000 | 7822-1133 MANHO | 17,900 | 0,000 | H | | 2 665,67 | 0,00 | B332 | A413 |
| | 53789 | TY A 218 V30 BLACK 34NG 0000 | 7822-1141 AMO | 0,000 | 18,239 | H | | 0,00 | 385,40 | B332 | A413 |
| | 53789 | TY A 218 V30 BLACK 34NG 0000 | 7822-1141 CNP | 0,000 | 18,239 | H | | 3 719,52 | 0,00 | B332 | A413 |
| | 53789 | TY A 218 V30 BLACK 34NG 0000 | 7822-1141 MANHO | 0,000 | 18,239 | H | | 2 805,63 | 0,00 | B332 | A413 |
| 2084855 | | | | 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 ProcessO 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 | Mat | Material description | Origin | Origin Description | Actual Qty | Tgt Qty | SCE | Item | FC Var | DEP Var | PrVnr | PrVr |
|---------|-------|----------------------|-----------------|-------------------------|------------|---------|-----|------|----------|---------|-------|------|
| 2080980 | 64712 | PA 66 MOLTEN POLYMER | 7822-1304 AMO | ATY 20067822-1304/AMO | 96,000 | 84,261 | H | | 0,00 | 284,50 | PC41 | PC41 |
| | 64712 | PA 66 MOLTEN POLYMER | 7822-1304 CNP | ATY 20067822-1304/CNP | 96,000 | 84,261 | H | | 1 666,32 | 0,00 | PC41 | PC41 |
| | 64712 | PA 66 MOLTEN POLYMER | 7822-1304 MANHO | ATY 20067822-1304/MANHO | 96,000 | 84,261 | H | | 497,75 | 0,00 | PC41 | PC41 |
| 2080980 | | | | | 288,000 | 252,783 | H | | 2 164,07 | 284,50 | | |

| | Actual hours | Standard hourly rate 7822-1304 | Actual costs | Std hours | Standard hourly rate 7822-1304 | Standard costs | Variances |
|-----------------------------|--------------|--------------------------------|------------------|-----------|--------------------------------|------------------|-----------------|
| MANHO | 96,00 | 42,45 | 4 075,63 | 84,26 | 42,45 | 3 576,73 | 498,90 |
| CNP | 96,00 | 141,95 | 13 626,91 | 84,26 | 141,95 | 11 960,60 | 1 666,32 |
| E05 FC ProcessO Var | | | 17 702,54 | | | 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 ProcessO 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 splitted into CP / CNP / AMO

| Order | Mater | Material description | Origin | Origin Description | Actual Qty | Tgt Qty | S... | Item | FC Var. | 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 2006/7822-1008/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 2006/7822-1180/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 2006/7822-1180/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 2006/7822-1180/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 |
| 2084538 | | | | | 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 | | | |
| 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"

Performance variance analysis

| |
|--|
| a1. Structure: Recurring cases of production line change Please describe for your site |
| a2. Structure: Recurring cases of switch between Raw material / Recycling Please describe for your site |
| b. Yield: Productivity variance Standard analysis based on ZVPP40A |
| c. Purchased vs produced: Material purchased instead of produced Please describe for your site |
| d. Subcontractor variance Please describe for your site |
| e. Others Please describe for your site |

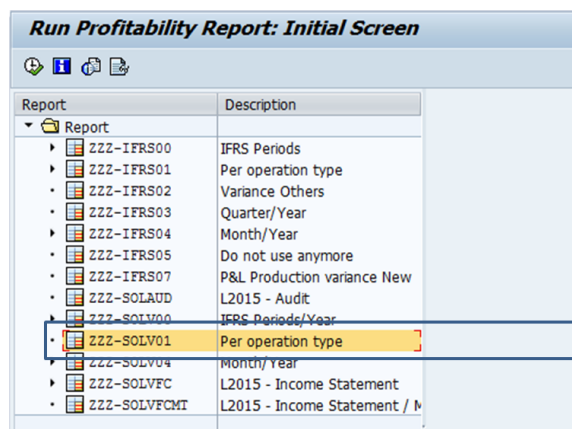
Workflow history

This view shows the 5 most recent entries. The complete workflow log is available from the 'Document Activity' menu item.

