

CO 1: Review Cost Center Standard Hierarchy

Exercise Review the cost center standard hierarchy.

Time 10 min

Task Use the SAP Easy Access Menu to review the cost center standard hierarchy.

Name (Position) Jamie Shamblin (Cost Accountant)

The cost center structure is a hierarchically organized data object that is used to assign and capture costs in a meaningful manner thereby permitting managerial accounting analyses that support decision-making. A cost center is an area of responsibility within a company that is deemed to be accountable for incurring and influencing costs.

Cost center structure

Cost center

In order to review the cost center standard hierarchy, follow the SAP Easy Access menu path:

Menu path

Accounting ► Controlling ► Cost Center Accounting ► Master Data ► Standard Hierarchy ► Display

In the Set Controlling Area window, press **F4** to display a list of controlling areas defined in GBI. You should see the following screen.

F4

COAr	Name	Crcy	ChAc	FV	StdHierarc...
EU00	GBI Europe	EUR	GL00	K1	EU00
NA00	GBI North America	USD	GL00	K1	NA00

Double-click on the GBI North America controlling area (**NA00**) to select it.

NA00

Back on the Set Controlling Area screen with controlling area NA00 filled in, click on or press Enter. This should produce the following screen.


Standard Hierarchy	Name	Activation stat...	Person respo...	Company code
NA00	GBI North America CCtr Std. Hierarchy			
▶ N1000	Corporate			
▶ N2000	Administration and Financials			
▶ N3000	Marketing & Sales			
▶ N4000	Operations			
▶ N5000	Information Technology			

Initially, the system displays the root folder NA00 (GBI North America CCtr. Std. Hierarchy) and its second level elements. Clicking on the triangle will expand that section to display lower level groups or individual cost


centers.

Opening the first sub-level folder (Corporate), reveals the third-level folders shown below.

Standard Hierarchy	Name	Activation stat...	Person respo...	Company code
▼ N400	GBI North America CCtr Std. ...			
▼ N1000	Corporate			
▶ N1100	Executive Board			
▶ N1200	Internal Services			
▶ N2000	Administration and Financials			
▶ N3000	Marketing & Sales			
▶ N4000	Operations			
▶ N5000	Information Technology			

You may single-click on the root folder and choose the  button to expand the subtree completely. The systems displays you now the complete hierarchy.


Standard Hierarchy	Name	Activation stat...	Person respo...	Company code
▼ N400	GBI North America CCtr Std. ...			
▼ N1000	Corporate			
▼ N1100	Executive Board			
• NAEX1000	NA Executive: John Davis	■	John Davis	US00
• NAEX2000	NA Executive: Peter Weiss	■	Peter Weiss	US00
▼ N1200	Internal Services			
• NAIS1000	NA Internal Services	■	NA Int Serv Mgr	US00
▼ N2000	Administration and Financials			
▼ N2100	Administration			
• NAAD1000	NA Administrative Costs	■	NA Admin Mgr	US00
▼ N2200	Human Resources			
• NAHR1000	NA Human Resources Costs	■	NA HR Mgr	US00
▼ N2300	Procurement			
• NAPC1000	NA Procurement Costs	■	NA Proc Mgr	US00
▼ N3000	Marketing & Sales			
▼ N3100	Marketing			
• NAMK1000	NA Marketing Costs	■	NA Mark Mgr	US00
▼ N3200	Sales			
• NASA1000	NA Sales Costs	■	NA Sales Mgr	US00
▼ N3300	Global Sales			
• NAGS1000	NA Global Sales Costs	■	NA Glob Sales ...	US00
▼ N4000	Operations			
▼ N4100	Research & Development			
• NARD1000	NA Research and Developm...	■	NA R&D Mgr	US00
▼ N4200	Production			
• NAPR1000	NA Production Costs	■	NA Prod Mgr	US00
▼ N4300	Plant Maintenance			
• NAPM1000	NA Plant Maintenance Costs	■	NA Plnt Main Mgr	US00
▼ N4400	Quality Management			
• NAQM1000	NA Quality Management Costs	■	NA QM Mgr	US00
▼ N5000	Information Technology			
• NAIT1000	Global IT Costs	■	Glob IT Mgr	US00

Mark N2200 and click on .

