**Cost accounting glossary pdf**

This page contains the basic terms of cost accounting and determination. Terms and definitions related to standard costs in particular and variance are also included. Cost accounting is an accounting area that includes measuring, registering, and reporting product costs. Cost accounting system - Production expense accounts that are fully integrated into the company's overall accounting book. Cost Behavior Analysis - Exploring how specific costs respond to changes in business activity levels. Fixed Costs - Costs that remain unchanged in total regardless of activity level changes. Variable costs - which vary in total directly and in proportion to changes in activity level. Mixed Costs - Costs that contain both variable and fixed cost elements and changes in total, but not proportionate, changes in activity level. Activity-based costs are a cost-accounting system that focuses on activities performed in the production of a particular product. A work cost sheet is a form used to record the costs for which a particular work is charged, as well as to determine the total and unit cost of the job done. A cost-to-work system is a cost-accounting system in which costs are assigned to each job or party. A process cost system is an accounting system used to produce a large number of similar products. The cost of absorption is a cost-based approach in which all production costs are levied on the product. Variable Cost is a costing approach in which only variable production costs are product costs and fixed production costs are period (expenses) costs. Materials of requisition slip - a document allowing the issuance of raw materials from the pantry to production. Overhead Re-write - A situation in which overheads are charged to work in the process more than overheads incurred. A predetermined invoice is a rate based on the relationship between estimated annual overheads and expected annual operating activities expressed in terms of the overall operating base. A summary of the record is a log entry that summarizes the totals from multiple transactions. Ticket time is a document that indicates the employee, having worked the working hours, the bill and the work that will be charged, and the total cost of the labor force. Overheads were not covered , a situation in which the overheads assigned to work in the process are less than the overhead costs incurred. Conversion costs - The amount of labor costs and overheads. A cost driver is any factor or activity that has a direct relationship between cause and effect with the resources consumed. Cost reconciliation schedule - Schedule, shows that total costs amounted to equal total costs to be taken into account. Equivalent units of production are a measure of the work done during this period, expressed in fully completed units. Just in time for processing - processing system designed for production products (or spare parts) as needed. The cost of operations is a combination of process cost and a cost-of-work system in which products are produced primarily by standardized methods, with some customization. Physical units - Actual units that must be accounted for during the period, regardless of any work done. Process cost systems are an accounting system used to apply costs to similar products that are produced on an ongoing basis. A production cost report is an internal management report that shows both the amount of production and the cost data for the production department. Total units (costs) are accounted for - The amount of units (costs) transferred during the period plus units (costs) in the process at the end of the period. Total units (costs) to be accounted for - The amount of units (costs) started (or transferred) to production during the period plus units (costs) in the process at the beginning of the period. Unit production costs - Costs expressed in terms of equivalent units of production. Weighted average method - A method used to calculate equivalent units of production, which takes into account the degree of completion (weighing) of completed and transferred units and the end of work in the process. An activity index is an activity that causes changes in cost behavior. The corresponding range is the range of the activity index, which the company expects to work on during the year. Break-even point is the level of activity at which the total income is equal to the total cost. The deposit margin ratio is a percentage of each dollar of sales that is available for fixed expense application and contribution to net income; calculated as a unit contribution margin divided by the unit sale price. Contribution Margin (CM) - The amount of income left over from the deduction of variable costs. The margin of the contribution per unit is the amount of income remaining per unit after the variable cost is deducted; calculated as the unit sale price minus the variable unit value. Cost and Profit Analysis (CVP) - Exploring the impact of cost and volume changes on a company's profits. Cost and Profit Graph (CVP) is a graph showing the relationship between costs, volume and profit. The Cost Income Report (CVP) is a report for internal use that classifies costs as fixed or variable and reports the margin of the deposit in the statement body. A high-low method is a mathematical method that uses the total costs incurred at high and low levels of activity to classify mixed costs for fixed and variable components. Security Margin - The difference between actual or expected sales and sales at break-even point. Target Net Income - Income Target set by management. Standard conditions and definitions of standard costs - unit costs that companies use as performance indicators. Standard cost cost System - Double Accounting Entry System, in which standard costs are used when records are made and deviations are recognized in accounts. Normal Standards - Standards based on an effective level of performance that are achievable in the expected operating conditions. The standard of direct labour price is an hour's rate that must be incurred for direct labour. The direct labor standard is the time it takes to make one product. The standard price for direct materials is the cost per unit of direct materials that must be incurred. The standard for the amount of direct materials is the number of direct materials that should be used per unit of finished products. Difference in the price of materials - The difference between the actual number of times the actual price and the actual number of times the standard price for materials. Difference in the number of materials - The difference between the actual number is times the standard price and the standard number times the standard price. The difference in labor prices - The difference between the actual hour time of the actual rate and the actual working time of the standard rate for the labor force. Difference in the amount of labor - The difference between the actual hours, the times of the standard rate and the standard clock, which is distinguished by the standard rate for the labor force. Above-ground controlled variance - The difference between actual overheads and overheads that were budgeted for standard hours. Difference in overhead - The difference between a regular capacity watch and a standard watch