| Nov 30, 2025 | Actor | Type | Activity | Version |
|--------------|------------------------|-------|---|---------|
| Published | TORNPETCH, Ubonrat | State | changed state to Published at 5:33 am | v14 |
| Draft | TORNPETCH, Ubonrat | State | gave <i>Approvers</i> approval at 5:33 am | |
| Oct 08, 2025 | | | | |
| | WIROONSRI, Phattarapha | Edit | updated the page at 5:17 am | |
| | | State | changed state to Draft at 3:17 am | v14 |
| Mar 31, 2025 | | | | |
| Published | Gomes, Susana | Edit | updated the page at 12:32 pm | |
| | | State | changed state to Published at 10:32 am | v13 |
| Draft | Gomes, Susana | State | gave <i>Approvers</i> approval at 10:32 am | |
| | | State | changed state to Draft at 10:32 am | v13 |

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"

Selection: Per operation type

Attributes

Report selections

Reporting Currency: 10
 Fiscal year: 2015
 From period: 10
 To period: 10
 Company Code: 6526
 Plant: 8160 to []
 Customer: []
 Product: []
 Division: []
 Distr. Channel: []
 Trading Partner: []
 Enterprise: [] to []
 Product line 00: []
 Iecra: [] to []
 From Profit Center: []
 To Profit Center: []

Output type

Graphical report output
 Classic drilldown report
 Object list (more than one lead column)

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

222-90LV01 6526 Rhodia Feixiang Spec 26.03.2013

Per operation type 2 2013 1

Company Code 6526 Rhodia Feixiang Spec

Navigation: []
 Distances: []
 Product: []
 Division: []
 Distr. Channel: []

Adapt report width: Enter
 Help: F1
 Choose: F2
 Back: F3
 Possible Entries: F4
 Report parameters: F5
 3D graphic column: F7
 3D graphic: F8
 Line items: F9
 Line Definition: Ctrl+L
 Cancel: F12
 Exit: Shift+F4

| Pal. Lines | SD | FI | on | Order | cl | Cost. Center | | | |
|----------------------|---------------|----|---------------|-------|--------------|--------------|------------|----------|---------------|
| Total standard VC | 84,558,871.08 | | 0.00 | | 0.00 | | 0.00 | 4,012.85 | 84,562,883.93 |
| D03 VC Busy V&Z | 0.00 | | 0.00 | | 0.00 | | 0.00 | 0.00 | 0.00 |
| D05 VC Processo Var | 0.00 | | 0.00 | | 2,483,315.84 | | 0.00 | 0.00 | 2,483,315.84 |
| D45 VC CC Variance | 0.00 | | 1,430.46 | | 0.00 | | 927,363.18 | 0.00 | 929,501.84 |
| D47 CP Exp T030 | 0.00 | | 1,007,399.41 | | 0.00 | | 0.00 | 0.00 | 1,007,399.41 |
| D80 VC PC Reval. Var | 0.00 | | 13,940,406.08 | | 0.00 | | 0.00 | 0.00 | 13,940,406.08 |
| D82 CP Rev.CCR T030 | 0.00 | | 10,658,044.14 | | 0.00 | | 0.00 | 0.00 | 10,658,044.14 |
| D83 VC Free 1 | 0.00 | | 0.00 | | 0.00 | | 0.00 | 0.00 | 0.00 |
| D80 VC Free 2 | 0.00 | | 0.00 | | 0.00 | | 0.00 | 0.00 | 0.00 |
| D70 Neutral.VC/marg | 0.00 | | 0.00 | | 0.00 | | 0.00 | 0.00 | 0.00 |
| D89 Ac margin | 0.00 | | 0.00 | | 0.00 | | 0.00 | 0.00 | 0.00 |
| VC Variance | 0.00 | | 2,273,323.87 | | 2,483,315.84 | | 927,363.18 | 0.00 | 1,137,355.15 |
| VC on MP Sales | 84,558,871.08 | | 2,273,323.87 | | 2,483,315.84 | | 927,363.18 | 4,012.85 | 85,700,239.08 |

STEP 3

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

Display Actual Line Items: List

Choose layout: []

Layout setting: All

| Layout | Layout description |
|--------------|------------------------------------|
| /D45 CC VAR | D45 CC variance analysis |
| /DS7/G25 | lines DS7 and G25 DS7 |
| /DIPH SG&A | |
| /FO1 | FO1 |
| /FC DEP | |
| /FC DEPPERIO | Period fixed cost and depreciation |
| /FIPA | All FIPA lines |
| /GMDATA | Data per Gross Margin |
| /GOLDEN TAX | golden tax |

| 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

Cost Centers: Actual/Plan/Variance: Selection

Data Source...