Double-clicking on any element displays details on the bottom of the screen.

What is N5000? _____

What is NAMK1000? _____

Click on the exit icon  to return to the SAP Easy Access screen.



CO 2: Display Cost Elements

Exercise Display cost elements.

Time 10 min

Task Use the SAP Easy Access Menu to display primary and secondary cost elements.

Name (Position) Jamie Shamblin (Cost Accountant)

Primary cost elements have a one-to-one relationship with expense accounts activated for a chart of accounts. They serve to establish postings between FI and CO thereby permitting the sharing of information between financial and managerial accountants. In effect, costs that are entered into an expense account that has been associated with a primary cost element will be posted to both the financial and managerial accounting systems concurrently. Secondary cost elements are exclusive to managerial accounting. They are used to distribute and/or divide expenses thereby assigning costs to responsible parties exclusively within the managerial accounting system.

Primary cost element

Secondary cost element

To review cost elements, follow the menu path:

Menu path

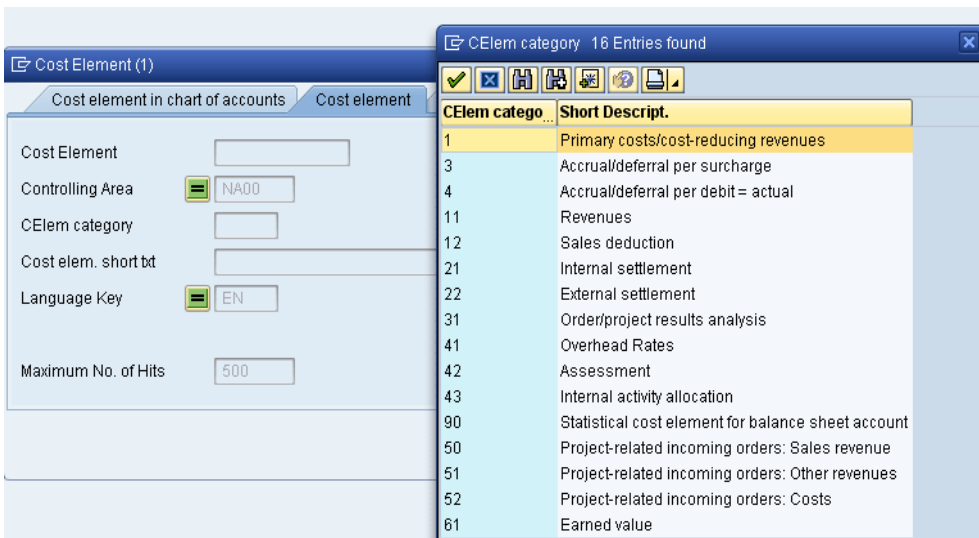
Accounting ► Controlling ► Cost Element Accounting ► Master Data ► Cost Element ► Individual Processing ► Display

This takes you to the Display Cost Element: Initial Screen. Because you do not know any element IDs, you need to find them. In order to do so, in the Cost Element field press **F4**.

F4


In the Cost Element (1) screen, navigate to the Cost element tab (second tab). In the CElem category field, press **F4** again.