allowed times of fixed overhead. A balanced performance system is an approach that incorporates financial and non-financial measures into an integrated system that links performance measurement and the company's strategic objectives. Customer perspective is a point of view used in a balanced metric system to evaluate a company in terms of the people who buy and use its products or services. A financial perspective is a point of view used in a balanced system of indicators to assess a company's performance using financial indicators. Ideal Standards - Standards based on optimal performance under ideal operating conditions. The perspective of the internal process is a point of view, taken into view in a balanced system of indicators to assess the effectiveness and effectiveness of the company's value chain, including product development, production, delivery and post-sale services. Learning and growth perspectives are a point of view, taken into place in a balanced system of indicators to assess how well a company develops and maintains its employees. Normal Capacity - Average activity that a company needs to experience in the long run. You're looking for easy Accounting? Founded since 2007, Accounting-Financial-Tax.com hosts more than 1,300 articles (still growing), and has helped millions of accounting students, teachers, junior accountants and small business owners, A B C D E F -1 G.Y. H I J. K.K. Л. M3 N O.K. Пз B( K. R S -1 T3 У.K. B. W X-я Y Возможность оплаты метода A метод распределения затрат на услуги, при котором центры доходов с наибольшими продажами в долларах, как ожидается, поглотят большую часть расходов сервисного центра. (Chapter 14, LO5) Profit Rate Accounting Method Capital Expenditure Assessment Method, designed to measure the perceived effectiveness of a potential capital project. It is calculated by dividing the average annual net profit of the project by the average value of the investment. (Chapter 12, LO6) Activity Expenditure (ABC) Overhead Assignment Method, which categorizes all indirect costs of activity, tracks indirect costs for these activities and assigns costs to products using a cost-related cost driver (Chapter 2, LO8; Chapter 5, LO4); a management accounting practice that determines the organization's core operating activities (both production and non-production) and then assigns costs to products or services that use the resources and services provided as a result of the activity. (Chapter 1, LO3) Activity Management (ABM) An approach to managing an organization that identifies all core operational actions, identifies the resources consumed by each action, and the reason for using resources, classifies actions as either value-added product or service, or does not add value, and seeks to reduce or eliminate activities not added to value. (Chapter 1, LO3; Chapter 5, LO2) Activity-based Information Systems that provide quantitative information about the organization's activities. (Chapter 5, LO1) The actual cost of a cost-measuring method that uses the actual costs of direct materials, direct labor and overheads to calculate the cost of a unit of a product or service. (Chapter 2, LO5) Estimating the cost of activities that measure, evaluate, or verify products, processes or services to ensure they meet quality and performance standards; Compliance cost. (Chapter 13, LO2) Asset Turnover Measuring asset usage efficiency for sales; Net ÷ total assets (Chapter 15, LO3); Asset performance or the amount of dollars of sales generated by every dollar invested in assets; Sales ̧ invested (Chapter 8, LO5). The auction-based pricing method is used mainly online, where the price is determined by willing buyers and sellers. (Chapter 11, LO2) The Average Costing Method Is a process costing method that assigns the average cost to all products made during the reporting period. (Chapter 4, LO2) Preventable costs that can be eliminated Segment. (Chapter, LO5) Backflush cost product cost approach in which all product product costs first accumulates on the Cost of Goods Sold account and at the end of the period returns or works in the opposite direction to the respective inventory accounts. (Chapter 5, LO7) A Balanced Performance System that links the perspectives of the organization's stakeholders with the mission, goals, resources, and performance indicators of the organization. (Chapter 1, LO4; Chapter 8, LO1) Basic Year In Financial Analysis first year to be considered in any data set. (Chapter 15, LO2) Package-level activities performed every time a shipment is produced. (Chapter 5, LO4) Benchmarking Method A to determine a company's competitive advantage by comparing its performance with that of its best competitors (Chapter 1, LO4); measuring the gap between the quality of the company's process and the quality of the parallel process in a best-in-class company (Chapter 13, LO4). The best practices in the industry. (Chapter 1, LO4) The Activity Bill Lists Activities and Related Costs, which are used to calculate the costs associated with activities and the cost of a unit of product. (Chapter 5, LO4) Breakeven is the point at which total income equals total costs. (Chapter 6, LO4) The Budget Committee, which includes top management, which is jointly responsible for the implementation of the budget. (Chapter 7, LO1) Budget Balance Report, which projectes the financial position of the organization at the end of the reporting period. (Chapter 7, LO4) Budget Income Reporting Forecast of the Organization's Net Income for the Reporting Period based on revenues and expenses estimated for this reporting period. (Chapter 7, LO4) Budgeting for the Process of Identifying, Collecting, Generalizing and Transferring Financial and Non-Financial Information about the future activities of the organization. (Chapter 7, LO1) Budgets of action plans based on projected transactions, events, and events. (Chapter 7, LO1) Business Plan Comprehensive Statement on how the company will achieve its goals. (Chapter 1, LO1) By-products with a low selling value, which are produced simultaneously with joint products from a common source. (Chapter 14, LO7) Budget Capital Expenditure Detailed Plan outlining the expected volume and timing of capital expenditures on long-term assets during the reporting period. (Chapter 7, LO4) Investment Analysis Process Capital Investment Decision Making. It includes identifying the need for investment, analysing how to proceed to meet that need, preparing reports for managers, choosing the best alternative and dividing funds between competing needs. It is also called capital budgeting. (Chapter 12, LO1) Investment Management Decisions on When and How Much capital facilities and other long-term projects. (Chapter 12, LO1) Holding the value of an unappreciated portion of the original value of the underlying asset. Also called book value. (Chapter 12, LO3) Cash Budget Forecast the cash that the organization will receive and the cash it will pay out during the reporting period. (Chapter 7, LO4) Cash Flow Yield Measuring the Company's Ability to Generate Operating Cash Flows relative to net profit; Net cash flows from operating activities ÷ net income. (Chapter 15, LO3) Cash flows into assets measure the ability of assets to generate operating cash flows; Net cash flows from