

Cost Accounting

1. Cost Accounting Module

This module is used for calculating the costs of products/semi-products that are manufactured by industrial entities, and for generating management support reports.

In production entities, the accurate calculation of cost of goods sold depends on efficient and adequate cost accounting management. The calculation of the cost of goods sold can vary according to the cost management that the production entities use.

The following are supported in Netsis cost accounting.

- Monthly Weighted Average /Phase cost support with LIFO (Last in First out)/FIFO (First in First out) methods,
- Phase support in phases,
- Fixed Asset/ Personnel/ Production/ Inventory/ Ledger Integration,
- Definable costs,
- Free distribution coefficients,
- Standard/ Actual/ Detailed cost,
- Inventory Wait Period Cost,
- Storing production and consumption information according to Months / Years,
- Automatic integration operations.

2. Record

2.1 Product Main Group Records

While the Main Groups are the phases of production, the cost phases should be deemed sections that should be calculated individually and in turn.

For example, if a company runs Moulding, Mixing and Fixing phases, these phases should be defined in the Product Main Group Records section.

2.1.1 Cost Expense Accounts-1

Main Group Code	Main Group Desc	Reference Code	Standard Cost	Labor	Energy	Amortization	Service
12	PAKETLEME			0 751-01-001			
>> MONTAJ1	MONTAJ SAFHASI			0 720-03-???	730-03-???		
PETEK1	PETEK SAFHASI			0 720-01-???	730-01-???		
PRES1	PRES SAFHASI			0 720-02-???	730-02-???		
S1	PETEK			0 720-01-001	730-01-200		
S2	PRES			0 720-02-001	730-02-200		

Main Group Code

This is the code assigned to the cost main group. In order to provide the correspondence, the consumption centers can be the same as the account code.

Main Group Description

This field is where you should enter the name of the Cost Main Group. The field is for reporting purposes.

Reference Code

Users who select the reference code usage in the General Ledger Module/Parameters section can use this field.

If the Chart of Accounts is not detailed and consumption centres are defined in terms of reference codes, the reference code of the cost main group should be entered in this field. The below-described Account Code Mask will also be used in the reference code. In cost calculation, however, the programme will scan the reference codes in the journal vouchers to create consumption amounts.

Months to Past for Return Calculations

In the return operations of products and semi-products, this section will be used for evaluating the cost prices over the average cost price of a past month. The number of months that will be counted back will be determined by the number that is entered in the "Months to Past for Return Calculations" field. For example, when the cost is generated in month 11, if the number of months to be counted back is indicated as 2, the costs of the return products and semi-products will be evaluated over the average cost price that generates in the cost input in 9 months.

Deduct By-Product Average Sales Amount from Product Cost

By-product is the product, which is not the ultimate aim of the production operation, which emerges as a secondary product in the production operation and which, at the same time, can be sold as a good. If there are products that are constituted as by-products in the production phases of your organisation, and if these by-products can be sold like products, this parameter is relevant to you.

In cost calculation, this field deducts the sales amounts of by-products from the cost totals of the semi-product/product, to which these by-products are related. When this field is checked, the sales amounts of the by-products are subtracted from the calculated total semi-product/product cost amount. This option reduces the cost values of semi-products/products. Additionally, when this option is selected, the cost of the by-product will be accepted as its average sales price.

For example, bran is a by-product when producing semolina out of wheat. If we consider that the phase of producing semolina is defined as a cost main group, when this parameter is selected, the cost, which is evaluated as the average sales price of bran, will be deducted from the cost of semolina.

Ledger Account Codes Masking

These are the fields where the 720 and 730 accounts are masked and entered according to cost main groups. An important aspect that should be carefully considered when masking the 720 and 730 accounts and entering according to cost main groups is that the masking should be processed precisely in the account code order. For example, the masking from the 730 accounts created in the 3-3-4 levels and code lengths in the main group code definition section for the amortisation expenses that begin with group 6, should be in 730-6??-???? format.

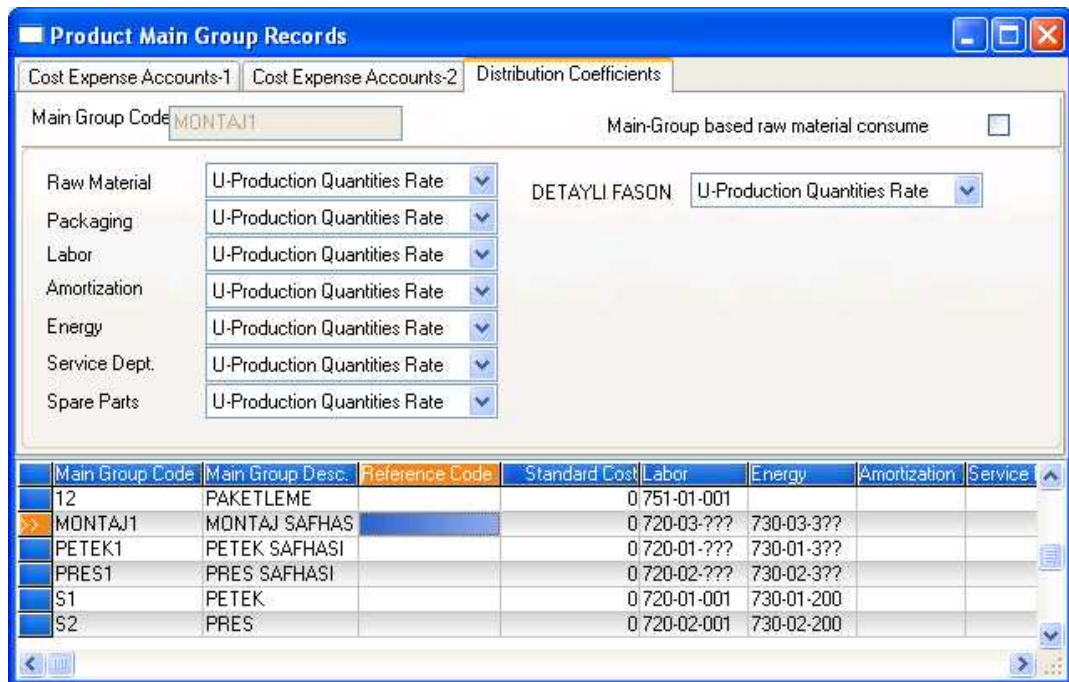
Maskings that are entered in the cost items will be filtered and redistributed in the sub-account. This filtering will be processed even if the reference codes system is used. The 2nd fields as expense centers are extra fields that can be used for very detailed charts of accounts. Particularly companies that use a single sub-account should not fill these extra fields by any means.

For example, especially labour costs are distributed to consumption types based on both 720 main account and overhead (730) account. These allocations should be integrated separately in terms of 720 and 730 accounts. In this case, the labour account codes must be entered individually in the two fields.

2.1.2 2.1.1 Cost Expense Accounts-2

If in the Cost Main Group Records, there are any expense items that you will need other than the standard 5 expense fields, the titles of the fields to be used can be viewed in this section. The field titles can be defined in the Parameter Entry section.

2.1.3 Distribution Coefficients



Main-Group Based Raw material consume

This parameter enables the raw material consumption amounts, for which the exit place detail is not definite, to be processed out directly to the cost main group. If this parameter is not selected, the raw material consumption amounts can be recorded either to the inventory code or to the Cost Group Code, which will be explained later in this document.

Distribution Coefficients

These are the distribution coefficients of the calculated consumption amounts according to the cost main group. In cost calculation, the distribution of the consumption amounts that are calculated when creating the consumption and cost vouchers will be made according to three coefficients. These are:

Production Quantities Rate

This coefficient type calculates the distribution of the consumption amounts according to the coefficients calculated by the programme on basis of the produced quantities.

Example:

If you produce YY1 and YY2 in the Phase1, if the production quantities in the related month are

YY1 **1.000** units

YY2 **500** units

and the labour expense is 3.000.000.000, the distribution operation will be

Total production quantity = 1.000 + 500 = 1500

Unit labour value = 3.000.000.000 / 1.500 = 2.000.000

Then,

Labour amount generated for **YY1** = 1.000 x 2.000.000 = **2.000.000.000**

Labour amount generated for **YY2** = 500 x 2.000.000 =
1.000.000.000

Unit Coefficients Rate

This method multiplies the value that is generated by the above-explained production quantity rate calculation with the unit coefficients that are entered in the Cost Group Code section and distributes these calculated values.

Example:

If you produce YY1 and YY2 in the Phase1, if the production quantities in the related month are

YY1 **1.000** units Unit coefficient **2**

YY2 **500** units Unit coefficient **3**

and the labour expense is 3.000.000.000, the distribution operation will be

Total (prod. qnty. x unit coefficient) = (1.000 x 2) + (500 x 3) = 3.500

Unit labour value = 3.000.000.000 / 3500 =

857.142,8571

Labour amount generated for **YY1** = 2.000 x 857.142,8571 = **1.714.285.714**

Labour amount generated for **YY2** = 1.500 x 857.142,8571 =
1.285.714.286

Raw Material Consumption Rate

With this distribution coefficient, the programme reads the raw material consumption amounts of the Cost Product Group in the related accounts, adds, if available, the semi-product consumption amounts and thus calculates the total consumption amount by proportioning to every group.

2.2 Product Group Code Records

The lower level groups of semi-products and products that have Cost Main Group Codes can be entered in this section. Creating groups allows for both monitoring the main product code at the secondary level and recording the ledger account codes of products, semi-products, packaging and their consumption accounts reflection codes.

Even if you do not want to define in terms of the secondary level of the Cost Main Group Code, you should define one group code that will include the cost main group information. This is because in this section the product, semi-product account codes and their reflection accounts can be inserted on group basis.

2.2.1 Group Code Definition / Coefficients

Product Group Code Records

Grup Kodu Tanımı/Katsayılar Product/R.Mat.Account Codes Reflection Accounts

Group Code: Y001

Group Desc: Y001

Main Group Code: 07

Project Code:

Average Sale Amount of Semi-product will be subtracted from Flow Material Cost:

Y-Semi-Product

Unit of Meas.

1-
 2-
 3-
 4-Br.Ağ.

Unit Coefficients:

Raw Material: 0 Amortization: 0

Packaging: 0 Service Dept.: 0

Labor: 0 Spare Parts: 0

Energy: 0 DETAYLI FASON: 0

Group Code	Group Desc.	Main Group Cod	Kind	Unit of Meas.	Project Code
Y004	Y004	12	Y	1	
Y005	Y005	05	Y	1	
Y006	Y006	09	Y	1	
Y007	Y007	09	Y	1	
Y008	Y008	06	Y	1	
Y009	Y009	06	Y	1	

Group Code

This is the code assigned to the cost group code. The cost group codes that are defined in this section should be entered in the product group fields in the extra information window in the Inventory Master Records section. These cost group codes entered in the inventory codes in cost accounts will be filtered. For example, after you define the MM1 group as MAMUL1 in this section, you should enter MAMUL1 in the product code field in the extra information entry section of MM1's inventory card in the Inventory Module. According to the example, the product groups for semi-product1 and semi-product2 that are produced in the Phase1 should be defined and the defined product group codes should definitely be inserted in the related inventory cards.

Group Description

In this field, you should enter the name of the Cost Group Code.

Main Group Code

In this field, you should enter the above-explained cost main group code of the defined cost group code. This code must be recorded correctly to enable cost calculations. In our example, in the product group codes inserted for Semi-Product1 and Semi-Product2 PHASE1 should be entered in this field and PHASE2 should be entered in the product group code inserted for MAMUL1.

Project Code

This field becomes active when the "Project Application" query is selected in the Auxiliary/Company/Branch Parameter Definitions section. In this section, you must enter the project code for the related product group code.

Type

This is the field where you should enter the type of the cost group code of which you create the record. When generating the voucher operations in integration, the calculations will be based on the type defined in this section. This information must therefore be entered correctly.

Unit of Measure

This section enables you to select the desired cost group code among the measure units defined in the inventory.

Warning: A common measure unit should be defined for the inventory cards that are in the same cost group. The programme will assign the measure unit of the first inventory code in the product group. When modifying this information you should bear in mind that the same measure units must be used in the inventory master records of this group. Incorrect amounts may be generated in cost calculation if the measure unit of the selected cost group code is different from the measure unit of the inventory master records. In cases that a single measure unit standard cannot be specified, without using the measure units defined in the inventory card records, you should use the unit weight option indicated as the 4th option in this section. The unit weight option should be perceived as the fourth measure unit that is developed by the programme for cost accounting. The inventory records related to the same cost group can be equalised at a measure unit at the same level by using the Unit Weight fields in the Inventory Master Records.

Unit Coefficients

For users who select the cost calculation coefficients in the Cost Main Group Code definitions as unit coefficient, this is the section where the related coefficients (according to the cost centers) based on the Cost group codes should be entered. The unit coefficients to be entered here are values that will be calculated by engineering operations. Users who select calculation coefficients other than unit coefficient types should leave these fields blank.