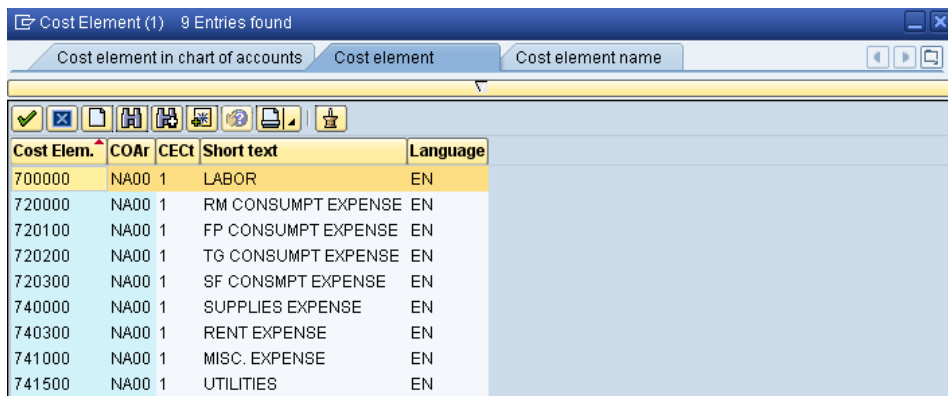
F4



From the list of all cost element categories defined in the SAP system, double-click on Primary costs/cost-reducing revenues (1).

1

Back on the Cost element (1) screen, press Enter or click on  to display all primary cost elements defined in the GBI North America controlling area.



Double-click on LABOR (700000) to select it. Back on the Display Cost Element: Initial Screen and with the correct Cost Element number filled in, press Enter.

700000

Display Cost Element: Basic Screen

Cost Element: 700000 Labor
 Controlling Area: NA00 GBI North America
 Valid From: 01/01/2010 to 12/31/9999

Basic Data | Indicators | Default Acct Assgmt | History

Names
 Name: Labor
 Description: Labor

Basic Data
 CElem category: 1 Primary costs/cost-reducing revenues
 Attribute mix:
 Functional Area:

What is this cost element's validity period? _____

Click on to go back to the Display Cost Element: Initial Screen. Now, you want to display a secondary cost element. In the Cost Element field, press **F4** again. This time, on the Cost element tab, leave the CElem category field blank and click on or press Enter to display the complete list of cost elements in North America (including secondary cost elements).

F4


Cost Element (1) 15 Entries found


Cost element in chart of accounts | Cost element | Cost element name

Cost Elem.	COAr	CECt	Short text	Language
700000	NA00	1	LABOR	EN
720000	NA00	1	RM CONSUMPT EXPENSE	EN
720100	NA00	1	FP CONSUMPT EXPENSE	EN
720200	NA00	1	TG CONSUMPT EXPENSE	EN
720300	NA00	1	SF CONSMPT EXPENSE	EN
740000	NA00	1	SUPPLIES EXPENSE	EN
740300	NA00	1	RENT EXPENSE	EN
741000	NA00	1	MISC. EXPENSE	EN
741500	NA00	1	UTILITIES	EN
741600	NA00	22	MANUFAC. OUTPUT SETT	EN
741700	NA00	22	MEFAC OUTPUT SETT VAR	EN
800000	NA00	43	LABOR	EN
800100	NA00	42	ASSESSED COSTS	EN
800200	NA00	21	INTERN. ORD.SETTLEM.	EN
800300	NA00	21	PROD. ORD. SETTLEM.	EN

Double-click on LABOR (**800000**) to select it. Back on the Display Cost Element: Initial Screen, press Enter.

800000

 **Display Cost Element: Basic Screen**



Cost Element Labor
Controlling Area GBI North America
Valid From to

Basic Data Indicators Default Acct Assgnmt History

Names


Name
Description

Basic Data

CElem category Internal activity allocation
Attribute mix
Functional Area

What is this cost element's CElem category? _____

Can you explain the difference between cost element Labor (700000) and Labor (800000)?

Click on the exit icon  twice to return to the SAP Easy Access screen.



CO 3: Display Cost Element Groups

Exercise Display cost element groups.

Time 10 min

Task Use the SAP Easy Access Menu to display existing cost element groups.

Name (Position) Jamie Shamblin (Cost Accountant)


These groups facilitate working with both primary and secondary cost elements by creating logical groupings. A cost element “group” is an organizational unit consisting of a particular collection of cost elements.