operating activities ÷ average total assets. (Chapter 15, LO3) Cash Flows in Sales Measuring Sales Ability to Generate Operating Cash Flows; Net cash flows from operating activities ÷ net sales. (Chapter 15, LO3) Committed costs are the costs of designing, designing, testing and manufacturing that are developed into a product or service under development, and what should happen if all design specifications follow during production. (Chapter 11, LO4) Total costs are mutually beneficial indirect costs that may not have a clear cause-and-effect relationship to a particular product or service as they come from a service center that benefits and supports many products and services. (Chapter 14, LO1) The total statement is a Financial Report, in which components are expressed as a percentage of the total figure in the statement. (Chapter 15, LO2) The Compensation Committee of the Committee of Independent Directors appointed by the Board of Directors of a state corporation to determine how top managers will be compensated. (Chapter 15, LO1) Complex Interest Interest Costs for two or more periods when the amount at which interest changes are calculated in each period to include all interest paid in previous periods. (Chapter 12, LO4) Computer Design (CAD) Computer Engineering System with built-in program to detect product design flaws. (Chapter 13, LO2) Computer-Integrated Manufacturing Systems (CIM), in which production and its support operations are coordinated by a computer. (Chapter 13, LO2) Continuous Improvement of the Management Concept that no one should ever be satisfied with what is, but instead should constantly strive for greater efficiency and lower cost through better methods, products, services, processes or resources. (Chapter 1, LO3) The margin of contribution Amount, which remains after all variable costs, is deducted from sales. (Chapter 6, LO4) Controlled Costs and Income Costs and Revenues that are the result of manager actions, influences or decisions. (Chapter 8, LO3) Conversion Converting direct materials into a finished product direct direct amount Expenses and overheads (Chapter 2, LO5); Total direct labour and overhead costs are also called processing costs (Chapter 4, LO4); the amount of direct labour costs and overheads incurred by the production department, work cell or other work center (Chapter 5, LO6). The basic competence is the thing that the company does best, and it gives it an advantage over its competitors. (Chapter 1, LO2) Cost-sharing Process assigns indirect costs to a specific cost object using a distribution base known as a cost driver. (Chapter 2, LO6) Cost Allocation Process The process of assigning collected indirect costs, known as total costs, to specific cost objects using the distribution base. (Chapter 14, LO1) Cost Behavior How Costs React to Changes in Volume or Activity. (Chapter 6, LO1) Center for Cost Responsibility, whose manager is only responsible for controlled costs that have a clearly defined relationship between the center's resources and certain products or services. (Chapter 8, LO3) Driver Costs Action Base, which leads to an increase in the cost pool as the cost driver volume increases (Chapter 2, LO6); activities that trigger the use of another service centre (Chapter 14, LO2). Cost A hierarchy to classify activities based on the level at which their costs are incurred. (Chapter 5, LO4) Cost Object Appointment assigned or allocated value. (Chapter 2, LO6) Capital Cost Minimum Desired Return on Investment, such as Assets Invested in an Investment Center (Chapter 8, LO5); weighted average return, which the company must pay to its long-term creditors and shareholders for the use of its funds (Chapter 12, LO2). The cost of goods manufactured by the budget is a detailed plan that summarizes the estimated production costs during the reporting period. (Chapter 7, LO3) The value of the products produced by the value of all units is completed and moved to the storage of finished products during the reporting period. (Chapter 2, LO4) Pool costs Collection of overheads assigned to the cost object. (Chapter 2, LO6) Benefits of cost savings, such as cost reduction, through proposed investments. (Chapter 12, LO3) Cost Analysis (C-V-P) Analysis of the cost behavior patterns that underpin the relationship between cost, output and profit. (Chapter 6, LO3) Costs plus contracts work contracts that require the customer to pay all the costs incurred when performing the work plus a predetermined amount of profit. (Chapter 3, LO5) Cost transfer price plus transfer price calculated as full value or amount of variable costs incurred by the production unit plus an agreed profit percentage. (Chapter 11, LO5) Costs incurred in the production of a quality product or or (Chapter 13, LO2) Costs of non-conformity Costs incurred to correct defects in a product or service. (Chapter 13, LO2) The cost of quality, both the cost of achieving quality and the costs of poor quality in the production of a product or service (chapter 1, LO3); costs that are specifically related to achieving or non-compliance with the quality of products or services (Chapter 13, LO2). The current ratio of the Measure of Short-Term Debt Repayments; Current assets ÷ current liabilities. (Chapter 15, LO3) An inventory of the days on the hands of the Measure, which shows the average number of days edited for the sale of inventory; Days of the year ÷ turnover. (Chapter 15, LO3) Days of a creditor measure that shows the average number of days taken to pay the bills to be paid; Days of the year ÷ payables. (Chapter 15, LO3) Sales Days is an uncollected measure that shows the number of days, on average, that a company has to wait to get paid for credit sales; Days of the year ÷ turnover. (Chapter 15, LO3) Debt-to-Equity Measure, which shows the relationship of debt financing with equity financing, or the extent to which the company borrowed; General liabilities ÷ shareholders' equity. (Chapter 15, LO3) A decentralized organization organization that has several divisions or operating segments; operational control of each segment is the responsibility of the segment manager. (Chapter 11, LO5) Time delivery cycle Time between ordering and final delivery of a product or service. (Chapter 13, LO2) Delivery Time between the completion of the product and the customer's receipt. (Chapter 13, LO2) The Deming Prize is awarded by the Japan Union of Scientists and Engineers to companies that achieve special results by conducting total quality control. (Chapter 13, LO5) The Office Invoice Rate Single Rate, based on all department overheads and used to determine the full value of a product or service; Department overhead costs (tracked indirect costs plus assigned service center costs) are divided into activity-based cost drivers, such as direct working hours or opening hours. (Chapter 14, LO6) Differential Cost Cost, which varies between alternatives. It is also called additional costs. (Chapter, LO2) Direct costs that can be conveniently and economically traced to the cost object. (Chapter 2, LO2) Direct Labor Budget Detailed Plan that evaluates direct working hours required during the reporting period and related costs. (Chapter 7, LO3) Direct labor costs Are the labor costs required to produce a product or perform