2.2.2 Product / Raw Material Account Codes

Product Group Code Records

Grup Kodu Tanımı/Katsayılar Product/R.Mat.Account Codes Reflection Accounts

Group Code: Y001 Main Group Code: 07

Group Desc: Y001

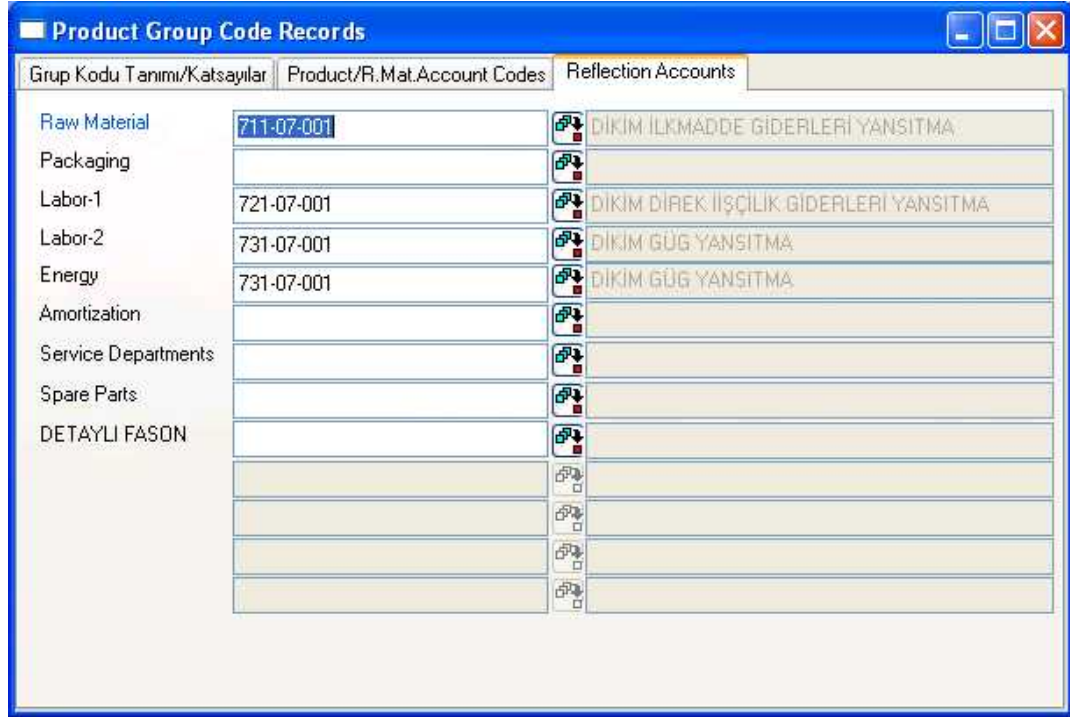
Semi-Product	151-02-001	YARI MAMÜL İPE1
Semi-product Transfer Account	151-02-001	YARI MAMÜL İPE1
Product		
Product Transfer Account		
R.Mat.Consume	710-07-001	DİKİM HAMMADDE VE MALZEME GİDERLER
Packaging Consm.		
Cost Of ods Sold	621-01-001	COGS
Cost Of Exported ods Account		

This is the section where you should enter the product, semi-product and raw material accounts and the packaging consumption and cost of good sold accounts for which the Cost Group code will be processed. When creating the consumption cost and cost of good sold journals in the cost calculation, the programme reads the related account codes from this section. The semi-product/product transfer account is the account where the outbound transactions for the related semi-product/products will be recorded. Inbound transactions will be recorded to the account that is entered in the Semi-Product and Product fields.

For example, let us assume that the Semi-Product account for a semi-product is defined to be 151-01-001 and the Semi-Product transfer account is defined to be 151-01-002. In this case, the 151-01-001 account will run for the inbound transactions of the semi-product that are generated due to the production and the 151-01-002 account will run for the outbound transactions that are recorded as a result of the product's consumption or if the product is sold, as a result of the invoicing operations. If such details are not desired for the in/out accounts, the product/semi-product transfer account and the product/semi-product account should be the same account.

If you both export a certain product and also sell it in the domestic market, and wish to monitor the cost of goods sold that are related to the product's domestic and international sales, in separate accounts, then you should use the "cost of exported ods account" field. This field will be active when you select the "Run Cost of Exported ods Account Separately" parameter in the cost parameters section. In this case, the cost of the products sold with Export type Sales Invoices will be inserted to the account code, which you will specify in the "Cost of Exported Ods" field. Domestic costs will be calculated in the cost of goods sold.

2.2.3 Reflection Accounts



The screenshot shows a software window titled "Product Group Code Records" with three tabs: "Grup Kodu Tanımı/Katsayılar", "Product/R.Mat.Account Codes", and "Reflection Accounts". The "Reflection Accounts" tab is active, displaying a table with the following data:

Product/R.Mat.Account Codes	Reflection Accounts	
Raw Material	711-07-001	DIKIM İLK MADDE GİDERLERİ YANSITMA
Packaging		
Labor-1	721-07-001	DIKİM DİREK İŞÇİLİK GİDERLERİ YANSITMA
Labor-2	731-07-001	DIKİM GÜÇ YANSITMA
Energy	731-07-001	DIKİM GÜÇ YANSITMA
Amortization		
Service Departments		
Spare Parts		
DETAYLI FASON		

This is the section where you should enter the account codes to which the cost integration, such as raw material, material, labour, energy, fuel, water, etc. for which the Cost Group code will be processed, is to be reflected. In the cost journal that will be created in cost calculation, the related values will be credited by reflection to the account codes that are recorded in this section.

2.3 Operation Sequence Definition

Seq.No	Main Group Code	Main Group Des	Branch Code	Local W.House Co	Phase Co
1	05		0	0	1
2	06		0	0	1
3	07		0	0	1
4	09		0	0	1

The priority sequence in cost calculations and production line branch/warehouse code should be entered in this section. The codes defined in the Cost Main group are sorted in this section according to their priority numbers.

Sequence No

The Sequence Number is the number of the operation's sequence. In our example, phase number 1 should be in the first row. This is because the cost of semi-products will be calculated first, then the product costs.

Main Group Code

This is the Cost Main Group code. You must have defined the cost main group codes before you enter any related information in this field.

Branch Code

If all of the production operations related to a main product/semi-product group are operated outside of the company centre, in one of the branches, this is the field where you should enter the branch code in order to enable the operation only in the related branch during the cost calculation. This will thus provide that during the cost calculation, the operation is processed in only one branch of the related cost accounts of the main group, that the other branches are not considered and eventually the operation is processed faster.

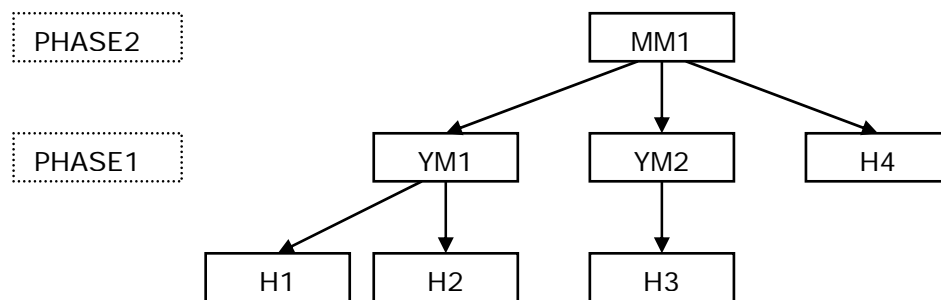
Example: In producing product MM1, first the Phase1 Cost main group code is processed and the costs of semi-products YM1 and YM2 are calculated. Then, following this operation, these semi-products are consumed for the production of MM1. In order to calculate the costs of YM1 and YM2, here the cost main group code numbered 1 should be entered in the first row and, in order to produce MM1, the cost main group code numbered 2 should be entered in the second row.

If this priority sequence is not defined in phase production, confusions may arise in cost calculations or some of the consumption amounts may not be reflected to the consumption journal.

Phase Count

This is the section where you should enter the number of levels that are processed from raw material to the product in the course of the production. The phases are specified on basis of the main group code. If several phase counts are specified under the same main group code, the largest highest count should be entered.

To give an example, let us assume that the production phase for a certain product is as given below.



Raw materials H1 and H2 make Semi-Product1, raw material H3 makes Semi-Product2. With the inventory transaction records that are created by inbound and outbound operations from raw materials to the product, until the calculation of the Product cost, the programme will sort the phases starting from the raw material in the order of Raw Material – Semi-Product – Product. According to the main cost code that is defined to include the product, the phase count entered in this field should be 3 (three).


The phase count should be entered according to the product, which has the broadest cost phase. The programme will first calculate the raw material costs according to the outbound operations in the inventory transaction records and write these to the semi-products. In the next round, the programme will record the costs of the semi-products to the product and thus calculate the cost of the product.

An important point which companies that operate by this method should note is that for products that are in the same main cost group and have different phases and different phase counts, the phase count entered should base on the product that has the broadest production phase. Otherwise, i.e. in case of a mistake in the phase count, the product cost will be reflected on the product false and short.

2.4 Cost Information Entry

Cost Information Entry

Cost Records

Group Code: 

Date: / /

Quantity Produced	Service Dept.	Packaging	Return Quantity
0	0.00	0.00	0
Outsource Qty.Prd.	Spare Parts	Semi-Product Cons.	Return Amount
0	0.00	0.00	0.00
R. Mat. Cons. Qty.	DETAYLI FASDN	Monthly Cost Price	Export Quantity
0	0.00	0.00	0
R. Mat. Cons. Amnt.		Average Cost	Export Amount
0.00		0.00	0.00
Labor-1		Quantity On Hand	
0.00		0	
Labor-2		Sales Amount	
0.00		0.00	
Energy		Sales Quantity	
0.00		0	
Amortization		Avg. Sales Pr.	
0.00		0.00	

Group Code	Quantity Produced	Date	R. Mat. Cons. Qty.	R. Mat. Cons. Amnt.	Monthly Cost Price	Average Cost

This section can be used for modifying or monitoring the cost and consumption files that are created by cost calculation. Users who obtained and started to use the Cost Accounting Module during the year can also use this section to enter the opening amounts for their consumptions according to cost group codes, in both Turkish Lira and foreign exchange. In the opening records, the **Average Cost** and **Onhand Inventory Quantity** fields should be recorded by entering in the Month code, the **code for the month** that immediately precedes the month for which the cost calculation will be processed. If vital, the values that are created by the programme can be modified in this section under the supervision of the authorised user.

2.5 Consumption Entry

Consumption Entry

R. Mat. Code: | | HM: |

Product Code: | | Ç001

Date: 10 / 2006

Consume Qnty: | | 0

Consume Amnt: | | 0.00

FX. Cons. Amnt: | | 0.00

R. Mat. Code	Product Code	Date	Consume Qnty
00024	Y001	30/10/2006	
00025	Y002	30/10/2006	

This is the section where you can record and monitor the Turkish Lira and foreign exchange amounts of consumption quantities and amounts by using the raw material inventory codes and cost group codes together with their dates.

2.6 Cost Evaluation

Some operations are required in other modules before running the Cost calculation operation. [For related details, please see Annex-3 \(Modular Operations Preceding Cost Calculation\)](#).

Cost Evaluation

Cost Type: Monthly Weighted Average

Annual Operation:

Date: 10 / 2006

Prepare:

Integrate:

Form Difference Journal:

Date: 10

Main up Sharing Sensitivity Amount: 1

General Phase Count: 1

Ok Cancel

After completing the above-explained initial operations, you are ready to begin the cost calculation operations. You can start creating cost journals by running the Cost calculation option in the Cost Accounting Module.

Annual Operation

The annual operation option is used for applying the standard cost system throughout the year and calculating the actual cost at the end of the year.

Date (Month Code/Year)

In these fields, you should enter the month and year codes for which the cost calculations will be made.

Prepare

When you select the Prepare field, the programme

1. Verifies the cost main code defined in the 1st row in the operation sequence file and starts the operations related to this cost main group (when the operations for this code are completed the programme proceeds to the cost main code that is defined in the 2nd row and calculate the related phases).
2. For the outbound amount that will be calculated with the selected cost method, accepts all Main/Branch Warehouses as a single warehouse for all purchases and cumulates the amounts.
3. Creates the consumption quantities and amounts with the unit cost that is calculated for the outbound transactions of inventories in the cost main product group when you run the Inventory/Cost Generation section, and cumulates these values on basis of the above-entered month. In this operation, the programme also calculates the FX consumption amounts and the unit FX cost for users who apply FX usage in general ledger. The raw material consumption is thus specified and the information is separately prepared and written in the cost files according to every cost main group.
4. Basing on the cost main group codes, distributes the labour and general production costs according to the journal amounts in integration and the options specified in the distribution coefficients, adds all of the cost items calculated for the related month (raw material + packaging + energy + etc.) and writes to the cost file. In companies that apply FX usage in the general ledger, the programme creates the distribution of labour and general production costs on basis of the cost main group codes and according to the journal FX amounts in integration and the options specified in the distribution coefficients. It then adds all of the FX cost items calculated for the related month (raw material + packaging + energy + etc). Then writes these values to the cost file. Companies who apply FX usage in general ledger should therefore run the General Ledger Module/Operations/FX Value Calculation option before Generating Costs in order to be able to calculate FX cost items.
5. Evaluates [Inventory onhand quantity transferred from preceding month + cost price transferred from preceding month] and [cost price calculated for the current month by the selected cost method + sales quantities] and calculates for the related month the cost prices on basis of cost group codes. After generating the monthly cost on group code basis, transfers the month's cost prices to the records, which display inbound operation for the product inventory transactions for the related group, and transfers the

average cost prices to the records, which display outbound operation. The programme writes the calculated values in the consumption file. In companies that apply FX usage in general ledger, the programme calculates also on FX basis and writes these FX values to the consumption file.

The programme makes these calculations individually for every phase according to the operation priority sequence and the main product codes. After the preparation work is completed, the Detail and Summary cost reports, which are explained in the Reports section, should be generated for control. Any modifications that are deemed necessary for consumption codes or raw material consumptions can be made in the Raw Material Consumption and Cost Information Entry sections.

The next stage is the integration of the Consumption, Cost and Cost of Goods Sold journals. The Integrate query in this window is related to creating these journals and transferring them to the General Ledger Programme/Integration Module/Statement Journal section. The transfer operations do not require repeating the preparations. If some of the accounts related to cost accounting are modified, then you should select the "prepare" query in order to be able to regenerate the actual values.

Integrate

This section queries the transfer of the Consumption, Cost and Cost of Goods Sold journals to the Statement Journal section in the Integration Module. You should not select this field if you do not want to create journals with the Prepare query, otherwise –if you want to create journals- you should select. If no problems are observed in the control after the preparation, you do not need to select the Prepare field again. You can directly check the "Integrate" field and start the integration operation. It is also possible to make modifications, etc. in the journals in the integration section. After the controls in the integration section, you should transfer the related journals to the ledger and generate the journal vouchers.