Cost element group

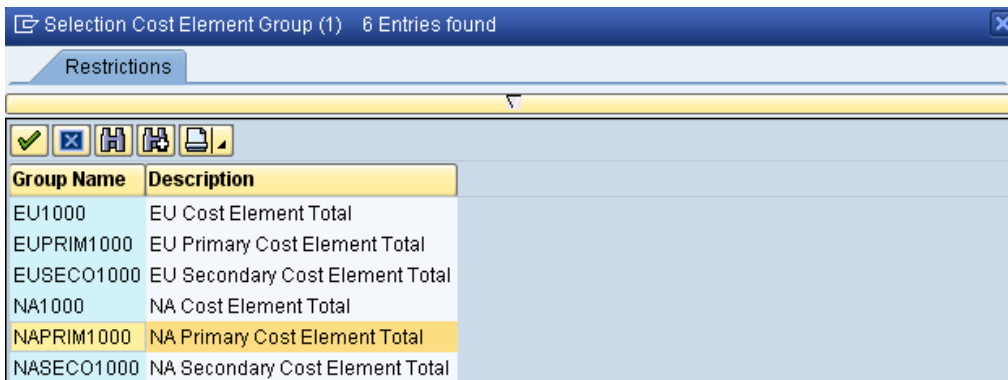
To review cost element groups, follow the menu path:

Menu path

Accounting ► Controlling ► Cost Element Accounting ► Master Data ► Cost Element Group ► Display

In the Display Cost element group: Initial Screen, press **F4**. In the following Cost Element Group selection screen, the Chart of Accounts is already entered. Simply press Enter or click on  to display all GBI cost element groups.

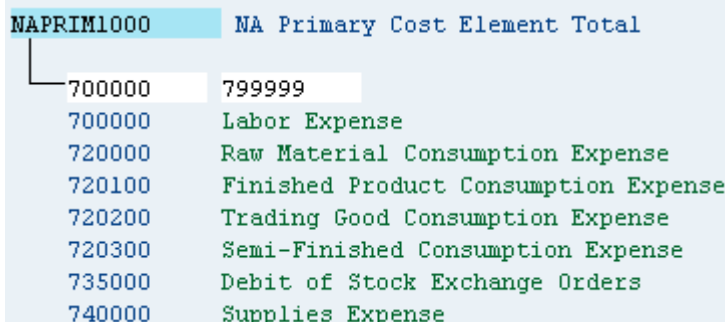
F4



Group Name	Description
EU1000	EU Cost Element Total
EUPRIM1000	EU Primary Cost Element Total
EUSECO1000	EU Secondary Cost Element Total
NA1000	NA Cost Element Total
NAPRIM1000	NA Primary Cost Element Total
NASECO1000	NA Secondary Cost Element Total

Double-click on the cost element group for all primary cost elements in North America (NAPRIM1000). Back on the initial screen, press Enter.

NAPRIM1000




Group Name	Description
NAPRIM1000	NA Primary Cost Element Total
700000	799999 Labor Expense
720000	Raw Material Consumption Expense
720100	Finished Product Consumption Expense
720200	Trading Good Consumption Expense
720300	Semi-Finished Consumption Expense
735000	Debit of Stock Exchange Orders
740000	Supplies Expense

In this interactive list, you can double-click on any cost element to display its master data details. As an example, double-click on Rent Expense (**740300**).


Cost Element	740300	Rent Expense
Controlling Area	NA00	GBI North America
Valid From	01/01/2010	to 12/31/9999

Basic Data	Indicators	Default Acct Assgnmt	History
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Names	
Name	Rent Expense
Description	Rent Expense

Click on  twice to go back to the Display Cost element group: Initial Screen and repeat the same procedure for the secondary cost elements in Europe.

What is the unique number for cost element group “EU Secondary Cost Element Total”? _____

Click on the exit icon  until you are back on the SAP Easy Access screen.