services that can be conveniently and economically traced in specific units of a product or service. (Chapter LO5) Direct Work Efficiency The difference between standard direct working hours allowed for good units produced and actual direct work experience multiplied by standard direct labour force. It is also called direct labor or use variance. (Chapter 9, LO5) The standard is a direct labor level Hourly Direct Rate workforce, which is expected to prevail during the next reporting period for each function or classification of posts. (Chapter 9, LO2) The direct difference in the labor force level is the difference between the standard direct labor level and the actual direct labor level multiplied by the actual direct hours of labor worked. It is also called direct variance of labor costs. (Chapter 9, LO5) The standard of direct working hours The expected working time required for each department, machine or process to complete the production of one unit or one batch of products. (Chapter 9, LO2) Direct materials are burdened with the cost of materials used in the creation of a product that is conveniently and cost-effectively traced in specific units of the product. (Chapter 2, LO5) Standard Price for Direct Materials Careful estimate of the cost of a particular direct material in the next reporting period. (Chapter 9, LO2) Direct price difference for materials Is the difference between the standard price and the actual price per unit multiplied by the actual number purchased. It is also called direct material expenses or rate variance. (Chapter 9, LO4) Direct Materials Procurement Budget a detailed plan that determines the number of purchases required to meet the budget production and inventory requirements and costs associated with these purchases. (Chapter 7, LO3) Standard number of direct materials Estimate the amount of direct materials, including scrap metal and waste, to be used during the reporting period. (Chapter 9, LO2) Direct difference in the number of materials is the difference between the standard allowed amount and the actual number of used multiplied by the standard price. It is also called direct material efficiency or variance of use. (Chapter 9, LO4) A direct method of activity-based cost-sharing method that assigns service center costs only to revenue centers. (Chapter 14, LO3) Discretionary Cost Center Responsibility Center, whose manager is only responsible for expenses and in which the link between resources and products or services is not very clearly defined. (Chapter 8, LO3) Diversified Company Companies that operate in more than one industry. They are also called conglomerates. (Chapter 15, LO1) Dividends measure the current return of shares to the investor; Dividends per share ÷ market price per share. (Chapter 15, LO3) Economic Value Added (EVA) Equity Wealth Created by the Investment Centre; Economic Cost - Operating income after tax - Cost of capital in dollars. (Chapter 8, LO5) Engineering Method A, which divides costs costs their fixed and variable components by performing a step-by-step analysis of the tasks, costs, and processes associated with the completion of an activity or product. (Chapter 6, LO2) Corporate Resource Planning System (ERP) Is an Integrated Information System that manages all of the organization's core business functions through a simple, accessed centralized data warehouse. (Chapter 13, LO1) Equivalent Production Measure A, which applies the completion rate to partially completed units to calculate the equivalent number of whole units produced during the reporting period for each type of input. Also called equivalent units. (Chapter 4, LO4) External cost of waiver Costs incurred after delivery of defective product or service; the cost of the incongruous. (Chapter 13, LO2) Facilities performed to support the company's overall production process. (Chapter 5, LO4) FIFO Costing Method Method is a costing process in which the flow of costs follows the actual flow of production, so that the costs assigned to the first processed products are the first costs incurred when these products flow into the next process, department or work cell. (Chapter 4, LO2) Budget forecasts for the reporting period. (Chapter 7, LO2) Financial Performance Measurement Is a Evaluation Method that uses all available methods to show how important elements of financial reporting relate to a company's financial goals. It is also called financial reporting analysis. (Chapter 15, LO1) Ready Goods inventory an inventory account account that shows the costs assigned to all completed products that have not been sold. (Chapter 2, LO4) Fixed Cost Cost, which remains constant within a certain range of activity or time period. (Chapter 2, LO2) Fixed Costs Are Total Costs that remain unchanged within the corresponding volume or activity range. (Chapter 6, LO2) Fixed difference in overhead budget the difference between budget and actual fixed overheads. Also called budget fixed margin overhead. (Chapter 9, LO6) Fixed account difference is the difference between budget fixed overheads and overheads that apply to manufacturing using standard fixed overheads. (Chapter 9, LO6) Flexible Budget Formula Equation that determines the expected or budget cost for any level of production. (Chapter 9, LO3) Flexible Budget Summary of Expected Expenditures across a range of levels of activity. Also called variable budget. (Chapter 8, LO4; Chapter 9, LO3) Free Cash Flow Measure Cash Remaining After Payment; Net cash flows from operating - Dividends - Net capital expenditure. (Chapter 15, LO3) The total cost of the cost, which includes not only the cost of direct materials and direct labour, but also the costs for all production and non-production in the organization's value chain, which are necessary to meet customer needs. (Chapter 14, LO1) The total cost of the product is a cost that includes not only the cost of direct materials and direct labor, but also the costs of all production and non-production activities required to satisfy the customer. (Chapter 5, LO1) The future value of the amount that an investment will cost in the future if it is invested today at compound interest. (Chapter 12, LO4) Gross Margin Pricing Is a Cost-Based Pricing Approach, in which the price is calculated using a percentage of mark-ups based on the total production costs of the product. (Chapter 11, LO3) The high-low three-step approach to separating mixed value into its variable and fixed components. (Chapter 6, LO2) Horizontal Analysis Is a Financial Reporting Analysis Method in which changes from the previous year to the current year are calculated in both dollar amounts and percentages. (Chapter 15, LO2) Incremental Analysis Is a Method used in the analysis of solutions that compares alternatives by focusing on differences in their projected income and costs. It is also sometimes called differential analysis. (Chapter, LO2) Incurred Actual Costs for Production and Product Market. (Chapter 11, LO4) Index Number In Trend Analysis, a number that shows changes in adjacent points over time and which is calculated by setting a base year of 100 percent. (Chapter 15, LO2) Indirect costs that cannot be conveniently or economically traced to the cost object. (Chapter 2, LO2) Indirect labor costs are labor costs for