Integration runs in the following sequence:

Consumption Integration

On basis of the COST MAIN GROUP CODE that is entered in the Operation sequence definitions,

Debit		Credit
710-DIRECT RAW MATERIAL MATERIAL EXP.	//	150 RAW MAT. & MAT. PURCH. ACCT.

Cost Integration

On basis of the COST MAIN GROUP CODE that is entered in the Operation sequence definitions,

Debit		Credit
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151-SEMI-PRODUCTS-PRODUCTION ACCOUNT	//	711-DIRECT RAW MAT. & MAT. REFLECTION DIFF. 721- DIRECT LABOUR EXP. REFLECTION 731 GENERAL PROD. EXP. REFL. ACCT.
Debit	//	Credit
152-PRODUCTS ACCOUNT	//	151-SEMI-PRODUCTS-PRODUCTION ACCOUNT

Cost of Good Sold Integration

On basis of the COST MAIN GROUP CODE that is entered in the Operation sequence definitions,

620 COST OF GOOD SOLD	//	152- PRODUCTS ACCOUNT
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In companies that apply FX usage in general ledger, the FX amounts are also recorded in these journals and the FX values that are calculated in terms of the company FX type are transferred to the operation FX-type and -amount fields in integration. In the journal integration, the FX information in the operation FX-type and -amount fields are inserted to the company FX-type and -amount fields. Thus, the FX-type and -amount fields in the journals are equalised with the company FX-type and -amount fields. In this way, companies that have completed all of the operations will not need to run the General Ledger Module/Calculate FX Amount option in order to insert the company FX-value into the transactions in this last journal.

From Difference Journal

This parameter is used for applying the annual standard cost system and thus generating at year-end difference journals for the differences between the standard costs and actual costs. Its difference from the monthly standard cost application is that cost difference accounts such as the 712, 722, 732 accounts are used in the difference journal that is created. The calculated differences will be transferred to the related cost accounts such as 712, 722, 732.

Month Code

In companies that use the annual standard cost system, the difference journal will be created in this field.

Main up Sharing Sensitivity Amount

When the "Distribute Main Group Based Expenditures to Products" parameter is selected, if the raw material that are indirectly consumed in the production of the product are used with the warehouse issue slips for the related cost main group, the programme will scan this type of records in the warehouse

issue slips when running the cost. If the consumption amount is so small that it can be neglected, in order to accelerate the cost operation, this consumption amount can be written in the "Main up Sharing Sensitivity Amount" section. Then, the programme will not consider the amounts smaller than the indicated value and will not add these to the costs of the main group.

General Phase Count

If there are any returns in the cost main phases, you should re-run the cost calculation the number of times as the number of the returns. In this case, the number you should enter in the General Phase Count field should be one higher than the number of the returns. For instance, in the example where semolina is produced out of wheat and pasta is produced with semolina, we can assume that there are two phases, namely the semolina and pasta phases. In cases where the pasta is made into semolina, there is one return, and the cost calculation should thus be run 2 times. In this case, you should enter 2 in the General Phase Count field.

2.7 Parameter Entry

2.7.1 Cost Parameters-1

The screenshot shows a software dialog box titled "Parameters" with a close button in the top right corner. It features two tabs: "Cost Parameters-1" (active) and "Cost Parameters-2". The dialog is organized into three distinct sections, each with a set of controls:

- Section 1:** A checked checkbox labeled "Record raw mat.transfers in production line to 151 acc." is followed by a text field "Production Line W.House/Br." containing the value "0".
- Section 2:** An unchecked checkbox "Raw mat.based recording to 151 acc." is followed by a text field "Sub-Account code of 151 a" and a radio button group "Inventory Detail Code of 151 a" with "Other-1" selected.
- Section 3:** A checked checkbox "711 Acc.like 710" and an unchecked checkbox "Raw mat.based recording to 711 acc." are followed by a text field "Sub-Account code of 711 a" and a radio button group "Inventory Detail Code of 711 a" with "Other-1" selected.

At the bottom of the dialog, there are two buttons: "Ok" (with a green checkmark icon) and "Cancel" (with a red X icon).

Record raw material transfers in production line to 151 account

To be able to create this method, you need to have a branch (production line) outside of your main company, to which the raw material's consumption issues

can be recorded for production. A branch will be inserted with this logic, and the production trees of the products will be created in the Production Module in the main company. The raw material invoices that are recorded in the main company will be transferred to the branch (in the Invoice Module/Warehouse Transfers section) in order to be used later in production. This parameter should be selected in order to consider each raw material that is issued to or transferred to the branch as semi-product, and record them as such in the 151 account in integration.

The defined branch code (production line) should also be previously defined in the "Operation Sequence Definition" section, on basis of every production sequence and main cost code, as the branch or warehouse code where the production is realised.

Warning: The raw material amounts, which are shifted from 150 accounts to 710 accounts when creating the consumption journals, will be automatically transferred from 710 accounts to 151 accounts on basis of the raw materials. (You can find detailed information about Opening branches, Production Operations and Warehouse Transfer operations in the General Usage, Inventory Operations and Invoice Operations sections.)

Production Line W.House/Branch Code

In this field, you should enter the new or existing branch code (production line) that will be inserted for the above-described raw material transfer. If branch code 1 will be used as the production line, then you should enter 1 in this field; if the branch that is coded 2 will be used, then you should enter 1.

Raw material based recording to 151 account

You should select this parameter if you want the raw material amounts, which will be inserted in the 151 accounts, to be recorded in detail on raw materials bases and created according to the sub-account codes. In this case, one of the detail codes, which are created on basis of every raw material's inventory code or group code, should be selected and the ledger codes for this field should be entered in all accounts. If you do not want detailed transfer to 151 accounts on raw materials bases, then you should not check this parameter but enter the below-queried sub-account code, which will be used for batch transfer.

Sub-Account code of 151 account

Companies that do not select the "RAW MATERIAL BASED RECORDING TO 151 ACCOUNT" parameter, in other words, companies that want to trace their outbound raw materials in the 151 accounts by transferring them to a single sub-account code, should enter in this field the sub-account code of the semi-product account (151) to which the raw material will be issued.

Inventory Detail Code of 151 Account (Other 1, 2, 3)

If the "RAW MATERIAL BASED RECORDING TO 151 ACCOUNT" parameter is selected, to be able to process the transfer according to the inventory codes, you should select either one of the Other-1, Other-2, or Other-3 of the inventory detail codes and define in this field the number of one of these codes as 1, 2, or 3. After this definition, you should enter the related field (Other-1, Other-2, or Other-3) in the Inventory Module/General Ledger Detail Code Entry section individually for the inventory code of every raw material that will be transferred to the 151 accounts.

Raw material based recording to 710 account

You should select this parameter if you operate by selecting the "RECORD RAW MATERIAL TRANSFERS IN PRODUCTION LINE TO 151 ACCOUNT" parameter, and use the 710 account (Direct Raw Material and Material Expenses) detailed on basis of raw material in creating the consumption issues and consumption vouchers. In this case, you should select one of the detail codes that are created for every raw material according to the inventory code or group, and enter the integration codes in all accounts for this field. If you do not use details for the 710 accounts on raw materials bases, then you should not select this parameter but enter the below-queried sub-account code, which will be used for batch transfer.

Sub-Account code of 710 account

Companies that do not select the "RAW MATERIAL BASED RECORDING TO 710 ACCOUNT" parameter, in other words companies that trace their raw material consumption issues in the 710 accounts by a single sub-account code, should enter the related account code in this field.

Inventory Detail Code of 710 Account (Other 1, 2, 3)

If the "RAW MATERIAL BASED RECORDING TO 710 ACCOUNT" parameter is selected, then to be able to transfer on basis of raw material code, one of the Other-1, Other-2 or Other-3 should be selected from the raw material inventory detail codes and the number of either three should be defined in this field as 1, 2, or 3. After this definition, in the Inventory Module/Inventory Detail Code Entry Section, the related field (Other-1, Other-2 or Other-3) should be entered individually for every raw material inventory code that will be transferred to the 710 accounts.

711 Account like 710

You can select this parameter if your 711 accounts are used in a similar way to the fields queried for the 710 accounts, in other words if they are grouped and recorded in the subsidiary in the same level and order. When this parameter is selected, the programme will specify that the sub-account codes of the 710 accounts are created in the same order as the 711 accounts, and will process the transfers by searching for the group and sub-account levels and coding orders similar to the 710 accounts in the 711 accounts of the reflections. This parameter should not be selected if the details of the 711 accounts are created with different level and order according to the 710 account (if there are level differences between the 711 and 710 accounts or the lengths of the sub-account codes are different).

Raw material based recording to 711 account

Companies that select the "RECORD RAW MATERIAL TRANSFERS IN PRODUCTION LINE TO 151 ACCOUNT" but do not select the "711 ACCOUNT LIKE 710" parameter should select this parameter if they are using the 711 accounts (Direct Raw Material and Material Reflection) in creating consumption journals. In this case, one of the detail codes that are created on basis of every raw material inventory code or group should be selected and the integration codes should be entered for this field in all accounts. If the 711 accounts are not used on raw material basis, this parameter should not be selected, the below-queried sub-account code that will be used in batch transfer should be entered instead.

Sub-Account code of 711 account

Companies that do not select the "RAW MATERIAL BASED RECORDING TO 711 ACCOUNT" parameter, in other words companies that trace the reflections of their raw material consumption issues in the 711 accounts by a single sub-account code, should enter the related account code in this field.

Inventory Detail Code of 711 Account (Other 1, 2, 3)

If the "RAW MATERIAL BASED RECORDING TO 711 ACCOUNT" parameter is selected, then to be able to transfer to the 711 accounts on basis of raw material code, Other-1, Other-2 or Other-3 should be selected in the raw material inventory detail codes and the number of either three should be defined in this field as 1, 2, or 3. After this definition, in the Inventory Module/Inventory Detail Code Entry Section, the related field (Other-1, Other-2 or Other-3) should be entered individually for every raw material inventory code that will be transferred to the 711 accounts.

Basing on the selections specified in the above-defined parameters, the cost journals will be created as given below.

Consumption Integration

DEBIT	//	CREDIT
710-DIRECT RAW MAT. MAT. EXP.		711-DIRECT RAW MAT. & MAT. REFL. DIFF.
151-SEMI-PROD.-PRODUCTION ACCT.		150 RAW MAT. & MAT. PURCHASE ACCT.

Cost Integration

DEBIT	//	CREDIT
152-PRODUCTS ACCOUNT		151- SEMI-PROD.-PRODUCTION ACCT. 721- DIRECT LABOUR EXP. REFL. ACCT. 731 GENERAL PROD. EXP. REFL. ACCT.

2.7.2 Cost Parameters-2

Accept Coefficient as percent (%)

For users who select their cost calculation coefficients as coefficient in the Cost Main Group code definition, the total of the values entered on basis of the Cost group codes should be **1**. The unit coefficient of the products or semi-products that are not manufactured in the month should be distributed to the other products and the manual coefficients should be corrected.

For example;

YM1	Production qty.	=	200	Labour coefficient	=	0.1
YM2	Production qty.	=	300	Labour coefficient	=	0.25
YM3	Production qty.	=	400	Labour coefficient	=	0.65

Labour Amount = 710,000,000

When you run the cost accounting, the labour costs for every semi-product are calculated with the below-given formula.

YM1 Prod. qty.	*	Lab. Coeff. = X1	(	200*0.1	=	20)
YM2 Prod. qty.	*	Lab. Coeff. = X2	(	300*0.25	=	75)
YM3 Prod. qty.	*	Lab. Coeff. = X3	(	400*0.65	=	260)
TOTAL		= Y TOTAL	=	355			

Labour Amount / Y	=	Unit labour value	(	710,000,000 / 355	=	2,000,000)
YM1 labour cost	=	Unit labour * X1	(	2,000,000 * 20	=	40,000,000)
YM2 labour cost	=	Unit labour * X2	(	2,000,000 * 75	=	150,000,000)

YM3 labour cost = Unit labour * X3 (2,000,000 * 260 = 520,000,000)

Process only 150 and 710 in production line transfers

To be able to create this method, you need to have a branch or local warehouse (production line) outside of your main company, to which the raw material's consumption issues can be recorded for production. A branch or local warehouse will be inserted with this logic, and the production trees of the products will be created in the Production Module in the main company. The raw material invoices that are recorded in the main company will be transferred to the branch (in the Invoice Module/Warehouse Transfers section) in order to be used later in production. This parameter should be selected in order to consider each raw material record as instantly produced and thus insert them directly to the 151 accounts in ledger by running the 150 and 710 accounts in the cost journal.

The defined branch code (production line) should also be previously defined in the "Operation Sequence Definition" section on basis of every production sequence and main cost code as the branch or warehouse code where the production is realised.

Actual Cost

The Actual Cost application is used for calculating the actual costs that generate during the production of products and semi-products. In this application, the actual cost is found by distributing the sources, which are actually consumed for producing the product or semi-product in question (i.e., raw material, labour, general production expenses) with various distribution coefficients. If you want to calculate your costs with this method, you should select the Actual Cost parameter.

Standard Cost

The Standard Cost application is developed with the purpose of calculating the difference between the actual costs and the standard costs. In this application supports the uniform accounting system. This is to say that the cost difference accounts, such as 712, 722, 732, that are used in the uniform accounting system are automatically used in the standard cost calculations.

The standard cost system is also supported by the FAS52 (FX.Usage in General Ledger) and IAS29 (inflationary accounting) standards. Thus, the difference between the actual cost and the standard cost can be calculated in both their Turkish Lira and foreign exchange values.

To be able to use this system, the Standard Cost option in the Cost Accounting Parameters must be selected.

The standard cost application is not supported if the "Record raw material transfers in production line to 151 account" and the "Process only 150 and 710 in production line transfers" parameters in the Cost Accounting parameters are used.

Hence, to enable the standard cost application, these two parameters should not be used.