Selection values

| | | |
|------------------|------|---|
| Controlling Area | 2026 | 1 |
| Fiscal Year | 2015 | |
| From Period | 10 | 2 |
| To Period | 10 | |
| Plan Version | 0 | |

Selection groups

| | | | |
|--------------------|-----------|----|--|
| Cost Center Group | | | |
| Or value(s) | 8160-1050 | to | |
| Cost Element Group | | | |
| Or value(s) | | to | |

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

| | 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 | | | |
| 2.Variance / CC (D45) | | | |
| a. utilities | | | |
| b. subcontractor | | | |
| c. others | | | |
| 3.Revaluation (D50+D52) | | | |
| 4.Purchase variance (D47) | | | |
| VC on MP Sales | | | |

STEP 1

Use the transaction KE30 and choose the report ZZZ-SOLV01

Run Profitability Report: Initial Screen

Report

| Report | Description |
|--------------|------------------------------|
| Report | |
| ZZZ-IFRS00 | IFRS Periods |
| ZZZ-IFRS01 | Per operation type |
| ZZZ-IFRS02 | Variance Others |
| ZZZ-IFRS03 | Quarter/Year |
| ZZZ-IFRS04 | Month/Year |
| ZZZ-IFRS05 | Do not use anymore |
| ZZZ-IFRS07 | P&L Production variance New |
| ZZZ-SOLAUD | L2015 - Audit |
| ZZZ-SOLV00 | IFRS Periods/Year |
| ZZZ-SOLV01 | Per operation type |
| ZZZ-SOLV04 | Month/Year |
| ZZZ-SOLVFC | L2015 - Income Statement |
| ZZZ-SOLVFCMT | L2015 - Income Statement / M |

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"

Selection: Per operation type

Attributes

Report selections

Reporting Currency: 1 10
 Fiscal year: 2015
 From period: 10 2
 To period: 10
 Company Code: 3 6526
 Plant: 8160 4 to []
 Customer: []
 Product: []
 Division: []
 Distr. Channel: []
 Trading Partner: []
 Enterprise: [] to []
 Product line 00: []
 Iecra: [] to []
 From Profit Center: []
 To Profit Center: []

Output type

Graphical report output
 Classic drilldown report 6
 Object list (more than one lead column)

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

222-SOLV01 6526 Rhodia Feixiang Spec 26.03.2013

Per operation type 2 1

Company Code 6526 Rhodia Feixiang Spec

Navigation: Division, Product, Division, Distr. Channel

Adapt report width Enter
 Help F1
 Choose F2
 Back F3
 Possible Entries F4
 Report parameters F5
 3D graphic column F7
 3D graphic F8
 Line items F9
 Save/Definition Ctrl+S
 Cancel F12
 Exit Shift+F4

| Pub. Lines | SD | FI | on Order | Cost Center | Customer |
|----------------------|---------------|---------------|--------------|-------------|------------------------|
| Total standard VC | 84,558,871.08 | 0.00 | 0.00 | 0.00 | 4,912.85 84,562,883.93 |
| D01 VC Busy Var | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 0.00 |
| D05 VC Processo Var | 0.00 | 0.00 | 2,483,315.84 | 0.00 | 0.00 2,483,315.84 |
| D45 VC CC Variance | 0.00 | 1,438.66 | 0.00 | 927,363.18 | 0.00 929,501.84 |
| D47 CP Ec/T030 | 0.00 | 1,007,389.41 | 0.00 | 0.00 | 0.00 1,007,389.41 |
| D80 VC PC Reval. Var | 0.00 | 13,840,406.08 | 0.00 | 0.00 | 0.00 13,840,406.08 |
| D62 CP Rev.CCR T030 | 0.00 | 10,658,044.14 | 0.00 | 0.00 | 0.00 10,658,044.14 |
| D55 VC Free 1 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 0.00 |
| D60 VC Free 2 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 0.00 |
| D70 Neutral.VC/marg | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 0.00 |
| D50 Ac margin | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 0.00 |
| VC Variance | 0.00 | 2,273,323.87 | 2,483,315.84 | 927,363.18 | 0.00 1,137,355.15 |
| VC on MP Sales | 84,558,871.08 | 2,273,323.87 | 2,483,315.84 | 927,363.18 | 4,912.85 85,700,239.08 |

F9

STEP 3

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

Display Actual Line Items: List

Save as... Save with

Layout: Layout description

/D47-CP-T030 /D47-CP-Parameter-attributes
 /D47-PPV /D47-Purchase-price-variance
 /D47-PCS /Proc-D47-and-G2S-6657

/DIPH-SGSA
 /F01 F01
 /EC-DEP
 /EC-DEPPERIO /Period fixed cost and depreciation
 /FIPA /All FIPA lines

| 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.

