

## R12.2 Oracle Cost Management Fundamentals Ed 1

**Duration:** 4 Days

### What you will learn

This course will be applicable for customers who have implemented Oracle E-Business Suite Release 12 or Oracle E-Business Suite 12.1 or 12.2.

In this course, students learn how to set up and use Oracle Cost Management in conjunction with Oracle Inventory, Oracle Bills Of Material, and Oracle Work In Process (WIP). Students also learn how to use Oracle Cost Management as a tool for inventory control, valuation, profit analysis, and reporting. Topics also include Subledger Accounting (SLA).

### Learn To:

Simulate, analyze, and forecast product costs

Easily update and manage item unit costs

Define the inventory structure and cost controls that are important to your business

View item costs, inventory and work in process values, accounting entries, and gross margins

Automatically transfer inventory and work in process transactions to your general ledger

Value inventory and work in process on a perpetual basis

### Related Training

#### *Required Prerequisites*

Basic accounting concepts

R12 Oracle Bills of Material and Engineering Fundamentals

R12 Oracle Inventory Management Fundamentals

R12 Oracle Purchasing Fundamentals

R12.2 Oracle Inventory Management Fundamentals

#### *Suggested Prerequisites*

R12 Oracle Advanced Supply Chain Planning Fundamentals

R12.2 Oracle Advanced Supply Chain Planning Fundamentals Ed 2

R12.2 Oracle Advanced Supply Chain Planning Fundamentals Ed 3

## Course Objectives

Describe costing methods

Analyze transactions for WIP and Inventory costing at (standard and average)

Establish cost controls

Maintain standard costs on a periodic basis

## Course Topics

### **Overview of Oracle Cost Management**

Using Oracle Cost Management

Role of Cost Management

Understanding Costing Methods

Performing Inventory Control and Valuation

Analyzing Profits

Management Reporting

Budgeting and Planning

Oracle Cost Management Integration

### **Overview of Setup and Implementation of Oracle Cost Management**

Setting Up in Other Applications

Setting Up in Oracle General Ledger

Setting Up in Oracle Work in Process

Setting Up in Oracle Inventory

Setting Up in Oracle Purchasing

Setting Up in Oracle Bills of Material

Setting Up in Oracle Cost Management

### **Setting Up in Oracle Cost Management**

Setting Up Profile Options

Setting Up Cost Types

Copying Costs

Setting Up Activities and Activity Costs

Defining Project Cost Groups

Understanding Cost Elements

Setting Up Subelements

Understanding Landed Cost Management

### **Describing Cost Controls**

- Describing General Ledger Cost Controls
- Inter-organization Transfers with Multiple Set of Books
- Describing Organizational Cost Controls
- Organization-Level Default and System Accounts
- Defining Inter-organization Transfer Information
- Describing Financial Cost Controls
- Describing WIP Controls for Costing and WIP Parameters
- Receiving Options and Controls

### **Item Costing**

- Selecting an Item-Cost Type Association
- Defining Item Costs
- Viewing Item Costs
- Describing Elemental Costs
- Phantom Costing
- Mass Editing Item Accounts and Cost Information
- Viewing Material and WIP Transaction Distributions
- Resubmitting Transactions for Costing

### **Defining Resource and Overhead Costs**

- Defining BOM Parameters
- Defining Resource Costs and Overheads
- Defining Departments and Associating Resources
- Associating Overheads With Departments and Resources
- Defining Routings
- Defining Bills of Material

### **Standard Costing**

- Overview of Standard Costing
- Understanding the WIP Transactions Cost Flow
- Setting Up Standard Costing
- Setting Up Standard Costing for Manufacturing
- Reporting Pending Adjustments
- Running a Supply Chain Cost Rollup
- Updating Standard Costs
- Understanding Standard Cost Transactions

### **Average Costing**

- Overview of Average Costing
- Setting Up Average Costing
- Understanding Average Costing Flows
- Updating Average Costs
- Viewing Item Cost History Information
- Understanding Average Cost Variances
- Average Cost Transactions

### **Analyzing WIP Transactions**

- Overview of Analyzing WIP Transactions
- Viewing Job and Schedule Values Online
- Reporting and Analyzing WIP Values

### **Period Close for Inventory Organizations**

Cost Accounting at Period Close Overview

Viewing Pending Transactions

Transfer Options

Closing the Period in Inventory

Posting to the General Ledger

Reconciling Perpetual Inventory to GL

Client Extensions

### **Periodic Costing**

Major Features of Periodic Costing

Understanding Periodic Average Costing

Business Value of Periodic Average Costing

Understanding Periodic Incremental LIFO Costing

Business Value of Periodic Incremental LIFO Costing

Setting Up Periodic Costing

Associating Organization with an Organization Cost Group

Processing and Updating Periodic Costs

### **FIFO and LIFO Costing**

Major Features of FIFO / LIFO Costing

Understanding Layer Cost Flows

Updating Layer Costs

Viewing Layer Item Costs

Understanding Layer Cost Variances

Layer Cost Transactions

Layer Cost Transactions in Manufacturing

### **Revenue and COGS Matching**

Overview of Revenue / COGS Matching

Setting Up Revenue / COGS Matching

Revenue / COGS Recognition Methodology

COGS Recognition and Concurrent Processes

Supported Business Scenarios

### **Subledger Accounting**

Overview of Subledger Accounting (SLA)

Standard Accounting Process

SLA Accounting Process

Subledger Accounting Profile Option

Defining Accounting Derivation Rules

Create Accounting Program-

Viewing Accounting and Accounting Events

### **Describing T-Accounts for Inventory Transactions for Standard Costing**

Describing T-Accounts

### **Describing T-Accounts for WIP Transactions for Standard Costing**

Describing T Accounts for WIP Transactions