In the standard cost application, after setting the parameters as required, the consumption and cost information required for 1 unit should be recorded in the Cost Information Entry and Consumption Entry sections as valid for the date of 30/12/2078. The Operations Menu/Standard Cost Operations/Consumption File Creation from Bill of Materials option, which will be activated when the

Standard Cost parameter is selected, can be used for facilitating the information entry process.

This option will automatically create the consumption records for the date of 30/12/2078 according to the standard material TL prices and the standard material FX prices that are queried with the information in the bill of materials. Again, with the Consumption File Creation from Bill of Materials option in the same menu (Operations Menu/Standard Cost Operations), the raw material consumption, and packaging consumption and semi-product consumption information will be automatically created in the cost information dated 30/12/2078. Other cost information should be calculated and entered by users.

The below integration journals will be created when you run standard cost integration.

Consumption Integration

_____ / _____	
150 RAW MATERIAL ACCOUNT	STANDARD AMOUNT
150 RAW MAT. DIFF. ACCT.	DIFF. AMOUNT
710 RAW MAT. MAT. EXP.	ACTUAL AMOUNT

Cost Integration

_____ / _____	
151 SEMI-PROD. ACCOUNT	ACTUAL AMOUNT
152 PRODUCT ACCOUNT	ACTUAL AMOUNT
711 RAW MAT. MAT. REFL.	STANDARD AMOUNT
712 RAW MAT. MAT. DIFF.	DIFFERENCE
721 LABOUR REFLECTION	STANDARD AMOUNT
722 LABOUR DIFFERENCE	DIFFERENCE AMOUNT
731 GENERAL PROD. REFL.	STANDARD AMOUNT
732 GENERAL PROD.DIFF.	DIFFERENCE AMOUNT

Cost of Good Sold Integration

_____ / _____	
152 PRODUCT ACCOUNT	ACTUAL AMOUNT

620 CoGS ACCOUNT	STANDARD AMOUNT
620 CoGS ACCOUNT	DIFFERENCE AMOUNT

Annual Standard Cost

You must select the Annual Standard Cost parameter if you wish to use the Standard Cost application for the whole year. In this application the Cost Generation operation should be run for one year. The differences found between the actual cost and the annual standard cost for the whole year will be integrated via the 711, 721 and 731 accounts.

Add inventory wait period costs to total cost

This parameter is used for transferring the costs, which are generated by the waiting periods of inventories that are stored in a certain local warehouse, to the related inventory transactions and the general ledger.

Local Warehouse Code

Defining this field is necessary for companies that have also selected the "Add inventory wait period costs to total cost" parameter. This is the field where the code of the local warehouse for which the wait cost will be calculated should be entered.

Account Code Mask

In this field, you should enter the integration code to which the inventory wait cost will be transferred.

1st, 2nd, 3rd, 4th, 5th Expense Definition

You can use these fields if you need to use any cost items other than the 5 cost fields that are standard in the Cost Main Group Records. If you enter the titles of the costs that you want to use, the Cost Expense Accounts-2 field will be displayed in the Cost Main Group Records. The titles you entered will be displayed in this section and require you to enter the related account codes.

If you will use outsourced production services, you should write the DETAILED OUTSOURCE title in one of the cost definitions and enter the reflection account code for the detailed outsource in the product group account code records section. [For detailed information on Outsourced Production application, please see Cost Accounting/Annexes/Annex-2 \(Outsourced Application\).](#)

Production Center Branch Code for Branch Based Costing System

Multi-branch operations are required for this parameter to be active. The "Cost System With Branches" parameter should not be selected in the Inventory Module/Inventory Parameter Records section. The programme will determine the branch where the production cycle will start according to the Branch Code that you will enter in this parameter and calculate costs according to this information.

Distribute Main Group Based Expenditures to Products

This parameter is used for including the consumptions of raw materials, which are not recorded in the production BoM of a product but are consumed indirectly for the manufacture, in the related cost main group. To do so, you should issue the consumed raw material to the Product Main Group with a

Warehouse Issue Slip. The costs that are added to the cost main groups will be distributed to the products in the related cost main group according to their production quantity ratios.

Detail 151 coded account at cost journal based of raw material, labor, general production, amortisation

This parameter should be selected for detailing the cost journals of the semi-products that are traced in the 151 accounts, on basis of raw material, labour, general production and amortisation at the end of the Cost Calculation operation.

Run Cost of Exported Ods Account Separately

Selecting this parameter will enable you to track the cost of exported goods in a separate account. The cost of the products that are exported with Export type Sales Invoices will be recorded to the ledger account code which you will specify in the Cost of Exported Ods field in the Product Group Code Records/Product-Raw material Account Codes section.

Calculate Product returns automatically

When this parameter is selected, the programme will calculate the return receive prices that are generated by the return from sales transactions and the company FX costs. The programme will count back according to the number of months defined in the "Months to Past for Return Calculations" field in the Product Main Group Records section and update the costs. For example, when you enter 3 in this field when you are in June, the programme will count back by 3 months and update the return from sales costs of June with the average costs of March.

If the programme cannot identify any cost information in the month related to the count-back, it will not update the sales costs for the return products. In this case, you should use the Cost Information Entry section to enter the related information in the Average Cost and Average FX Cost fields according to the products' cost group codes.

Calculate Product Transfers

If in/out operations with the invoice or production operations are recorded wrong or if any product code modifications are made, it is possible to process transfer transactions between products with Warehouse Receive/Issue Slips. The purpose of this parameter is to change a product's Warehouse Receive Slip cost price into a cost price of the product that is issued. A few important issues should be considered for the smooth operation of this parameter. The first of these is that the measure units of the products, which are transferred, should be the same. The second is when creating the Warehouse Receive/Issue Slip, the "Opening" option should be selected for the Transaction Type, "Inventory Code" should be selected for the Issue Place, and the consumed product should be selected for the Cost Code. Additionally, since the cost prices, which are calculated one month ago, will be used in the modification, the cost generation option must have been processed in the previous month. Hence, when Cost Calculation is processed, the programme will scan the Warehouse Receive/Issue Slips that are recorded in the above-explained way, and make the necessary calculations for the product transfers. For Example, let us assume that you want to change the product code of a product, which has a cost of 1.500.000_TL in month 9, from MML1 to MML2. If

you want to transfer only the cost price to the MML2 product, this operation should not be processed with the Inventory Code Modification operation. A Warehouse Issue Slip should be created for product MML1 and Warehouse Receive Slip should be created for product MML2. In this case, the inventory transactions of product MML1 will not be transferred to MML2.

The Warehouse Issue Slip recorded for product MML1 is shown in the above screenshot. If, in this slip, you enter MML2 as the Cost Code, this code will be transferred to the Extra Lines field in the Item Info section. In the same way, in the Warehouse Receive Slip recorded for product MML2, you should enter the MML1 product code in the Cost Code field.

When you run the Cost Calculation operation in month 10, the programme will transfer the 1.500.000_TL cost that is calculated in month 9 for the product MML1 to the information related to product MML2.

3. Operations

3.1 Main Group Code Modification

This section is used for modifying the defined main group codes with different codes. We recommend that these types of modifications are made before starting the cost operations.

3.2 Group Code Modification



This is used for modifying the defined product group codes. We recommend that these types of modifications be made before starting the cost operations.

Old Group Code

This is the field where you should enter the previously defined group code that you wish to modify. You can use the lookup key in this field to view the group codes list.

New Group Code

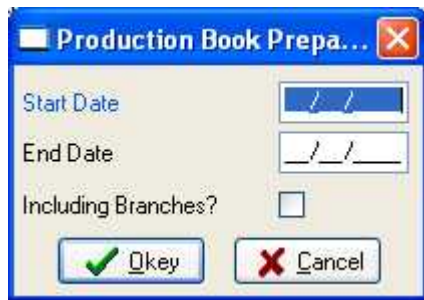
In this field, you can enter the previously defined group code, which you wish to open. You can use the lookup key in this field to view the group codes list. When you press the OK button in this window, all of the information related to the old code will be transferred to the new group code field of the code you entered. The old code will be deleted and cannot be used.

3.3 Code Integrity Control



Earlier we have discussed that the product group codes must be recorded in the inventory cards that are specified as product, semi-product and by-product in order to provide correct calculation in cost accounting. This operation is used for controlling the produced, semi-produced by-products inventories for which the product group codes are not recorded.

3.4 Production Book Preparation

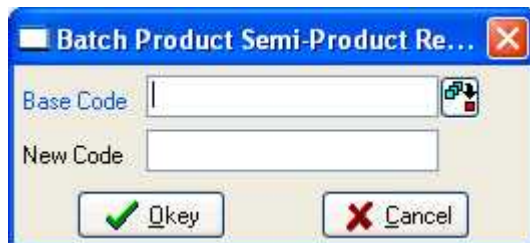


The purpose of keeping the production book is to specify how much raw material and supplementary materials enter the entity to be used in manufacture, the production quantities for which these are consumed, and the amount of products these produce in return. This book, at the same time serves as a kind of warehouse logbook.

This section involves an initial preparation phase for the printing of the production book according to the above explained. In this initial preparation phase, the programme will individually identify the raw materials and supplementary materials that are processed according to the indicated time interval, as those purchased, sold and consumed for production and specify the products individually as produced and sold from production and prepare for reporting.

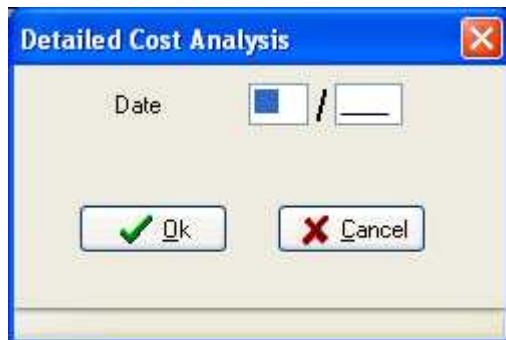
The programme will process the preparatory operation in this section suitable for generating two separate lists according to Products and Raw Materials. These lists can be retrieved in the Report Module/Cost reports/Raw Material Production Book and Product Production Book sections.

3.5 Batch Product Semi-Product Record



This section is used for copying the records, which are recorded as Products and Semi-Products in the Inventory Module, to a different code. If, at the same time, there are any BoMs for the related inventory code, the same BoM will be created for the newly defined inventory code.

3.6 Detailed Cost Analysis



As known, in Netsis Cost Accounting, the product costs are calculated according to the details that consist of approximately 12 components such as raw material, labour, amortisation, energy, semi-product, and others. In entities that operate with multi-phased production flow, however, detailing the semi-product costs emerges as a necessity.

FOR EXAMPLE: In the operation flow that runs as
M1 (PRODUCT)
 Y1 (SEMI-PRODUCT1)
 H4
 H5
 Y2 (SEMI-PRODUCT 2)
 H1 (RAW MATERIAL1)
 H2 (RAW MATERIAL2)

When we look at the cost information of M1, the costs that generate at lower levels are observed to be in the semi-product consumption amount (including Y1 and Y2).

When we asked the amount of labour that is invested in the cost of M1, the answer used to be possible at the end of long operations by reviewing the above-given tree structure.

Netsis designed the Detailed Cost Analysis option with the purpose of facilitating the answer to this query, and furthermore created a new table with a structure similar to that of the cost table by the name of DETMAL.

When you run the Detailed Cost Analysis operation, the information that is exemplified below, will be automatically created by the programme, you will be able to access the semi-product consumption details that are created in the product/semi-product cost cards, and at the same time consider the average cost values on basis of the cost items.

In other words, you can find answers to questions such as what portion of the product, of which the onhand value is 100 units, are labour, raw material, energy and amortisation.

When you run the Detailed Cost Analysis operation, the DETMAL table will be created. The fields included in the table are explained under separate titles below.

CODE : Cost Group Code
DATE : Date in Month /Year format

Average of same level costs:

In the above-given operation flow example, this means the average of the average costs at M1's level (H4 –HAMORT, Y1- YARORT) according to the cost types. In other words, when you run the Detailed Cost Analysis, the average cost amounts at the same level with the product will be calculated according to the consumption places and inserted in the below-listed fields on the DETMAL table.

ISCORT	(Labour expenses average)
HAMORT	(Raw material expenses average)
ENERJIORT	(Energy expenses average)
AMORTORT	(Amortisation expenses average)
YARDSERORT	(Auxiliary services expenses average)
YEDEKPORT	(Spare parts expenses average)
YARORT	(Semi-product expenses average)
AMBORT	(Packaging expenses average)
DIGER1ORT	(Other expense-1 average)
DIGER2ORT	(Other expense-2 average)
DIGER3ORT	(Other expense -3 average)
DIGER4ORT	(Other expense -4 average)
DIGER5ORT	(Other expense -5 average)

FX average of same level costs:

The average cost amounts calculated according to the information explained in the Average of same level costs section will be created in the related foreign currency and inserted in the below-listed fields on the DETMAL table.

CURISCORT	(FX labour expenses average)
CURHAMORT	(FX raw material expenses average)
CURENERJIORT	(FX energy expenses average)
CURAMORTORT	(FX amortisation expenses average)
CURYARDSERORT	(FX auxiliary services expenses average)
CURYEDEKPORT	(FX spare parts expenses average)
CURYARORT	(FX semi-product expenses average)
CURAMBORT	(FX packaging expenses average)
CURDIGER1ORT	(Other FX expense-1 average)
CURDIGER2ORT	(Other FX expense-2 average)
CURDIGER3ORT	(Other FX expense-3 average)
CURDIGER4ORT	(Other FX expense-4 average)
CURDIGER5ORT	(Other FX expense-5 average)

Breakdown of semi-product consumption costs:

In the above-given operation flow example, Y1's semi-product consumption amount actually generates in the raw material consumption of Y2 (H1, H2). This value can be seen in the NAKHAMTUT field (raw material amount transferred from Y2 to Y1) in the DETMAL table. The amount of this

transferred consumption will be equal to the consumption amount of the semi-product. The cost places of the semi-product consumption amounts in the DETMAL table that is created when the Detailed Cost Analysis operation is processed are listed below.