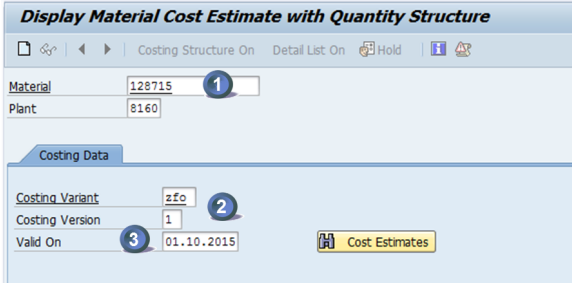
Enter :

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

Enter ↵

The standard cost of the material code 128715 is

18 099,12 CNY / 1 000 kg



Material: 128715 DECYL ACID BU
Plant: 8160

Costing Data Dates Qty Struct. Valuation History Costs

Costs Based On: Costing Lot Size 1 000 KG

Itemization for material 128715 in plant 8160

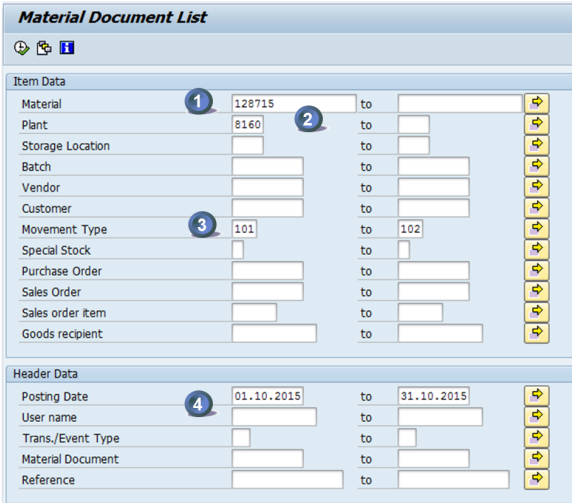
| Item | Resource | Resource (Text) | Quantity | Un | Σ | Total Value | COCr |
|-----------------|-------------|-----------------|----------|----|---|------------------|------------|
| 1 | 8160 128715 | DECYL ACID BU | 1 000 | KG | | 18 099,12 | CNY |
| Material | | | | | | 18 099,12 | CNY |
| | | | | | | 18 099,12 | CNY |

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

Material Document List

| Material | Material Description | Plant | Phase | Doc. No. | Doc. Date | Item | Entry Date | Quantity | Unit | Amount in LC | Batch | Customer | Vendor | | |
|--------------|----------------------|-------|-------|------------|------------|------|------------|----------|------|--------------|---------|----------|--------------|--|--|
| 128715 | DECYL ACID BU | 8160 | 02 | 4502537641 | 10.10.2015 | 1 | 10.10.2015 | 39 420 | KG | 5 806,56 | | | | | |
| Total | | | | | | | | | | | 218 020 | KG | 3 945 970,14 | | |

STEP 6

Display a purchase order to calculate the purchase price variance

Item: [10] 128715 , DECYL ACID BU

Material Data Quantities/Weights Delivery Schedule Delivery Invoice Conditions Purchase Order History

| Sh. Text | MVT | Posting Date | Material Document | Item | Entry Date | Delivery cost quantity | Quantity | Amount in LC | LCur |
|-------------------------------|-----|--------------|-------------------|------|------------|------------------------|---------------|---------------|-------------------|
| DCGR | | 10.10.2015 | 5017504930 | 1 | 10.10.2015 | | 39 420 | 0 | 5 806,56 |
| Tr./Ev. Delivery costs | | | | | | | 39 420 | 0 | 5 806,56 |
| GR | | | | | | | | 39 420 | 625 318,47 |
| Tr./Ev. Goods receipt | | | | | | | 0 | 39 420 | 625 318,47 |

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)