productive activities that cannot be conveniently or economically traced by a product unit or service. (Chapter 2, LO5) Indirect materials are burdened with the cost of materials that cannot be conveniently and economically traced by a product or service unit. (Chapter 2, LO5) Time to inspect The time spent searching for product defects or recycling defective units. (Chapter 5, LO6) Interest Coverage Ratio Measuring the degree of protection of creditors from default of interest payments; Income before income tax and interest expense ÷ interest expense. (Chapter 15, LO3) Interest Costs associated with using money over a period of time. (Chapter 12, LO4) Interim Financial Statements Financial Statements published in less than one year are usually a quarter or a month. (Chapter 15, LO1) An internal failure is worth the costs incurred when defects are detected prior to delivery of a product or service to a customer; the cost of the incongruous. (Chapter 13, LO2) Inventory Turnover Measuring relative stock size; The value of the goods sold ÷ inventory. (Chapter LO3) The Investment Centre for Responsibility, of which the manager is to make a profit, and can make important decisions about the resources the center uses. (Chapter 8, LO3) ISO 9000 Set of quality management guidelines set by the International Organization for Standardization. (Chapter 13, LO5) Document ordering card, which records all expenses incurred in the production of a specific work order; part of a subsidiary book to account for inventory work in the process. (Chapter 3, LO2) Product costing system, which tracks the cost of direct materials, direct labor and overheads for a specific batch of products or a specific order for work; used by companies that make unique or special order products. (Chapter 3, LO2) The customer orders a certain number of specially designed, custom-made products. (Chapter 3, LO2) Joint costs incurred prior to the separation of products made from a common source. (Chapter 14, LO7) Joint Products Two or more products from a common material or process that cannot be identified as individual products during certain or all production processes (Chapter 10, LO7); two or more staples that are produced from a common source (Chapter 14, LO7). Just In Time (JIT) operating philosophy is a management tool aimed at improving productivity and eliminating waste, requiring that all resources - materials, personnel and facilities - be purchased and used only as needed. (Chapter 1, LO3; Chapter 5, LO5) Kaizen Gradual and continuous improvement in quality and lower costs in the business. (Chapter 13, LO4) Decisions on deciding whether to make a part domestically or buy it from an external supplier. (Chapter 10, LO3) The Malcolm Baldrig Award for excellence established by the U.S. Congress to recognize U.S. organizations for their achievements in quality and business performance, and to raise awareness of the importance of quality and performance. (Chapter 13, LO5) Management Accounting Process the Process of Identifying, Measuring, Accumulation, Analysis, Preparation, Interpretation and Transmission of Information that management uses to plan, evaluate and monitor an organization, and to ensure that its resources are properly utilized and accounted for. (Chapter 1, LO1) Management Information System (MIS) Management Reporting System, which identifies, monitors and maintains continuous detailed analysis of the company's performance and provides managers with timely performance indicators. (Chapter 13, LO1) Production Costs Flow Flow Production Costs (Direct Materials, Direct Work, and Overhead) through Inventory Materials, In-Process Inventory, and Ready Goods Inventory Accounts in Value Sold Account. (Chapter 2, LO4) Margin Security Number of Units Sales or Sales Volume resulting in actual sales may fall below planned sales without resulting in a loss. (Chapter 6, LO4) The marginal cost is a change in the total cost caused by a single-unit output change. (Chapter 11, LO2) Margin Revenue Changes in Total Revenue caused by a single unit change in output. (Chapter 11, LO2) Market Transfer Price Transfer Price based on price, which can be charged if the segment can buy or sell outside. (Chapter 11, LO5) Master Budget Set operating budgets and a set of financial budgets that detail the organization's financial plans for a specific reporting period. (Chapter 7, LO2) Inventory inventory account materials are an inventory account account that shows the balance of value of unused materials. (Chapter 2, LO4) Mission Statement Description is a fundamental way in which a business achieves its goal of increasing the value of owners' interest in the business. (Chapter 1, LO1) Mixed costs that have both variable and fixed components. (Chapter 6, LO2) Moving the time the product moves from one operation or department to another. (Chapter 5, LO6) Agreed Transfer Price Transfer Price, which was concluded by haggling between managers of the buying and selling departments or segments. (Chapter 11, LO5) Net Cash Inflow Balance increases projected cash earnings due to an increase in projected cash payments as a result of the proposed investments. (Chapter 12, LO3) The Net Value Method of Capital Expenditure Assessment, in which all future cash flows for each proposed project are discounted to their current values and the amount of the initial investment is deducted from their amount. Projects with the highest positive net value - the amount exceeding the initial investment - are selected for implementation. (Chapter 12, LO5) A value distribution method, which assigns joint costs to products based on the final cost of product sales, minus any individual costs required to make them feasible. (Chapter 14, LO7) Activities not added to the cost that increase the value of a product or service, but do not increase its market value. (Chapter 1, LO3) Nevalu-adding activity activity that adds value to a product or service but does not increase its market value. (Chapter 5, LO3) Nevalu-added Value Activity, which adds value to a product or service but does not increase its market value. (Chapter 2, LO2) Normal capacity average of the average operating capacity required to meet the expected sales demand. (Chapter 6, LO2) A normal costing method that combines actual direct costs for materials and labor with overhead to determine the product or cost of a service unit. (Chapter 2, LO5) Operating Budgets Budgets plans used in day-to-day operations. (Chapter 7, LO2) Operating capacity Upper limit of the organization's production capacity based on available resources. (Chapter 6, LO2) Operating Cycle Time required to sell products and collect for them; inventory of the days at hand plus the days of sales uncollected. (Chapter 15, LO3) Operational Goals Are Short-Term Goals, which set out expectations for the performance of day-to-day operations. (Chapter 1, LO1) Opportunity is worth the benefits that are lost or lost when one alternative is chosen over another. (Chapter 10, LO2) The usual rent series of equal payments or receipts that will start one time period from the current date. (Chapter 12, LO4) The organization's Diagram Visual representation of the organization's hierarchy of responsibility for management control purposes. (Chapter 8, LO3) Outsourcing The