NAKISCTUT	(Opening labour expenses amount)
NAKHAMTUT	(Opening raw material expenses amount)
NAKENERTUT	(Opening energy expenses amount)
NAKAMORTUT	(Opening amortisation expenses amount)
NAKYARDSTUT	(Opening auxiliary services expenses amount)
NAKYEDEKPTUT	(Opening spare parts expenses amount)
NAKAMBTUT	(Opening packaging expenses amount)
NAKDIG1TUT	(Opening other expense-1 amount)
NAKDIG2TUT	(Opening other expense-2 amount)
NAKDIG3TUT	(Opening other expense-3 amount)
NAKDIG4TUT	(Opening other expense-4 amount)
NAKDIG5TUT	(Opening other expense-5 amount)

Breakdown of semi-product consumption FX costs:

The average cost amounts calculated according to the information explained in the Semi-product consumption costs section will be created on basis of expense places in the related foreign currency, and inserted in the below-listed fields on the DETMAL table.

CURNAKISCTUT	(FX opening labour expenses amount)
CURNAKHAMTUT	(FX opening raw material expenses amount)
CURNAKENERTUT	(FX opening energy expenses amount)
CURNAKAMORTUT	(FX opening amortisation expenses amount)
CURNAKYARDSTUT	(FX opening auxiliary services expenses amount)
CURNAKYEDEKPTUT	(FX opening spare parts expenses amount)
CURNAKAMBTUT	(FX opening packaging expenses amount)
CURNAKDIG1TUT	(FX opening other expense-1 amount)
CURNAKDIG2TUT	(FX opening other expense-2 amount)
CURNAKDIG3TUT	(FX opening other expense-3 amount)
CURNAKDIG4TUT	(FX opening other expense-4 amount)
CURNAKDIG5TUT	(FX opening other expense-5 amount)

DEVIRDUZ is the difference between the semi-product consumption amount and the transfer amounts. The value should be 0 (zero), because the total of the transfer amounts constitutes the semi-product consumption amount.

Due to the below-explained distortion in Devduzort, however, values other than 0 (zero) may be calculated in this field.

CURDEVIRDUZ is the FX difference amount between the semi-product consumption and transfer amounts.

Breakdown of previous month's semi-product average costs according to cost types:

(This information is stored in the DETMAL table only with the purpose of facilitating the operations).

NAKISCORT	(Opening labour expenses average)
NAKHAMORT	(Opening raw material expenses average)
NAKENERJIORT	(Opening energy expenses average)
NAKAMORTORT	(Opening amortisation expenses average)
NAKYARDSERORT	(Opening auxiliary services expenses average)
NAKYEDEKPORT	(Opening spare parts expenses average)
NAKAMBALAJORT	(Opening packaging expenses average)
NAKDIG1ORT	(Opening other-1 expenses average)
NAKDIG2ORT	(Opening other-2 expenses average)
NAKDIG3ORT	(Opening other-3 expenses average)
NAKDIG4ORT	(Opening other-4 expenses average)
NAKDIG5ORT	(Opening other-5 expenses average)

Breakdown of previous month's semi-product average FX costs according to cost types:

(This information is stored in the DETMAL table only with the purpose of facilitating the operations).

CURNAKISCORT	(FX opening labour expenses average)
CURNAKHAMORT	(FX opening raw material expenses average)
CURNAKENERJIORT	(FX opening energy expenses average)
CURNAKAMORTORT	(FX opening amortisation expenses average)
CURNAKYARDSERORT	(FX opening auxiliary services expenses average)
CURNAKYEDEKPORT	(FX opening spare part expenses average)
CURNAKAMBALAJORT	(FX opening packaging expenses average)
CURNAKDIG1ORT	(FX opening other-1 expenses average)
CURNAKDIG2ORT	(FX opening other-2 expenses average)
CURNAKDIG3ORT	(FX opening other-3 expenses average)
CURNAKDIG4ORT	(FX opening other-4 expenses average)
CURNAKDIG5ORT	(FX opening other-5 expenses average)

This is the difference between the average cost in the DEVDUZORT cost table and the same level average costs in this table (DETMAL). The expected value is 0 (zero). Difference is expected only if there is a return operation. Thus, difference is also expected in the DEVIRDUZ value of the other products/semi-products, which this semi-product consumes. Differences other than returns should be reviewed. Possibility of records outside of the procedure should be investigated. (E.g., raw material may be used for the product but the product manufacture record may not have been created.)

CURDEVDUZORT This is the difference between the average FX cost in the cost table and the same level average FX costs in this table (DETMAL).

DEVIRBAK is the inventory onhand given for information purposes.

URETMIK is the production quantity given for information purposes.

Detail of the average semi-product prices for the related period in terms of cost types:

In the example of Y1, the semi-product average value actually is only generated by raw material consumptions (H1, H2). According to this example, the average value of the semi-product is OAYNAKHAMORT, i.e., equal to the average of the raw material that has been transferred from the semi-product level of the related month.

The values that generate according to the expense places of the semi-product average prices of the related month in the DETMAL table are listed below.

OAYNAKISCORT	(Opening labour expenses average of month)
OAYNAKHAMORT	(Opening raw material expenses average of month)
OAYNAKENERJIORT	(Opening energy expenses average of month)
OAYNAKAMORTORT	(Opening amortisation expenses average of month)
OAYNAKYARDSERORT	(Opening auxiliary services expenses average of month)
OAYNAKYEDEKPORT	(Opening spare parts expenses average of month)
OAYNAKAMBALAJORT	(Opening packaging expenses average of month)
OAYNAKDIG1ORT	(Opening other-1 expenses average of month)
OAYNAKDIG2ORT	(Opening other -2 expenses average of month)
OAYNAKDIG3ORT	(Opening other -3 expenses average of month)
OAYNAKDIG4ORT	(Opening other -4 expenses average of month)
OAYNAKDIG5ORT	(Opening other -5 expenses average of month)

Detail of the average semi-product FX prices for the related period in terms of cost types:

The fields where the semi-product average FX prices for the related month are calculated in the DETMAL table are given below.

CUROAYNAKISCORT	(FX Opening labour expenses average of month)
CUROAYNAKHAMORT	(FX Opening raw material expenses ave. of month)
CUROAYNAKENERJIORT	(FX Opening energy expenses ave. of month)
CUROAYNAKAMORTORT	(FX Opening amortisation expenses ave. of month)
CUROAYNAKYARDSERORT	(FX Opening auxiliary services exp. ave. of month)
CUROAYNAKYEDEKPORT	(FX Opening spare parts expenses ave. of month)
CUROAYNAKAMBALAJORT	(FX Opening packaging expenses ave. of month)
CUROAYNAKDIG1ORT	(FX Opening other-1 expenses ave. of month)
CUROAYNAKDIG2ORT	(FX Opening other-2 expenses ave. of month)
CUROAYNAKDIG3ORT	(FX Opening other-3 expenses ave. of month)
CUROAYNAKDIG4ORT	(FX Opening other-4 expenses ave. of month)
CUROAYNAKDIG5ORT	(FX Opening other-5 expenses ave. of month)

Consequently, when the given average labour equivalence for a product is queried, the total of the ISCOROT + OAYNAKISCORT values should be calculated,

When the total labour consumption amount in the given month is queried the total of ISCILIK + NAKISCTUT in the cost file should be calculated.

Companies who used cost accounting earlier and now wish to use detailed cost analysis, should record in the cost percentage fields which are added to the cost information entry menu the previous month's semi-product's effects on the product cost as percentage together with the expense places detail.

3.7 Standard Cost Operations

3.7.1 Consumption File Creation from Bill of Materials



Companies that use the standard cost application will use this option. This option will automatically create the consumption records for the date of 30/12/2078 according to the standard material TL prices and the standard material FX prices that are queried with the information in the bill of materials. Considering the possibility of modifications in the BoMs, this operation should be repeated every month. Considering that this operation may cause changes in the values entered in the cost information entry for the semi-products and products, other unit amounts should be reviewed and the costs for the related semi-products and products should be manually calculated and updated in the cost information entry section.

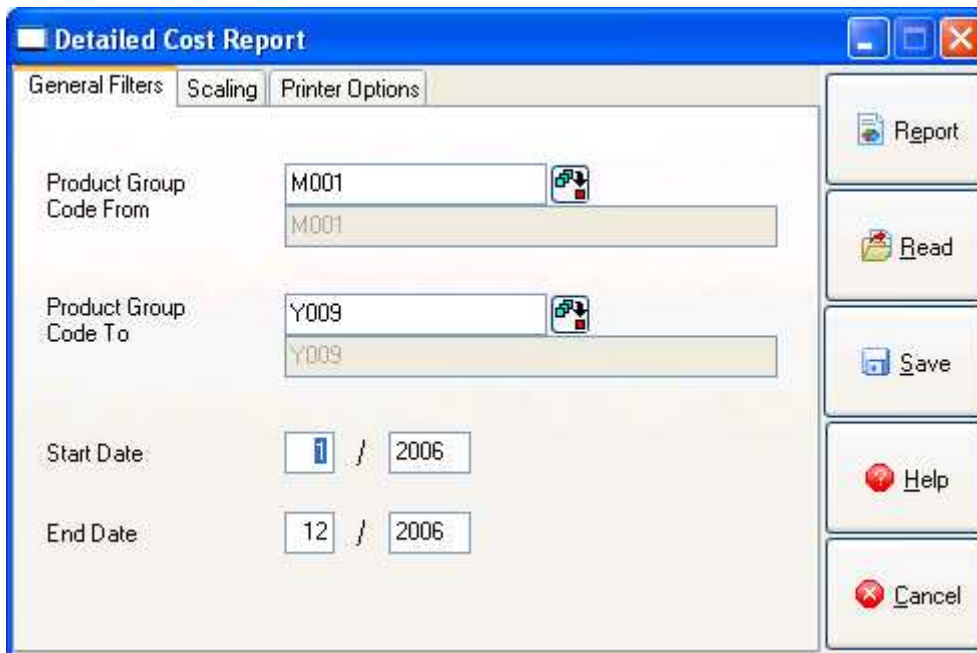
3.7.2 Cost Calculation from Consumption



Companies that use the standard cost application will use this option. With the Cost Creation from Monetary Consumption option, the raw material, packaging and semi-product consumptions information will be automatically created in the cost information dated 30/12/2078. Other cost information should be calculated and entered by users.

4. Reports

4.1 Detailed Cost Report



In this report, the cost values and cost percentages of the product group in the desired product group code interval can be listed according to their cost types. The production, raw material, semi-product usage quantities and amount, labour, energy, amortisation, spare parts, average cost values of the related product group according to the indicated months can be listed in detail in this report option.

For detailed information about the fields in the Filter, Sort, Scaling, Printer Options pages and general information on how to use the report, please see Introduction/Standard Reporting.

	A	B	C	D	E	F	G	H	I	J
1	Product Code	DT001	Product Desc.							
2	Date	30.01.2006								
3										
4	Cost Types	Cost Values	Cost Percentage	Percent						
5	Quantity Produced	100,00	Production Percent	0,50						
6	R.Mat Quantity	400,00	R.Mat Percent	0,00						
7	R.Mat Consume Amount	40,00	R.Mat Consume Percent	0,00						
8	Labor	1.500,00	Labor Percent	0,50						
9	Energy	0,00	Energy Percent	0,00						
10	Amortization	500,00	Amortization Percent	0,50						
11	Service Departments	0,00	Service Depts.Percent	0,00						
12	Spare Parts	0,00	Spare Parts Percent	0,00						
13	DETAYLI FASON	0,00	Spare Parts Percent	0,00						
14	Packaging	0,00	Packaging Percent	0,00						
15	Semi-Product Cons.	2.250,00								
16	Monthly Cost Price	42,90								
17	Average Cost	42,90								
18	Quantity On Hand	0,00								
19	Sales Amount	0,00								

4.2 Cost Summary

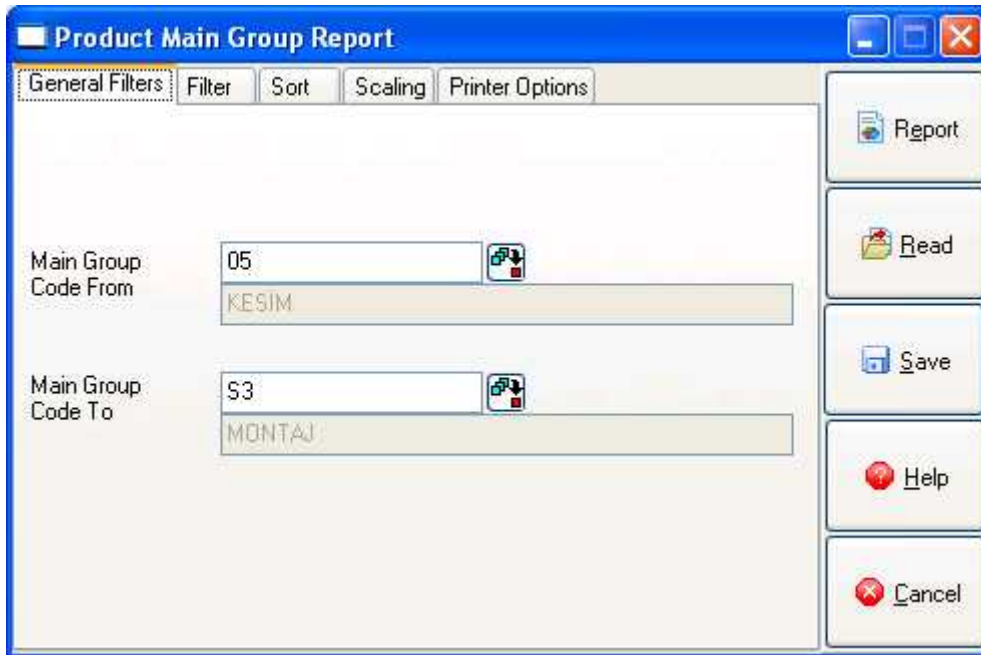
The screenshot shows a software dialog box titled "Cost Summary". It has a blue title bar with standard window controls (minimize, maximize, close). Below the title bar are three tabs: "General Filters", "Scaling", and "Printer Options". The "General Filters" tab is selected. The dialog contains several input fields and buttons:

- Product Group Code From:** A text box containing "M001" with a dropdown arrow icon to its right. Below it is a list box showing "M001".
- Product Group Code To:** A text box containing "Y009" with a dropdown arrow icon to its right. Below it is a list box showing "Y009".
- Start Date:** A date selector showing "1" in a box, followed by a slash and "2006" in another box.
- End Date:** A date selector showing "12" in a box, followed by a slash and "2006" in another box.
- Buttons:** On the right side, there are five buttons stacked vertically: "Report" (with a document icon), "Read" (with a folder icon), "Save" (with a floppy disk icon), "Help" (with a red question mark icon), and "Cancel" (with a red X icon).