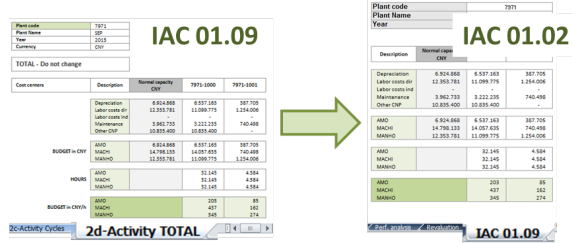
There is a revaluation of fixed costs when:

- 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)"

| | | Normal capacity CNY | | 7971-1000 | 7971-1001 |
|---------------|--|---------------------|------------|------------|-----------|
| BUDGET in CNY | | AMO | 6.924.868 | 6.537.163 | 387.705 |
| | | MACHI | 14.950.233 | 14.057.635 | 740.498 |
| | | MANHO | 12.53.781 | 11.099.775 | 1.254.006 |
| HOURS | | AMO | | 32.145 | 4.584 |
| | | MACHI | | 32.145 | 4.584 |
| | | MANHO | | 32.145 | 4.584 |

| | Code | Description | E01 FC Period | Normal capacity (year) | Normal capacity (month) | Budget (month) | Actual hours | Standard capacity (h) (year) | Standard capacity (h) (month) |
|-------|-----------|-------------|---------------|------------------------|-------------------------|----------------|--------------|------------------------------|-------------------------------|
| CNP | 7971-1000 | Compounding | | 6.057.835 | 1.171.470 | 1.171.470 | 0 | 32.145 | 2.679 |
| | 7971-1001 | Packaging | | 740.498 | 61.708 | 61.708 | 0 | 4.584 | 382 |
| | TOTAL | MACHI | 0 | 14.798.133 | 1.233.178 | 1.233.178 | 0 | 32.145 | 3.061 |
| AMO | 7971-1000 | Compounding | | 11.099.775 | 924.981 | 924.981 | 0 | 32.145 | 2.679 |
| | 7971-1001 | Packaging | | 1.254.006 | 104.500 | 104.500 | 0 | 4.584 | 382 |
| | TOTAL | MANHO | 0 | 12.353.781 | 1.029.482 | 1.029.482 | 0 | 32.145 | 3.061 |
| TOTAL | TOTAL CNP | 0 | 27.851.914 | 2.262.659 | 2.262.659 | | | | |

| | Code | Description | D90 DE period | Normal capacity (year) | Normal capacity (month) | Budget (month) | Actual hours | Standard capacity (h) (year) | Standard capacity (h) (month) |
|-------|-----------|-------------|---------------|------------------------|-------------------------|----------------|--------------|------------------------------|-------------------------------|
| AMO | 7971-1000 | Compounding | | 6.537.163 | 544.764 | 544.764 | 0 | 32.145 | 2.679 |
| | 7971-1001 | Packaging | | 387.705 | 32.309 | 32.309 | 0 | 4.584 | 382 |
| | TOTAL | AMO | 0 | 6.924.868 | 577.072 | 577.072 | 0 | 32.145 | 3.061 |
| TOTAL | TOTAL AMO | 0 | 6.924.868 | 577.072 | 577.072 | | | | |

STEP 3

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

The price variance & the absorption variance will be automatically calculated

| Cost centers | EBI FC period | Normal capacity (year) | Normal capacity (month) | Budget (month) | Actual hours | Standard capacity (H) (year) | Standard capacity (H) (month) | a price variance | b absorption variance | EBI + EB Total CC | EBI FC absorption |
|---------------------|---------------|------------------------|-------------------------|----------------|--------------|------------------------------|-------------------------------|------------------|-----------------------|-------------------|-------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
| 9999-1000 Prod.CC.1 | | | | | | | | | | | |
| 9999-1000 Prod.CC.2 | | | | | | | | | | | |
| 9999-1000 Prod.CC.3 | | | | | | | | | | | |
| 9999-1000 Prod.CC.4 | | | | | | | | | | | |
| 9999-1000 Prod.CC.5 | | | | | | | | | | | |
| 9999-1000 Prod.CC.6 | | | | | | | | | | | |
| 9999-1000 Prod.CC.7 | | | | | | | | | | | |
| TOTAL | MACH | | | | | | | | | | |

| | | | | | | | | | | | |
|-------|-----------|---|--------|--------------|-----------|---|---|----------------------|-------------|---|-------|
| CO-PA | IAC 01.09 | = | Budget | Actual hours | IAC 01.09 | = | = | -[(5)-(7)] x (3)/(7) | + [(4)-(3)] | = | CO-PA |
| | (2) / 12 | | | | (6) / 12 | | | (1) - (4) | (8) + (9) | | |

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

Cost Centers: Actual/Plan/Variance: Selection

Data Source...