attraction of other companies to perform a process or service in a value chain that is not within the organization's core competence (Chapter 1, LO2); use of suppliers outside the organization to perform services or manufacture goods that can be manufactured or produced domestically (Chapter 10, LO3). Excessive use of overheads The amount covered by overheads using a predetermined overhead rate exceeds actual overheads for the reporting period. (Chapter 2, LO6) Overhead Budget Detailed Plan of Expected Production Costs, other than direct materials and direct labor costs, to be incurred to meet budget production needs. (Chapter 7, LO3) Overhead costs associated with production that cannot be practically or conveniently traced to the final product or service. It is also called plant overhead, factory burden, production overhead, overhead maintenance, or indirect production costs. (Chapter 2, LO5) Participation in the budgeting process in which staff at all levels of the organization are actively involved in budget decisions. (Chapter 7, LO1) Payables Measuring the relative amount of bills to be paid; Value of goods sold / - Changing the cadastral value of the ÷ account. (Chapter 15, LO3) The Method of Payback Period Is a capital investment assessment method that bases the decision to invest in a capital project at the minimum time it will take to return the amount of the initial investment in cash. (Chapter 12, LO6) A management and performance evaluation system set procedures that take into account and report on both financial and non-financial characteristics so that the company can determine how well it works, where it is going and what improvements will make it more profitable. (Chapter 8, LO2) Measuring Performance Use tools to assess an organization's effectiveness in relation to a specific goal or expected outcome. (Chapter 8, LO2) LO2) measures quantitative tools that measure an organization's performance relative to a specific goal or expected outcome. (Chapter 1, LO4) Productivity-based wages link employee compensation to measurable business goals. (Chapter 8, LO6) The period is worth the cost of resources used during the reporting period that are not assigned to products or services. Also called unconventional expenses or sales, administrative and general expenses. (Chapter 2, LO2) The Method of Physical Measures Method of cost-sharing based on the number of centers rather than on the operation of the centers. The costs of the service center are divided by the number of centers that use its services and are assigned in equal parts. (Chapter 14, LO5) Physical units are a method of cost-sharing that assigns joint costs to products based on their relative physical quantities. (Chapter 14, LO7) Practical Capacity Theoretical Capacity is reduced by normal and expected work stoppages. (Chapter 6, LO2) A predetermined overhead rate, calculated prior to the reporting period, begins by dividing the cost pool by the total estimated overheads by the total driver of the estimated cost for that pool. (Chapter 2, LO6) The present value is the amount that must be invested today at this rate of compound interest to obtain this future value. (Chapter 12, LO4) Prevention costs associated with preventing defects and failures in products and services; Compliance cost. (Chapter 13, LO2) Price/earnings ratio (P/E) is a measure of investor confidence in the company and a means of comparing the value of shares; The market price per share ÷ earnings per share. (Chapter 15, LO3) Primary processes are value chain components that add value to a product or service. (Chapter 1, LO2) Prime Costs Basic Production Costs; the amount of direct material costs and direct labour costs. (Chapter 2, LO5) Pro forma reports financial reports that show projections rather than actual results, and which are often used to transfer business plans to external parties. (Chapter 7, LO2) Report Cost Report, which managers use to track and analyze costs in the process cost system. (Chapter 4, LO5) Product Costing System, which tracks the costs of direct materials, direct labor and overheads on processes, departments or work cells, and then assigns costs to products produced by these processes, departments or work cells; is used by companies that produce a large number of similar products or liquid products or that have long, continuous production cycles of identical products. (Chapter 3, LO2) Process Costing System Product Cost System, which tracks the cost of direct materials, workforce and overheads for processes, departments or work cells, and then assigns appointments Costs of products produced by these processes, departments or production cells is used by companies that produce a large number of similar products or liquid products or that have long, continuous production cycles of identical products. (Chapter 4, LO1) Displaying Processes Process Method uses a thread chart to refer to input processes, results, limitations, and threads to help managers identify unnecessary effort and inefficiency of the business process. (Chapter 13, LO4) Process Cost Analysis (PVA) Method, which analyzes business processes, appropriates activities with events that encourage these actions and resources that consume actions. (Chapter 5, LO3) Processing time The actual amount of time spent working on the product. (Chapter 5, LO6) Product costing system Is a set of procedures that are used to account for the costs of the organization's products and provide timely and accurate unit cost information for pricing, cost planning and control, inventory assessment and financial reporting. (Chapter 3, LO2) Product Cost Costs assigned to inventory, which include the cost of direct materials, direct labor and overheads. It's also called inventive spending. (Chapter 2, LO2) Unit Cost of production costs per unit of product, calculated either by dividing the total cost of direct materials, direct labor and overhead by the total number of units produced, or by determining the unit value for each item of product value and summing up the cost per unit of production. (Chapter 2, LO5) Manufacturing Budget Detailed Plan showing the number of units that a company must produce to meet the budgetary needs of sales and inventory. (Chapter 7, LO3) Time production cycle Time required to produce a product. (Chapter 13, LO2) Product-level activities performed to support a specific product line. (Chapter 5, LO4) Profit Center Responsibility Center, whose manager is responsible for both income and expenses and the operating income earned. (Chapter 8, LO3) Profit Margin Measure, which shows a percentage of each dollar income that contributes to net income; Net profit ÷ sales (chapter 15, LO3); a percentage of each dollar of sales, which results in profits; Operating income¸ sales (Chapter 8, LO5). Projects are complex jobs that consist of many tasks and which take a broad, multidisciplinary approach to the production of products or services. (Chapter 3, LO6) Stretch production Production System, in which the customer's order initiates the purchase of materials and production planning for the necessary products. (Chapter 5, LO5) Time time time, which companies to process the order and the organization to start production. (Chapter 13, LO2) The Pushable Method Production System in which