This is the section where you can get a report for production quantity, raw material consumption, semi-product, packaging, labour, cost price and average costs according to every cost group and the cost group code range.

For detailed information about the fields in the Filter, Sort, Scaling, Printer Options pages and general information on how to use the report, please see [Introduction/Standard Reporting](#).

4.3 Product Main Group Report

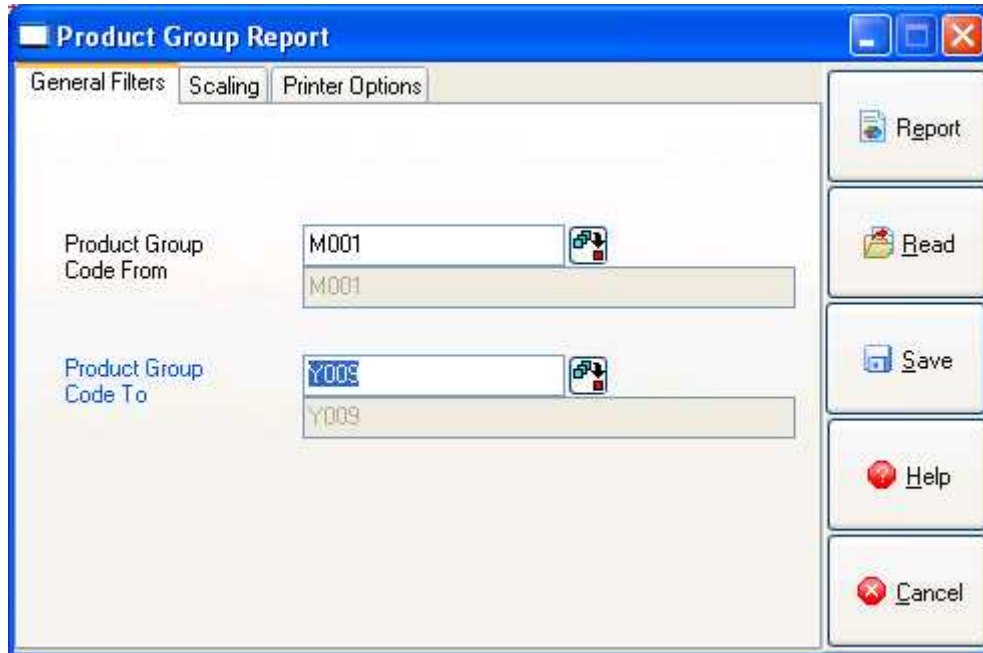


This is the report option where you can get the list of the cost types, ledger masks and distribution coefficients according to the cost types for a cost group code range.

For detailed information about the fields in the Filter, Sort, Scaling, Printer Options pages and general information on how to use the report, please see Introduction/Standard Reporting.

	A	B	C	D	E
1	Main Group Code	05	Main Group Desc.	KESIM	
2	Reference Code		Reference Desc.		
3					
4	Cost Types	Account Patterns	Cost Types	Account Patterns	Distribution Coefficients
5	Labor-1	720-05-???	Labor-2	730-05-2??	B-Unit Coefficient Rate
6	Energy-1	730-05-3??	Energy-2		U-Production Quantities Rate
7	Amortization-1		Amortization-2		U-Production Quantities Rate
8	Service Departments-1		Service Departments-2		U-Production Quantities Rate
9	Spare Parts-1		Spare Parts-2		U-Production Quantities Rate
10	DETAYLI FASON-1		DETAYLI FASON-2		U-Production Quantities Rate
11					
12					
13	Main Group Code	06	Main Group Desc.	ZIMPARA	
14	Reference Code		Reference Desc.		
15					
16	Cost Types	Account Patterns	Cost Types	Account Patterns	Distribution Coefficients
17	Labor-1	720-06-???	Labor-2	730-06-2??	U-Production Quantities Rate
18	Energy-1	730-06-3??	Energy-2		U-Production Quantities Rate
19	Amortization-1		Amortization-2		U-Production Quantities Rate
20	Service Departments-1		Service Departments-2		U-Production Quantities Rate
21	Spare Parts-1		Spare Parts-2		U-Production Quantities Rate
22	DETAYLI FASON-1		DETAYLI FASON-2		U-Production Quantities Rate
23					

4.4 Product Group Report

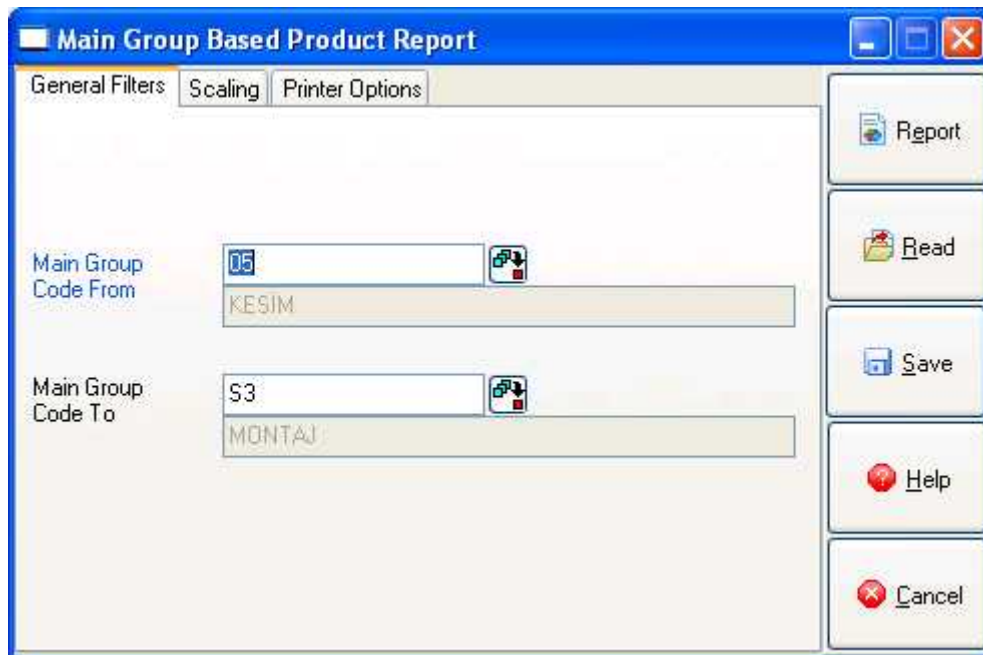


The screenshot shows a software dialog box titled "Product Group Report". It has three tabs: "General Filters", "Scaling", and "Printer Options". The "General Filters" tab is active. The dialog contains two input fields: "Product Group Code From" with the value "M001" and "Product Group Code To" with the value "Y009". Each input field has a small icon to its right. On the right side of the dialog, there is a vertical stack of five buttons: "Report", "Read", "Save", "Help", and "Cancel".

In this report option, you can get the lists of the unit coefficients, product/raw material account codes and integration reflection accounts according to the cost group codes for control purposes.

For detailed information about the fields in the Filter, Sort, Scaling, Printer Options pages and general information on how to use the report, please see [Introduction/Standard Reporting](#).

4.5 Main Group Based Product Report



This report option lists the inventory codes and descriptions linked to the main group codes that are specified in the initial query window. With this list, you can use the product group codes that are entered in the inventory cards in order to access the main group codes. You should review the prepared list to verify if there are any inventories that are linked to the wrong main group code.

For detailed information about the fields in the Filter, Sort, Scaling, Printer Options pages and general information on how to use the report, please see [Introduction/Standard Reporting](#).

4.6 Product Based Raw Material Consumption Report

Product Based Raw Mat. Consumption Report

General Filters | Scaling | Printer Options

Main Group Code From: 05
KESIM

Main Group Code To: S3
MONTAJ

Product Group Code From: Ç001

Product Group Code To: Y009

Month/Year: 10 / 2006 | 10 / 2006

Print Adjusted Values:

Report | Read | Save | Help | Cancel

This is the report option where you can get the list of the consumption quantities and amounts for the desired month together with the product inventory code detail according to a certain cost main group and product group code range. The reports for the products' consumption quantities and amounts can be retrieved in this section for control purposes after the Cost Calculation operations in the Inventory Module.

For detailed information about the fields in the Filter, Sort, Scaling, Printer Options pages and general information on how to use the report, please see [Introduction/Standard Reporting](#).

4.7 Raw Material Consumption Report

The screenshot shows a software dialog box titled "Raw Mat. Consumption Report". It features a blue title bar with standard window controls. Below the title bar are three tabs: "General Filters", "Scaling", and "Printer Options". The "General Filters" tab is selected. The main area contains several input fields: "R. Mat Code From" with the value "00024", "R. Mat Code To" with the value "00025", and "Month/Year" with "10" and "2006" in separate boxes. There is also a "Print Adjusted Values" checkbox which is currently unchecked. On the right side, there is a vertical toolbar with five buttons: "Report", "Read", "Save", "Help", and "Cancel".

This reporting option provides information about which raw materials are consumed for which products, their consumption quantities and amounts.

For detailed information about the fields in the Filter, Sort, Scaling, Printer Options pages and general information on how to use the report, please see [Introduction/Standard Reporting](#).

5. Annexes

5.1 Annex-1 Modular Definitions for Cost Accounting

The Cost Accounting Module runs in integration with the Inventory, Production, Invoice, General Ledger and Integration modules, and in connection with the Personnel, Fixed Assets programmes.

In order to be able to process records and operations in the Cost Accounting Module, the records in the Inventory, Production, Invoice and General Ledger modules must be first entered accurately. Namely,

- **Inventory Module:** the cost system parameter must be selected in the parameter entry section, the raw material, product and semi-product inventory master records must be respectively defined.
- **General Ledger Module:** the chart of accounts must be entered accurately and completely.

- If production is made according to BoMs, the product BoMs must be created in the **Production Module**.

In this manual, we will discuss about a company A, whose production involves two phases:

In company A, two different semi-products are produced in the phase 1, and in phase 2, these semi-products are used for producing a product. In the light of this information, we will discuss the cost accounting installation for company A in the required sequence.

5.1.1 Inventory Module Definitions

5.1.1.1 Inventory Parameter Records

The screenshot shows the 'Inventory Parameter Records' dialog box with the following settings:

- General Tab:**
 - Force Curr.Acc.Info:
 - Group Expl.:
 - Local W.House Usage:
 - Check Digit:
 - Get Prices Only From Price Lists:
 - Special Pricing System:
 - Barcode Control in Producer Code:
 - Enter Explanation and Vchr.No in Conting:
 - Mixed Assortment Usage:
- Variant Code Configuration:**
- Structuring Explanation Usage Type:**
 - Generate Specification and Value Explanations
 - Generate Specification and Value Explanations
 - Generate from inserted structuring explanations
- Planning Record Parameters:**
 - Allow historical planning records:
 - No branch based planning records will be done:
- Cost Parameters:**
 - Costing System: Cost System With Branches
 - Cost Eval.Method: Monthly Weighted Average (dropdown menu open showing Monthly Weighted Average, Fifo, Lifo)

The first operation required for creating the Cost Accounting records and processing the integration operations is to select the related option that queries the cost system in the Inventory Module/Parameters entry section and to specify the cost type.

When the cost system is selected, the values that are calculated when the Inventory Module/Operations/Cost calculation section runs, will be inserted by the programme in the unit cost fields in the additional fields of the inventory records (for raw material and packaging materials).

5.1.1.2 Inventory Master Records

Invnt.Code	Invnt.Desc.	Unit-1	Unit-2	Numer-1	Denom
M11		AD		1	
M111				1	
M2	MAMUL	AD		1	
MM1		AD		1	
MMM1	MAMUL1	AD		1	
MMM2				1	
NAK				1	

The first stage in the initial operation for cost accounting is the definition of the inventory records. In order to calculate cost accounting you should define all of the raw materials, semi-products and products in the inventory master records.

The codes for the inventories of company A are defined as follows. Company A produces YM1 and YM2 and uses these two semi-products in the production of MM1.

Raw Materials

H1 Raw Material 1
H2 Raw Material 2
H3 Raw Material 3

Product Group 1

MM1 Product 1

Semi-Product Group

YM1 Semi-product 1

YM2

Semi-product 2

Packaging Materials

AMB1

Packaging Material

In cost accounting, the important points in creating the inventory records are indicated below.

- The **measure units** of the inventory records that are linked to the same cost group in the Inventory Card Records must be defined according to the same standards.
- The types and product group codes, which are defined in the additional information window, must be defined for all of the inventory records.

The screenshot shows the 'Inventory Master Records' window with the 'Inventory Card-1' tab selected. The 'Invnt.Code' field is set to 'M1' and 'MAMULT'. The 'Excise' section has '0-None' selected. The 'Amnt/Rate' field is '0'. The 'Point Information' section has 'Unit Points' and 'Point Value' set to '0'. The 'B.O.M Information' section has 'Product' checked. The 'Volume Code' field is empty. The 'Weighted Stock' checkbox is unchecked. The 'Fictitious Product' checkbox is unchecked. The 'Configuration Informations' section has 'Configurable' and 'Use SBOM' checkboxes, both unchecked, and 'Dependent Config.Co' and 'Config.Code' fields, both empty. The 'Cost Information' section is highlighted with a red box and contains a 'Type' dropdown menu set to 'M-Product' and a 'Product Group' field containing 'M001' with a lookup icon.