Selection values

Controlling Area: 2026 **1**

Fiscal Year: 2015

From Period: 1 **2**

To Period: 1

Plan Version: 0

Selection groups

Cost Center Group: 7971-1 **3**

Or value(s) to

Cost Element Group to

Or value(s) to

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)

Variation: Cost Center

7971-1 Solvay Shanghai - Direct Production

- 7971-1000 Compounding **1**
- 7971-1001 Packing

Cost Center/Group: 7971-1000 Compounding **2**

Person responsible: 50001634 **3**

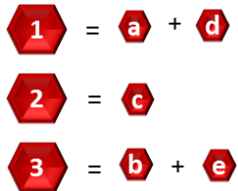
Reporting period: 1 to 1 2015

| Cost Elements | Act. Costs | Plan Costs |
|----------------------------|--------------|---------------|
| 99429910 PA-AS CNP | 193 294,41 | |
| 99429920 PA-AS AMO | 73 400,29 | |
| 99430020 Direct Labour | 801 937,23 | 924 980,41 |
| 99430120 Dir Fxd Ohd/H (CN | 1 015 636,63 | 1 171 468,27 |
| 99438000 Depreciation | 472 298,16 | 841 763,89 |
| * Credit | 2 556 566,72 | 2 641 212,67 |
| ** Over/Underabsorption | | 1,74 4 |

| Activity Types | Act. Acty | Plan Acty |
|----------------------------|------------|------------|
| AMO Direct Depreciation | 2 322,42 H | 2 678,75 H |
| MACHI DIR FIX O/H (CNP) /h | 2 322,42 H | 2 678,75 H |
| MANHO Direct Labour | 2 322,42 H | 2 678,75 H |

STEP 6

Report the actual costs of each cost center per activity



Cost Center/Group: 7971-1000

Person responsible: 50001634

Reporting period: 1

| Cost Elements | Act. Costs |
|---------------------------|----------------|
| 99429910 PA-AS CNP | a 193 294,41 |
| 99429920 PA-AS AMO | b 73 400,29 |
| 99430020 Direct Labour | c 801 937,23 |
| 99430120 Dir Fxd Ohd/H (G | d 1 015 636,63 |
| 99438000 Depreciation | e 472 298,16 |
| * Credit | 2 556 566,72 |
| ** Over/Underabsorption | |

| Code | Description | EBI FC Period |
|--------------------|-------------|-------------------|
| 7971-1000 | Compounding | 1 1208,931 |
| 7971-1001 | Packaging | |
| TOTAL MACH | | 1208,931 |
| 7971-1000 | Compounding | 2 801,937 |
| 7971-1001 | Packaging | |
| TOTAL MANHO | | 801,937 |
| TOTAL CNP | | 2.090,868 |

| Code | Description | D90 DE period |
|------------------|-------------|------------------|
| 7971-1000 | Compounding | 3 545,698 |
| 7971-1001 | Packaging | |
| TOTAL AMO | | 545,698 |
| TOTAL AMO | | 545,698 |

Report the actual hours of each cost center per activity

Cost Center/Group: 7971-1000

Person responsible: 50001634

Reporting period: 1

| Activity Types | Act. Acty |
|----------------------------|---------------------|
| AMO Direct Depreciation | a 2 322,42 H |
| MACHI DIR FIX O/H (CNP) /h | b 2 322,42 H |
| MANHO Direct Labour | c 2 322,42 H |

| Code | Description | Actual hours |
|--------------------|-------------|----------------|
| 7971-1000 | Compounding | b 2.322 |
| 7971-1001 | Packaging | |
| TOTAL MACH | | 2.322 |
| 7971-1000 | Compounding | c 2.322 |
| 7971-1001 | Packaging | |
| TOTAL MANHO | | 2.322 |
| TOTAL CNP | | 2.322 |

| Code | Description | Actual hours |
|------------------|-------------|----------------|
| 7971-1000 | Compounding | a 2.322 |
| 7971-1001 | Packaging | 0 |
| TOTAL AMO | | 2.322 |
| TOTAL AMO | | 2.322 |