products are manufactured long-term production works and is stored in anticipation of customer orders. (Chapter 5, LO5) The quality is the result of an operating environment in which a product or service meets or meets the specifications of the customer when first manufactured or delivered. (Chapter 13, LO2) Time of the queue Time, the delay of the product on the waiting job after it enters a new operation or department. (Chapter 5, LO6) Fast Ratio Measuring Short-Term Debt Opportunities; Cash and market securities are a receivable ÷ current liabilities. (Chapter 15, LO3) Analysis of the Financial Performance Assessment Method, which identifies key relationships between financial reporting components. (Chapter 15, LO2) Receivables Measuring the relative size of receivables and the effectiveness of credit policy; Net sales ÷ average receivables. (Chapter 15, LO3) Regression Analysis Mathematical Approach to Dividing Mixed Value into Its Variable and Fixed Components. (Chapter 6, LO2) A method of relative cost-sharing method that assigns joint costs to products based on their selling value at the point of separation of production. (Chapter 14, LO7) Appropriate range of activity range in which the company expects to operate. (Chapter 6, LO2) Residual Income (RI) Operating Income, which the investment center receives above the minimum desired return on invested assets; Residual Income - Operating Income Investment Center - (Coveted ROI ' Assets Invested). (Chapter 8, LO5) Accounting Responsibility Information System, classified data depending on the areas of responsibility and reports on the activities of each area, including only income, costs and resource categories that can be controlled by the designated manager. (Chapter 8, LO3) The Responsibility Center is the Organizational Unit, whose supervisor is responsible for managing part of the organization's resources. The five types of liability centers are a cost center, a discretionary cost center, an income center, a profit center, and an investment center. (Chapter 8, LO3) The Responsibility Center Is an Organizational Division, whose manager is responsible for managing part of the company's resources. (Chapter 14, LO2) Asset Price Return Method is a pricing method in which the goal is to make a profit equal to a certain rate of return on assets engaged in operations. It is also called a balance-based approach to pricing. (Chapter 11, LO3) Asset Return Is a measure of total return, or profitability, which shows the amount earned for every dollar invested in assets; Net income ÷ average total assets. (Chapter 15, LO3) Equity Yield Measuring how much income was earned for each dollar invested by shareholders; Clean ÷ average equity. (Chapter 15, LO3) Return on on (ROI) No, no, no. A traditional measure of efficiency that takes into account both operating income and assets invested to generate that income; Return on investment and operating income¸ invested assets. The return on investment can also be expressed as a turnover of profits. (Chapter 8, LO5) Return on quality (RS) Incomes that result when marginal incomes are possible from higher quality good or services exceed the marginal cost of ensuring that higher quality. (Chapter 13, LO4) Tax Center Responsible Center, whose manager is primarily responsible for the income and success of which is based on its ability to generate income. (Chapter 8, LO3) Tax Center Responsible Center, which is directly responsible for the production of products or services that are sold to external buyers. Also known as a production center or operating center. (Chapter 14, LO2) Budget Sales Detailed Plan, expressed in both units and dollars, which determines the product (or service) sales expected during the reporting period. (Chapter 7, LO3) Sales Forecast Sales Forecast Sales Demand Based on External and Internal Factors Analysis. (Chapter 7, LO3) Decision on a sales combination decision to choose an alternative that maximizes the margin of contribution to a limited resource. (Chapter 10, LO6) Sales mix the unit sales share of each product relative to the total unit sales of the organization. (Chapter 6, LO4) Scatter Chart, a chart of built dots that helps determine whether there is a linear relationship between the cost element and its associated activity measure. (Chapter 6, LO2) Segment Revenue margin from segment sales minus its direct costs (direct variable costs and direct fixed costs tracked in the segment). (Chapter, LO5) The sale or further process of deciding whether to sell a joint product at the point of separation or sell it after further processing. (Chapter 10, LO7) Budget Sales and Administrative Expenses Detailed Operating Expenses Plan, in addition to those related to production, are required to support sales and general operations during the reporting period. (Chapter 7, LO3) Separate costs incurred after split-off that are traceable in individual products. (Chapter 14, LO7) Service Center Responsibility Center, which provides benefits to other liability centers. Also known as a support center or discretionary cost center. (Chapter 14, LO2) Short-term Solution Analysis Systematic Analysis of Any Solution whose impact will have the greatest impact over the next year. (Chapter 10, LO1) Simple Interest Interest Value for one or more periods when the amount on which interest is calculated remains the same from period to period. (Chapter 12, LO4) Simultaneous Equation Method Method activity-based costs, in which the cost formula is configured for service and revenue center, which expresses the full use of services by the center of all other centers. All formulas are decided simultaneously to determine the full value of each revenue department. Also known as a reciprocal method. (Chapter 14, LO5) Decisions on a special order on whether to accept or reject special orders at prices below the usual market. (Chapter 10, LO4) Split-off Point Is a specific point in the production process in which two or more joint products become separate and identifiable. At this point, the company can sell the product as is or process it in another form for sale to another market. (Chapter 10, LO7; Chapter 14, LO7) Standard Cost Cost Cost Method Cost Method With Three Components: Standard or Predetermined Performance; Measure of actual performance and measuring the difference or variance between standard and actual performance. (Chapter 9, LO1) A standard cost-measuring method that uses estimated costs for direct materials, direct labor and overheads to calculate the cost of a unit of a product. (Chapter 2, LO5) Standard Costs Realistic cost estimates based on an analysis of both past and projected operating costs and conditions. (Chapter 9, LO1) Standard Direct Labor Costs Standard Wage for Direct Labor Multiplied by Standard Direct Labor Hours. (Chapter 9, LO2) Standard direct materials cost the standard price for direct materials multiplied by a standard quantity for direct materials. (Chapter 9, LO2) The standard fixed overhead rate Total in the budget fixed overheads are divided into the expression of capacity, usually normal capacity in terms of standard watches or units. (Chapter 9, LO2) Standard Overhead Estimates Of Variable and Fixed Overheads in the next reporting period. (Chapter 9, LO2) Standard variable