- Before entering the definitions in the inventory cards, the Product Group Code definitions in the Cost Accounting module must be accurately completed. The product group code is the field where the cost group code that is defined in the Cost Accounting module, which will be discussed later, should be entered. In this field, you can access the cost group lookup. You can read further information about defining cost group code in the Cost Accounting Definitions section.
- This field is determinant in cost calculations. The accounts used in the journals that are created in the cost accounting module differ according to the

type indicated in this field. You must enter in this field, the product group code for the inventory codes that are defined as product, semi-product and by-product. In our example, Product is selected as the type of the inventory coded MM1. Additionally, this field should be specified as raw material for the inventory codes H1, H2 and H3, which we exemplified above and Semi-product for YM1 and YM2. AMB1, which is used for packaging in the production, should be specified as packaging material.

5.1.2 Chart of Accounts Definition

The cost main groups (main product centres) are at the same time the Actual Production Expense Place centres. In order to be able to make the definitions accurately, the accounts codes in the General Ledger Module must be created on basis of the production expense places. User companies can decide according to their needs. If you are operating by a reference code system, without detailing the chart of accounts in general ledger, then you can use the reference codes in the main product centre definitions to create the cost calculations. (You can find the detailed information about reference codes in the General Ledger manual.)

In the chart of accounts, cost accounts can be created without product details. However, basing the integration operations on consumption, cost and cost of goods sold values in the chart of accounts is sometimes very difficult, and impossible in some sectors. In this case, detailing the accounts for raw material, semi-product and product, which are core in cost calculation, will facilitate the control operation.

The Uniform Chart of Account Statement number 21447 dated 26/12/1992 requires that these are diversified in detailed cost calculation, i.e., are grouped according to main product costs, by-product costs (supplementary production costs) and type of costs.

Although entities can detail the main and supplementary product costs according to their own decision, cost type details have to be detailed individually as raw material expenses, labour wages and expenses, employee salaries and expenses, purchased utilities and services, miscellaneous expenses, duties, taxes and levies, amortisation and depletion ratios, financing expenses. The Accounting System Application General Announcement describes the main titles for the cost type accounts as follows:

5.1.2.1 710-Direct Raw Material and Material Expenses

These expenses are related to the Actual production expense places and the usage of the materials, which are used in the composition of the product, constitute an essential element of the product, and can be added to the product directly, can be monitored in this account in their actual amounts.

5.1.2.2 720-Direct Labor Expenses

These expenses are related to the Actual production expense places and include the labour expenses, which can be directly added to the production cost of a certain product or service. These expenses consist of labour costs, which can be traced for their consumptions according to products or semi-

products, and for which the hour per worker time can be calculated without requiring any distribution coefficients. The monthly values on basis of actual production expense places are integrated into ledger by the Netsis Personnel programme.

5.1.2.3 730-General Production Expenses

Expenses other than the direct labour and direct raw material and material expenses made for the production in the entity and the services related to this production are monitored in this account.

These expenses must be of the following nature:

- they should be expenses that are related to the production services costs,
- they should reflect on the production and services costs not directly but only via distribution in terms of variety and value.

The monthly and yearly values of the amortisation accounts, which will be inserted under this main account on basis of actual production centres, can be integrated into the ledger by the Netsis Fixed Assets programme.

At period close, the accounts described according to the Actual Production Centres will be matched with the reflection accounts and then settled. In the cost accounting programme, these reflection accounts are queried on basis of cost product groups.

5.1.2.4 711-Direct Raw Material and Material Reflection Account

At period close, the 711-Direct Raw Material and Material Account is matched with this account, and then settled.

5.1.2.5 721-Direct Labor Expenses Reflection Account

At period close, the 720- Direct Labor Expenses Account is matched with this account, and then settled.

5.1.2.6 731- General Production Expenses Reflection Account

At period close, the 730-General Production Expenses Account is matched with this account, and then settled. The accounts that fall under industrial cost are,

As you would recall, company A runs its production in two phases. As will be described in the Cost main product code definitions section below, the production comprises two different phases. YM1 and YM2 are produced in phase 1, then these semi-products are used in the production of MM1. In the cost accounting module, PHASE1 is defined as the Cost main group code for YMs (semi-products) and PHASE2 for MM1, and all details (inventory master records, chart of accounts) are created according to these two phases.

5.1.3 Bill of Materials Definition

In order to be able to calculate the product costs, production companies should define the bill of materials for their products in the Production Module/Bill of Materials section.

The records of the BoMs, which comprise the raw materials and/or semi-products for the production of the products, can be recorded, viewed and modified in the **Production Module/Bill of Materials** section. In this section, you should record the BoMs separately for every product.

- You can think of all the goods, which you manufacture in your plant, as products or semi-products, and all of the materials, which you purchase to realise your manufacture, as raw materials. Then, with this logic, you should create your semi-product BoMs according to which raw materials are used in which semi-products, and your product BoMs according to which raw materials and semi-products are used in which products.
- You can also create multiple-level BoMs. You can increase the number of semi-product levels as much as you desire.
- When creating a BoM, there is no priority sequence as semi-products or products. You can create your BoMs in the sequence that you desire. The only condition is that all of the raw material, semi-product and product codes are previously defined in the inventory.
- Your operation in the production module will be easier if you keep your levelling structure simple and clear.

The exemplary list of the raw material, packaging and semi-products that are used for creating the bill of material for MM1 is given below.

MM1
Raw Materials
H4

Semi-product1
H1
H2

Semi-product2
H3

Packaging Material
AMB1

To be able to calculate the raw material costs before the cost accounting operations, you should run the Finished ods Records on basis of the bill of materials. Important aspects for the Finished ods Records are described later in this document, in the Cost calculation operations section.

So far, we discussed the initial preparations in the other modules that are related to cost accounting. In the following sections, we will discuss the tasks that are required in the Cost Accounting module.

Outsourcing

This application is designed to enable production companies to directly reflect the labour costs of their outsourced production to their product/semi-product costs. The programme requires some settings before this application can be initiated.

First, you should insert new inventory records by which you will trace the outsourced labour. In the Inventory Card Records/Additional Information/Type field of these cards, you should select the recently added OUTSOURCED option. In the detail codes, which you will create for the outsourced production cards, you should define the 730 accounts as the expense account code.

And in the Parameters/Cost Parameters-2 section in the cost accounting module, you should write the OUTSOURCE DETAIL description in one of the 5 expense definitions that can be defined. In order to consider the Outsourced labour in cost operations, none of the ledger codes that is related to the outsourced labour should be written in the Product main group code definition. In the Product group code definitions, you should enter the 731 reflection account code for OUTSOURCE DETAIL in the reflection accounts.

For the cards, for which the type field is selected as outsourced in the Inventory Master Records, the system will only allow for sales operations in the Invoice Module (supplier orders, purchase waybills, purchase invoices), and for return operations in sales operations. If you wish to process any other operations in other Invoice module operations, for the card that is defined as outsourced, the system will display a warning such as "Outsourced product cannot be sold. Can only be returned," and will not allow for the operation. In the same way, if you want to process a purchase return for the related card that is defined as outsourced, the system will display the message "Outsourced inventory cannot be returned from purchase," and will again not allow for the operation. These warnings are created with the thought that outsourced labour sales and unsold labour cannot be returned.

To be able to identify the product/semi-products, which the outsourced labour invoices relate to, the cost group code will be queried on line basis, when you record the invoice (entered in the Cost Accounting/Product Group Code Records section) in the purchase invoices section. The cost group codes, which you enter, are stored in the general ledger code field of the inventory transaction file. During the cost accounting operations, the programme will write the labour costs into the defined outsourced expenses directly related to the product/semi-product according to the defined group code.

If a product/semi-product is outsourced for its entire production, then you should enter both the quantity and the price in the outsourced purchase entries. In this case, in cost calculation, the entered quantities will be accepted

as the outsourced quantities, and when distributing the costs, the system will calculate by deducting the outsourced quantities from the production quantities.

If you have paid outsourced labour costs for only some parts of the production, then in the outsourced production records, you should enter the cost records without the quantities.

In companies that use this application, the amounts in the cards where the outsourced labour expenses are defined and the amounts in the 730 accounts of the general ledger module should be equal.

After completing the cost operations, you should verify the production quantities and the outsourced quantities in cost accounting. The outsourced quantity cannot be higher than the produced quantity.

5.2 Annex-2 (Outsourced Application)

This application is designed to enable production companies to directly reflect the labour costs of their outsourced production to their product/semi-product costs. The programme requires some settings before this application can be initiated.

First, you should insert new inventory records by which you will trace the outsourced labour. In the Inventory Card Records/Additional Information/Type field of these cards, you should select the recently added OUTSOURCED option. In the detail codes, which you will create for the outsourced production cards, you should define the 730 accounts as the expense account code.

In the Parameters/Cost Parameters-2 section in the cost accounting module, you should write the OUTSOURCE DETAIL description in one of the 5 expense definitions that can be defined. In order to consider the Outsourced labour in cost operations, none of the ledger codes that is related to the outsourced labour should be written in the Product main group code definition. In the Product group code definitions, you should enter the 731 reflection account code for OUTSOURCE DETAIL in the reflection accounts.

For the cards, for which the type field is selected as outsourced in the Inventory Master Records, the system will only allow for sales operations in the Invoice Module (supplier orders, purchase waybills, purchase invoices), and for return operations in sales operations. If you wish to process any other operations in other Invoice module operations, for the card that is defined as outsourced, the system will display a warning such as "Outsourced product cannot be sold. Can only be returned," and will not allow for the operation. In the same way, if you want to process a purchase return for the related card that is defined as outsourced, the system will display the message "Outsourced inventory cannot be returned from purchase," and will again not allow for the operation. These warnings are created with the thought that outsourced labour sales and unsold labour cannot be returned.

To be able to identify the product/semi-products, which the outsourced labour invoices relate to, the cost group code will be queried on line basis, when you record the invoice (entered in the Cost Accounting/Product Group Code Records section) in the purchase invoices section. The cost group codes, which you enter, are stored in the general ledger code field of the inventory transaction file. During the cost accounting operations, the programme will write the labour costs into the defined outsourced expenses directly related to the product/semi-product according to the defined group code.

If a product/semi-product is outsourced for its entire production, then you should enter both the quantity and the price in the outsourced purchase entries. In this case, in cost calculation, the entered quantities will be accepted as the outsourced quantities, and when distributing the costs, the system will calculate by deducting the outsourced quantities from the production quantities.

If you have paid outsourced labour costs for only some parts of the production, then in the outsourced production records, you should enter the cost records without the quantities.

In companies that use this application, the amounts in the cards where the outsourced labour expenses are defined and the amounts in the 730 accounts of the general ledger module should be equal.

After completing the cost operations, you should verify the production quantities and the outsourced quantities in cost accounting. The outsourced quantity cannot be higher than the produced quantity.

5.3 Annex-3 (Modular Operations Before Cost Calculation)

You must have completed the below-defined operations before you start cost calculation.

1. The inventory codes must be defined and their types and cost group codes must be entered for the cost accounting.
2. The Cost Main Group codes must be defined and their related account code masks and distribution coefficients must be entered.
3. The Cost Group codes must be defined and their reflection codes created in the chart of accounts must be entered.
4. The bill of materials for every product must be recorded in the Production Module and ready for the production phase.

5.3.1 Finished Ods

This section will create the finished ods records of the products for which the BoMs are created and insert the information to your inventories according to days or specific periods. These operations will be processed as production is realised, on daily, weekly or monthly basis, as your company policy requires. When you get your finished ods records report, you will see that the quantity and amount information of your products are inserted in your inventory as

receive transactions, and the quantity and amount information of your raw materials and semi-products are inserted in your inventory as issue transactions.

Date	Vchr.No	Type	Price	In Qty.	Out Qty.	Onhand	Explanation	W.
01/01/2006		A	15	20.00	0.00	20.00	DEVIR	
01/01/2006		A	15	1,500.00	0.00	1,520.00	DEVIR	
27/01/2006	s000000000000004	C	0	1.00	0.00	1,521.00	Uretim	
27/01/2006	s000000000000005	C	5	1.00	0.00	1,522.00	Uretim	

After you complete your finished ods records and before you list the finished ods records report, the programme will display an additional query window.

In this window, you can specify that the report will be either screen printed or printed, then in the "Record" option you can specify whether or not you want the finished ods record to be recorded in your inventory records. You may have prepared your finished ods report for as a trial version or as an example. In such cases, you should not select this option in order to avoid that these records are not inserted in the inventories.

5.3.2 Warehouse Issue Slip

In this section, you should insert the consumption quantity and amount records of the raw material, semi-product for which the Warehouse Receive and Issue Slips in the Invoice Module and the BoMs are not created in relation to the cost accounting operation. You should go to the production module, i.e., the branch/warehouse code section of the related phase and insert the related records. The transaction type should be selected as production (C) in the records.

For example, H3 is used for producing YM2 in Phase1 of the Cost Main Group Code. If the amount of how much of H3 will be used for producing how much of YM2 at the end of the production cannot be determined in quantity, and subsequently the BoM cannot be created, then you should issue the raw materials consumption quantities from H3, and enter the quantities in YM1 by using the production option in the warehouse receive/issue slip section. When you record an issue transaction for H3, you can select the transaction type as the cost main group code, cost group code or the inventory code. If you

cannot specify the inventory code that corresponds to the issue as the receive account, then you should record an entry to either of the cost main group code or the cost group code.

In this section, you can retrieve the previously recorded slips, modify them and record them in their modified versions, and print the slips after they are recorded.