STEP 7

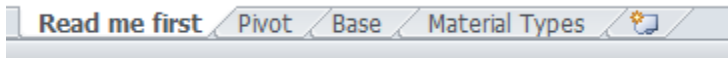
Once the file is completed, the price & absorption variance can be reported in the variance analysis template

| | Code | Description | a. price variance | b. absorption variance | E01 + E90 Total CC variance |
|-----|-----------|-------------|-------------------|------------------------|-----------------------------|
| CNP | 7971-1000 | Compounding | 37.461 | 155.834 | 193.295 |
| | 7971-1001 | Packaging | -146.790 | 2.940 | -143.850 |
| | TOTAL | MACRI | -109.327 | 158.762 | 49.445 |
| | TOTAL | MACRI | -129.844 | 129.844 | 0 |
| AMO | 7971-1001 | Packaging | -892 | 4.890 | -887 |
| | TOTAL | MANHO | -129.836 | 129.837 | 2 |
| | TOTAL | CNP | -237.373 | 286.619 | 49.446 |
| | TOTAL | AMO | 4.272 | 74.010 | 78.282 |

| January | |
|--------------------------------|------------------|
| E00 FC Fixed Costs | 2.025.287 |
| 4.CC variance (E01-E90) | 49.446 |
| a. price variance | -237.373 |
| b. absorption variance | 286.619 |
| FC on production | 2.074.733 |
| F00 DEP Depreciation | 581.344 |
| 4.CC variance (D90-F90) | 78.282 |
| a. price variance | 4.272 |
| b. absorption variance | 74.010 |
| DEP on production | 659.627 |

Download the file [IAC 01.02 template PF2.xlsx](#)

There are 4 sheets in the file :



Overview of the 1st sheet: Read me first

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| A | B | C | D | E | F | G | H | I | J |
|---|---|---|---|---|---|---|---|---|---|

IAC.01.02 - Monthly variance analysis

This template concerns the IAC 03.07. The objective is to justify production costs variances and

1- Pivot

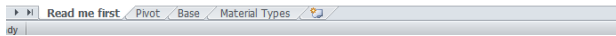
- Update the pivot table after updating the tab named "base"

2- Base

- Copy paste in this tab the data you have extracted from SAP (transaction ZM_MAT_VAL_COMP)

3- Material Types

- In this tab, you will find a recall of material types being extracted

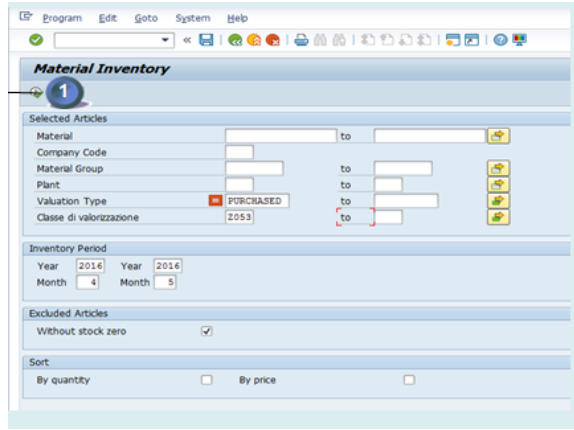


Overview of the 2nd sheet: Base

| | A | B | C | D | E | F |
|----|-------|----------|-------------|----------------------|----------------|-------------|
| | Plant | Material | Description | Base Unit of Measure | Material Group | Description |
| 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 | | | | | | |

Overview of the 3rd sheet: Pivot

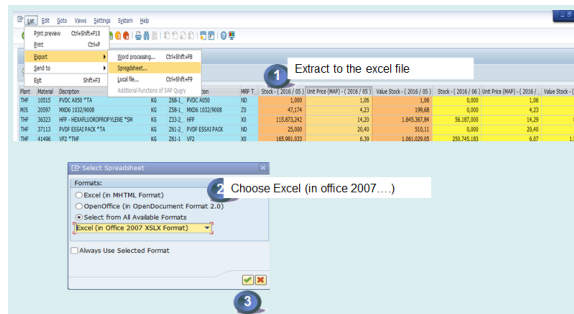
i It may result in a long run time.



