

P&L - Exchange rates

Several conversion methods can be used in BW. The aim of this page is to explain the main methods used in BW:

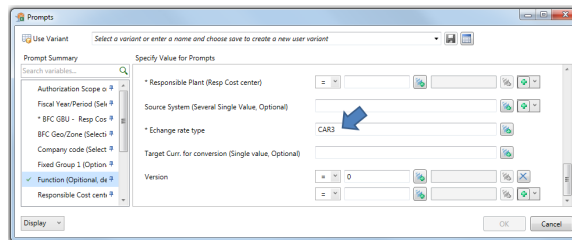
- [CAR3 - Monthly Rate](#)
- [C - Year-to-date Monthly Average Rate](#)
- [BFC Methodology](#)

CAR3 - Monthly Rate

The rate CAR3 can be found in the [GAR library](#). It is available in the sheet "Taux - Rates (Monthly)". It corresponds to average rate of the month.

How to use it in BW ?

In the prompt enter "CAR3" in the field
*Exchange rate type



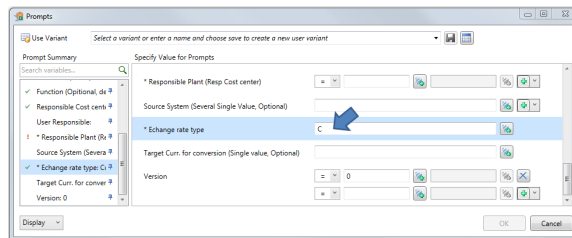
C - Year-to-date Monthly Average Rate

Year-to-date Monthly Average Rate comes from BFC. It is the sum of monthly rates divided by the number of months from the beginning of the year.

The Rate C can be found in the [GAR library](#). It corresponds to the rate "MOYEN / AVERAGE" in the sheet "Taux - Rates"

How to use it in BW ?

In the prompt enter "C" in the field
*Exchange rate type



BFC Methodology

The aim is to use the same methodology as the one used in BFC

- It is used in queries/workbooks with "monthly" in their descriptions

Example

2 materials are sold in USD with the following contribution margin in local currency in Q1 2019

Material	Description	01.2019	02.2019	03.2019
----------	-------------	---------	---------	---------

11365	OT MET.DRUM 225L	\$ 26 560,00	\$ 13 280,00	\$ 13 280,00
11366	DISTIL. BULK.	\$ 557 522,40	\$ 387 991,60	\$ 390 042,00

The rate C by month is:

Month	01.2019	02.2019	03.2019
Rate 1 EUR = x USD	1,141686	1,138501	1,135740

In February, the contribution margin (=CTN) of the material 11365 OT MET.DRUM 225L is

$$= (\text{CTN } 01.2019 + \text{CTN } 02.2019) \times \text{Rate C } 02.2019 - \text{CTN } 01.2019 \times \text{Rate C } 01.2019$$

$$= (\$ 26 560,00 + \$ 13 280,00) \times 1,138501 - \$ 26 560,00 \times 1,141686 = \underline{\underline{11 729,54 \text{ EUR}}}$$

BW is doing the calculation item by item.

In February the CTN of material code 11366 DISTIL. BULK. = $(\$ 557 522,40 + \$ 387 991,60) \times 1,138501 - \$ 557 522,40 \times 1,141686 = \underline{\underline{342 157,77 \text{ EUR}}}$

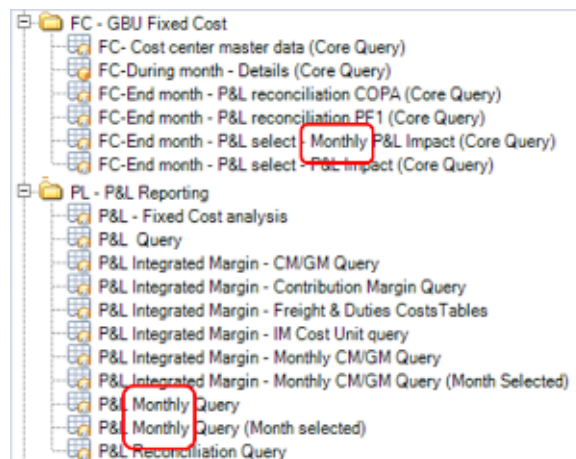
Material	Description	01.2019	02.2019	03.2019
11365	OT MET.DRUM 225L	23 263,83 EUR	11 729,54 EUR	11 777,90 EUR
11366	DISTIL. BULK.	488 332,35 EUR	342 157,77 EUR	345 444,82 EUR

Note

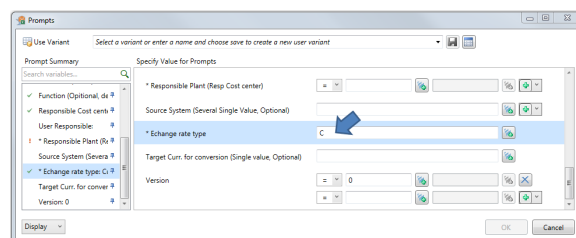
The exchange rate used for the conversion of the material code 11365 is $\$ 13 280,00 / 11 729,54 \text{ EUR} = \underline{\underline{1,13218}}$. It is different from the one used for the material 11366 = $\$ 387 991,60 / 342 157,77 \text{ EUR} = \underline{\underline{1,13395}}$

How to use it in BW ?

Select a workbook with "Monthly" in its description



Keep the the Exchange rate type filled by default = C



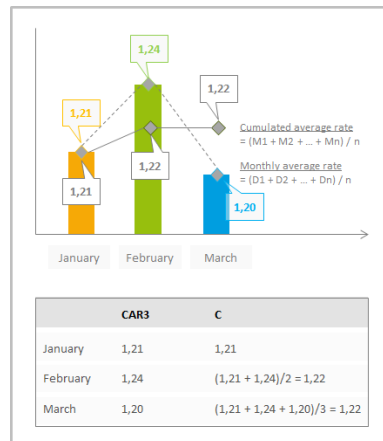
Frequently Asked Questions



What is the difference between Rate C & Rate CAR3 ?

Let's take an example.

- In January the rate CAR3 is equal to 1,21, in February it is equal to 1,24 and in March it is equal to 1,20.
- In January the rate C is equal to the rate CAR3 but in February it is the sum of the CAR3 of January and February divided by 2 months. In March it is the sum of the rate CAR3 of January, February, March divided by 3 months.



Why do we need to use a specific workbook when we want to work with the BFC methodology ?

- When using a monthly query, BW recalculates all the items of the query with the BFC calculation methodology. It does not apply a single exchange rate but it is a complex calculation that can not be done in a standard query.



Which rate is recommended for what ?

- If you want to have the same result as BFC, you must use a query with "monthly" in its description. However the response time can be deteriorated as BW calculates the conversion rate for all items.
- By default the rate C is used in the applications [FC - Create a fixed costs report & P&L Reporting \(WBP\)](#). Month by month it can not be aligned with BFC but it is when you look at the full year. The response time is better than monthly queries.
- You must use the rate CAR3 if you want to have the same result as [CRM Analytics Dashboard](#).



Are there any other rates that can be used ?

- There is a long list of rates available in BW, their definition can be found in the page [Exchange rates](#)