overheads Total budget variable overheads are divided into capacity expressions, such as the expected number of standard machine hours or standard direct working hours. (Chapter 9, LO2) Statement on the Value of Manufactured Goods Official Statement, which summarizes the flow of all production costs incurred during the reporting period. (Chapter 2, LO3) Step-method is an activity-based cost-sharing method that assigns service center costs to both service and revenue centers based on the descending order of use. Also called the step-down method. (Chapter 14, LO4) Storage Time, time, time, outtime, outtimely storage time, work in the process of inventory or inventory of finished products. (Chapter 5, LO6) Strategic Goals Broad, Long-Term Goals That Define the Fundamental Nature and Direction of Business and which serve as a guide to adoption (Chapter 1, LO1) Strategic Planning Process by which management sets Purposes. (Chapter 7, LO1) The sunken cost of A that was incurred due to a previous decision and which cannot be recovered as a result of the current decision. (Chapter 10, LO2) Supply Chain Is the Way that leads from the suppliers of materials from which the product is made for the final customer. It's also called a supply chain. (Chapter 1, LO1; Chapter 5, LO2) Assistant Services Are Value Chain Components that facilitate primary processes but do not add value to a product or service. (Chapter 1, LO2) Tactical Goals Intermediate Goals that position businesses to achieve their long-term strategies. (Chapter 1, LO1) Target Pricing Method A, which (1) determines the price at which the product will be competitive in the market, (2) determines the desired profit that should be made on the product, and (3) calculates the target value of the product by subtracting the desired profit from the competitive market price. (Chapter 11, LO4) Theoretical (ideal) power Maximum performance for a given period during which all machines and equipment work at optimal speed, without interruption. (Chapter 6, LO2) Theory of Limitations (TOS) Is a Management Theory that claims that limiting factors or bottlenecks arise in the production of any product or service, but that once managers identify such a limitation, they can focus their attention and resources on it and thus achieve significant improvements. (Chapter 1, LO3) Time bandwidth time is required to move the product through the entire production process. (Chapter 5, LO6) Time And Materials Pricing Approach used by service companies, in which the total bill consists of actual material and spare parts costs and actual direct labor costs plus the percentage mark-up of each to cover overhead costs and profit ratio. Also called parts and labor prices. (Chapter 11, LO3) Time Value Money The concept that cash flows equal amounts separated by a time interval have different current values due to the effect of compound interest. (Chapter 12, LO4) The overall direct difference in labor costs is the difference between the standard direct labor cost for good units produced and actual direct labor costs. (Chapter 9, LO5) The total difference in the cost of direct materials is the difference between the standard cost and the actual cost of direct materials. (Chapter 9, LO4) The total fixed overhead difference is the difference between actual fixed overheads and standard fixed overheads that apply to good units produced using standard fixed overheads. (Chapter 9, LO6) Total production costs Total costs for direct materials, direct labour and overheads incurred and to work in the inventory process during the reporting period. They also call the current production costs. (Chapter 2, LO4) Total Overhead Difference Difference Difference actual overheads and standard overheads. (Chapter 9, LO6) General Quality Management (TMD) Is a management tool that requires all parts of the business to work together to build quality into a product or service business (Chapter 1, LO3); an organizational environment in which all business functions work together to build quality in the company's products or services (Chapter 13, LO2). The overall difference between variable overheads is the difference between actual overhead variables and standard variable overheads that apply to good units produced using a standard variable overhead. (Chapter 9, LO6) Transfer price Price at which goods and services are charged and exchanged between units or segments of the company. Also called artificial or created prices. (Chapter 11, LO5) Trending Analysis Is a Horizontal Analysis Option in which percentage changes are calculated over several consecutive years rather than for two years. (Chapter 15, LO2) A two-step method of distributing service costs based on activity, in which the step method is performed twice: first, to distribute all service costs between service centers, with the service center not closing for cost-taking, and secondly, to assign all the costs of the center's service center to revenue centers. (Chapter 14, LO5) The amount for which actual overheads exceed the overheads used using predetermined overheads for the reporting period is not determined. (Chapter 2, LO6) Unit-level activities are performed every time a unit is produced. (Chapter 5, LO4) Value Creation Chain Way defines business as a set of primary processes and support services that combine to add value to products or business services, thereby fulfilling the mission and purpose of the business. (Chapter 1, LO2, Chapter 5, LO2) Value-added activity that adds value to a product or service perceived by the customer. (Chapter 1, LO3; Chapter 5, LO3) Value Value Value Is an Activity That Increases the Market Value of a Product or Service. (Chapter 2, LO2) Variable Cost A Cost, which varies in direct proportion to a change in productive production (or some other volume indicator). (Chapter 2, LO2; Chapter 6, LO2) Variable Value Is the Profit Center Performance Reporting Method, which classifies the manager's controlled expenses as fixed or variable and produces a contribution income report. (Chapter 8, LO4) Variable difference in overhead efficiency Difference between standard direct hours of labor allowed for good units produced and actual hours of work multiplied by a standard variable expenses per hour. (Chapter 9, LO6) Variable overhead difference Difference between actual overhead variables and standard variable overheads multiplied actual watch used. Also called variable overhead variance. (Chapter 9, LO6) Analysis of deviations The process of calculating the differences between standard costs and actual costs and identifying the causes of these differences. (Chapter 9, LO3) The difference between standard cost and actual cost. (Chapter 9, LO1) Vertical Analysis Is a Financial Reporting Analysis Method that uses interest to show how the different components of the statement relate to the overall figure in the report. (Chapter 15, LO2) Operating Cell Autonomous Production Line, which can perform all the necessary operations efficiently and continuously. (Глава 5, LO5) Работа в счете инвентаризации процессов Инвентарный счет, используемый для записи производственных затрат, понесенных и назначенных частично завершенных единиц продукта. (Chapter 2, LO4) LO4) cost accounting glossary pdf. cost and management accounting glossary