STEP 4

Download the file to excel

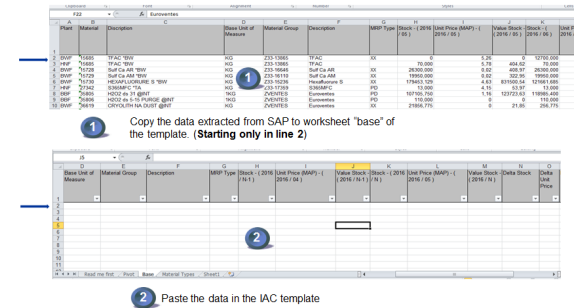
1. Extract the file through "export -> Spreadsheet"
2. Choose Excel (in office 2007...)
3. Execute



STEP 5

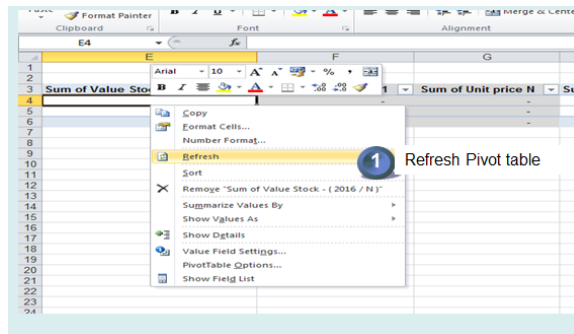
Update the template with the data retrieved in **STEP 4**

1. Open excel file created in **STEP 4** and copy all data starting "line 2"
2. Past the data in the template of IAC 01.02 PF2



STEP 6

The Pivot table in the template is refreshed



STEP 7

Comment all the materials lines marked as "To be validated"

| Material | Sum of Stock | Sum of Value Stock | Sum of Stock | Sum of Value Stock | Sum of Stock | Sum of Value Stock | Sum of Stock | Sum of Value Stock | Sum of Stock | Sum of Value Stock | Sum of Stock | Sum of Value Stock | Sum of Stock | Sum of Value Stock | Sum of Stock | Sum of Value Stock | Sum of Stock | Sum of Value Stock | Sum of Stock | Sum of Value Stock | |
|----------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|-----------------|
| 1800 | 100 | 1000 | 100 | 1000 | 100 | 1000 | 100 | 1000 | 100 | 1000 | 100 | 1000 | 100 | 1000 | 100 | 1000 | 100 | 1000 | 100 | 1000 | To be validated |
| 1801 | 200 | 2000 | 200 | 2000 | 200 | 2000 | 200 | 2000 | 200 | 2000 | 200 | 2000 | 200 | 2000 | 200 | 2000 | 200 | 2000 | 200 | 2000 | To be validated |
| 1802 | 300 | 3000 | 300 | 3000 | 300 | 3000 | 300 | 3000 | 300 | 3000 | 300 | 3000 | 300 | 3000 | 300 | 3000 | 300 | 3000 | 300 | 3000 | To be validated |
| 1803 | 400 | 4000 | 400 | 4000 | 400 | 4000 | 400 | 4000 | 400 | 4000 | 400 | 4000 | 400 | 4000 | 400 | 4000 | 400 | 4000 | 400 | 4000 | To be validated |
| 1804 | 500 | 5000 | 500 | 5000 | 500 | 5000 | 500 | 5000 | 500 | 5000 | 500 | 5000 | 500 | 5000 | 500 | 5000 | 500 | 5000 | 500 | 5000 | To be validated |
| 1805 | 600 | 6000 | 600 | 6000 | 600 | 6000 | 600 | 6000 | 600 | 6000 | 600 | 6000 | 600 | 6000 | 600 | 6000 | 600 | 6000 | 600 | 6000 | To be validated |
| 1806 | 700 | 7000 | 700 | 7000 | 700 | 7000 | 700 | 7000 | 700 | 7000 | 700 | 7000 | 700 | 7000 | 700 | 7000 | 700 | 7000 | 700 | 7000 | To be validated |
| 1807 | 800 | 8000 | 800 | 8000 | 800 | 8000 | 800 | 8000 | 800 | 8000 | 800 | 8000 | 800 | 8000 | 800 | 8000 | 800 | 8000 | 800 | 8000 | To be validated |
| 1808 | 900 | 9000 | 900 | 9000 | 900 | 9000 | 900 | 9000 | 900 | 9000 | 900 | 9000 | 900 | 9000 | 900 | 9000 | 900 | 9000 | 900 | 9000 | To be validated |
| 1809 | 1000 | 10000 | 1000 | 10000 | 1000 | 10000 | 1000 | 10000 | 1000 | 10000 | 1000 | 10000 | 1000 | 10000 | 1000 | 10000 | 1000 | 10000 | 1000 | 10000 | To be validated |