The window that will be displayed in the Inventory Module/Warehouse Receive-Issue Slip and Warehouse Transfers Voucher options can be explained for cost accounting users in the following way:

W.House Issue Slip	
Header Info.	Item Info.
Master info	
Vouch.No.	K000000000000009
Transaction	C Production
Place of Ori	A Main Cost Grp
Expen.Code	M Cost Center
Date	A Main Cost Grp
Special Coc	G Cost Grp F Free
W.House Info.	
Issue	MML2
Extra Fields	
	Aciklama
	Aciklama
	Aciklama

Transaction Type

In the transaction type query that will be created at the end of the operation for transferring the consumption quantities and amounts in relation to cost accounting, you should select the inventory transaction records type as production (C). In the Inventory Module/Cost Calculation operations, the programme will consider the transaction types specified as production (C). Transaction types are important for grouping the different types of transactions in your reports, as well as for getting separate summaries for the different types.

Issue Place

Cost Center (M)

This option can be selected for creating records in the cost centres that are defined in the Invoice Operations section. After you enter the Voucher number and the cost centre code, you can continue to process the in/out operations for the related goods records. After recording the inventory code, a window new window will inform you about the cost centre's ledger code and will allow you to modify if necessary. The modification you make will be applicable for only the related record. The ledger code of the cost centre will not be modified. Users who run the reference code application in their General Ledger and Cost Accounting operations can use their branch/warehouse consumption issues on basis of their cost centres.

Inventory Code (S)

This option can be used for issuing the consumptions from the inventory code, which is produced.

Cost Main Group (A)

For those who use the Cost Accounting Module, this section can be used for recording the consumption quantity issues of the raw materials for which the issue place is not known, and which do not belong under any of the product codes but have a cost main group code. You can use this option if you have selected the "main group based raw material consume" parameter in the cost main group records. You can create the receive/issue records for raw material consumption in/out transactions by using the codes that are defined in the cost main group code of the cost accounting module. If the additional information entry/type field in the inventory master records, which will be recorded in correspondence with the main cost group code, is specified as raw material, then the system will display a warning and will not allow for receive/issue operations.

Cost Group (G)

This option is active for users who run the Cost Accounting Module. Receive/issue records can be created with the codes that are defined in the cost accounting cost group code section.

Free (F)

With this option, you can create transaction records in the inventory codes without having to indicate a receive/issue place and by only entering the record date in the date field.

After this window, the window where you can record the warehouse receive/issue slip will be displayed. The explanations for the fields that will be displayed during the warehouse receive/issue slip records are as discussed in the Sales Invoices section. You can read further information about these fields in the Sales Invoices section.

The warehouse receive/issue slips, which you previously recorded, can be retrieved and monitored in this section. If you have recorded a slip number inaccurately, you can retrieve this record by entering the slip number, then either delete or modify the wrong number.

5.3.3 Monthly Personnel / Fixed Assets Integration**5.3.3.1 Personnel Information Integration**

You can read detailed information about the preparations for the Personnel integration and the monthly integration operations in the Personnel manual.

The Personnel information, which will be integrated, is recorded according to the cost centres. These cost centres will be created according to the COST GROUP CODES that are defined in the cost accounting module.

The account codes in which every ledger cost centre will be integrated should be specified in the Personnel/Integration/Ledger Detail Code Entry section. The cost centre to which every employee belongs to should be

entered in the detail code field in the Personnel Master Records section separately.

5.3.3.1.1 Personnel Constant Information

Sicil No	Ad	Soyad	Giriş Tarihi	Çıkış Tarihi	Ssk No	Te
>> 000001	AYLIN	YILMAZ	01.10.2006		1234567	

If all of the employees will be recorded in a single cost centre, then you can write the same code in the detail code fields and enter a definition for this code. In this section, you should first enter the cost centre code that you will define, and you should then define the ledger account codes related to this cost centre. You should enter the gross amount for the incomes and allowances, social insurance employer payments and SGDP employee shares ledger account codes. The account codes that are entered in this section are cost accounts and will thus be debited. Since this section is integrated with Netsis Fusion (Commercial package), you can also use the general ledger lookup when you are entering the ledger account codes.

5.3.3.1.2 Personnel Cost Code Definition

Payroll Integration Detail Code

Detail Code
01

Type: Kazanc Row Number: 3

Accounting Account code

Voucher Explanation

Cumulative

Typ	Row	Name	Accounting Account Code	Accounting Account	Voucher Explanation	Cur
1	1		720-01-001			E
1	2		720-01-002			E
1	3					E
1	4					E

The records in this section will be completed when the ledger account code, to which the value will be transferred, the explanation that will be inserted in the journal voucher are written in the related information fields and general entries such as for cumulate queries are specified. The cumulate field queries whether the amounts in the same account codes within the cost centre should be cumulated. When the Cumulate option is not selected, every debtor title will be displayed in separate rows even if they are recorded under the same ledger account code. The transfer operation will be processed in the Personnel Programme/Integration/Transfer to Ledger section.

Credit accounts, which will be integrated independently from the cost centres and as a single item, are usually defined in the General Ledger general code entry section. The ledger account codes of the amounts for the 24 legal deductions that can be parametrically defined and other additional payments such as social security employee payment, employer payment, employee savings, employer's contribution in employee savings, income tax, stamp duty, social security support premium employee and employer payments can be defined in this section. The chart of accounts lookup can be used when processing the definitions. The account codes inserted in this section include the total amounts and debited in the same way. Unlike the other accounts, the rounding account runs according to the debit/credit balance for the month. The records in this section will be completed when the ledger account code, to which the value will be transferred, the explanation that will be inserted in the journal voucher are written in the related information fields and general entries such as for cumulate queries are specified. If the cumulate field is selected, it queries whether the amounts in the same account codes within the cost centre should be cumulated. When the Cumulate option is not selected, every debtor title will be displayed in separate rows even if they are recorded under the same ledger account code.

5.3.3.1.3 Personnel Integration Voucher

Voucher Entry

Vchr.General Info. Voucher Detail

Vchr.No: 00000000016707 Date: 30.09.2004 Vchr.Type: MEDD New Vchr.

Seq.No: 14 Account Code: D/C: Debit Credit

Explanation-1: Explanation-2: Doc.Date: 30.09.2004

Ref.Code: Project Code: Qnty.: 0,00 VAT: %: Due Date: 0 Use FX:

Amount: 0,00 Adjustm. Type: Adjusted Amount: 0,00 Explan.3:

Seq.No	Account Code	Account Desc.	Explanation-1
1	720-20-01	Ücretler	EYLÜL/2004 BORD.TAHAK SN:MH DN:3691
2	720-20-01	Ücretler	EYLÜL/2004 BORD.TAHAK SN:MH DN:3691
3	720-21-04	İşsizlik Sigortası İşveren Payı	EYLÜL/2004 BORD.TAHAK SN:MH DN:3691
4	196-01-01	Personel Ücret Avansları	EYLÜL/2004 BORD.TAHAK SN:MH DN:3691
5	196-01-01	Personel Ücret Avansları	EYLÜL/2004 BORD.TAHAK SN:MH DN:3691
6	335-01-01	Ödenecek Net Ücretler	EYLÜL/2004 BORD.TAHAK SN:MH DN:3691
7	360-01-01	Merkez,İrt.Büro Gelir Vergisi	EYLÜL/2004 BORD.TAHAK SN:MH DN:3691
8	360-01-02	Merkez,İrt.Büro Damga Vergisi	EYLÜL/2004 BORD.TAHAK SN:MH DN:3691
9	361-01-01	S.S.K Primleri	EYLÜL/2004 BORD.TAHAK SN:MH DN:3691

Debit Qnty.	0,00	Debit Amnt.	45.703.048.928,00	Debit FX.	0,00
Credit Qnty.	0,00	Credit Amnt.	45.703.048.928,00	Credit FX.	0,00
Balance	0,00	Balance	0	Balance	0

The section that processes the transfer to the ledger creates the personnel journal for the desired month. You can monitor the journal, which has been created, in the Integration Module/Statement Journal. You should review the transfer information and process the transfer also in the Integration section, and thus transform these into journal vouchers.

5.3.3.2 Amortisation Information Integration

You can read detailed information about the preparations for the Fixed Assets integration and the monthly integration operations in the Fixed Assets manual.

5.3.3.2.1 Fixed Asset Information Card

Fixed Asset Information Card

Purchase Information Additional Information Fixed Asset Info. Amortization Information Sale Information

Fix Asset Code: 00001 Amort.End Year: 2010 Amort.End Mnth: 12
 Bina Last Process Y: Last Process M: 0

Purch.Date: 01.11.2006 Purch.Doc.No: Detail Code: Cost Code: FX.Purch.Price: 0,00
 Supplier: Group Code: Report Code-1: Report Code-2: Report Code-3: Project Code: Leasing No: Incent.No: Incent.Seq: 0

Purch.Qnty: 1,00 Purch.Pric: 10.000,00
 Real Estate: Amortization Type: Normal Fast
 Partial Amort.: Revalue: Amort.Rate: 20,00
 Amortize: Skip Amort.Current Year

Fix Asset Code	Fix Asset Desc.	Purch Date	Purch Price	Purch Qnty	P.Doc.No	Supplier
>> 00001	Bina	01.11.2006	10.000,00	1,00		

The fixed assets information that will be integrated is collected according to the cost centres. The ledger cost centres and account codes, in which every fixed asset detail code will be integrated should be specified in the Fixed Assets/Integration/Cost Code Definition section. These cost centres should be defined according to the COST GROUP CODES. After the cost centres are created in the Fixed Assets programme, these should be entered in the detail code field in the Fixed Assets Master Records section separately for every fixed asset entry.

Example: The cost group codes for Company A have been defined as MAMUL-1 and MAMUL-2 and the amortisation account masks according to the cost expense codes were entered in the second windows of these group codes. In this case, first cost codes should be defined for MAMUL-1 and MAMUL-2, and then the fixed assets, cumulated amortisation and cost centres definitions individually for each should be specified as suitable for integration (chart of account codes).

5.3.3.2.2 Fixed Asset Cost Code Definition

G.Ledger/Cost Code Definition

Detail Code: 01

Fixed Asset Led.Code: 250-01-001 (ARAZI VE ARSALAR)

Cum.Amort.Acc.Code: 257-01-001 (TESIS VE MAKINALAR BIRIK)

Inactive Part Acc.:

Value Increase Fund Acc.:

Ref.Code: Project Code:

Detail Code	Fix.Ass.Code	Cum.Amort.Acc.Code	Inac.Part Acc.	Value
>> 01	250-01-001	257-01-001		

You will find the lookup key in this section helpful for working with the chart of accounts. In the

If there are any fixed assets that you have purchased within the year and you process integration by monthly-based valuation, then in the non-operating section field, you should enter the account code to which you wish to transfer the amortisation amount generated for the months when the fixed asset was not in operation.

Cost Codes Definitions

Cost Code: Cost Explanation:

Cost Code	Cost Explanation
01	ARAZI VE ARSALAR
02	YERALTI VE YERÜSTÜ DÜZENLERİ
03	BİNALAR

Cost Codes Ledger Accounts Definitions

Cost Code: 01 ARAZI VE ARSALAR

Cost Led.Acc. Code: 730-01-001 Ref.Code: DEMIRBASLAR Project Code:

Rate: 50,00

Cost Led.Acc. Code	Ref.Code	Project Code	Rate
>> 730-01-001			50,00
730-02-001			50,00

The detail code's cost account codes and the cost distribution ratios as percentage should be specified in the related fields. Companies that operate by reference codes can integrate the same ratios for the same cost centres to the same or different reference codes. The total amortisation amount, which is cumulated on detail code basis, is transferred to the defined cost account codes by distributing on basis of the related ratios.

5.3.3.2.3 Fixed Asset Integration Voucher

Voucher Entry

Vchr.General Info. Voucher Detail

Vchr.No: 000000000016723 Date: 30.09.2004 Vchr.Type: MEDD New Vchr.

Seq.No: 43 Account Code: D/C: Debit Credit

Explanation-1: Explanation-2: Doc.Date: 30.09.2004

Ref.Code: Project Code: Qnty: 0,00 VAT: % Due Date: Use FX:

Amount: 0,00 Adjustm. Type: Adjusted Amount: 0,00 Explan.3:

Seq.No	Account Code	Account Desc.	Explanation-1
1	257-01-03	Makina Tesis Bir. Amortismani	2004Eylül AMORTİSMAN HISSE
2	257-01-03	Makina Tesis Bir. Amortismani	2004Eylül AMORTİSMAN HISSE
3	257-01-03	Makina Tesis Bir. Amortismani	2004Eylül AMORTİSMAN HISSE
4	257-01-03	Makina Tesis Bir. Amortismani	2004Eylül AMORTİSMAN HISSE

Debit Qnty.	0,00	Debit Amnt.	267.900.386,154,00	Debit FX.	0,00
Credit Qnty.	0,00	Credit Amnt.	267.900.386,154,00	Credit FX.	0,00
Balance	0,00	Balance	0	Balance	0

Detailed information will not be given here. You can find the information about cost centres definitions, monthly operations and integration operations in the Fixed Assets programme manual. Monthly valuation and amortisation amounts can be integrated with the help of the Monthly Share Integration section.

When you enter the integration date (dd/mm/yy), the programme will automatically transfer the monthly amortisation amounts to the Integration/Statement Journal section in Netsis Commercial Package. You should process the transfer also in the Integration section, and thus transform these into journal vouchers.

5.3.4 General Production/Administrative Costs Distribution

With the above-explained Personnel and Fixed Assets Ledger Integration operations, the labour and amortisation shares of the direct labour expenses and general production expenses are prepared ready for distribution.

The distribution of the general production expenses, which are not distributed within the month, such as supplementary services expenses or others (cafeteria, workshop, etc.), according to the product cost centres, can be processed according to your company's system in the General ledger Module/Journal Voucher Records section by defining the journal voucher type. You can also process the distribution by using the General Ledger Module/Operations/Supplementary Services Distribution Operations section. You can read the details for this process in the General Ledger manual.

5.3.5 FX Cost Information

Companies that use the FX accounting application should select this parameter to be able to trace their costs in foreign currency.

5.3.6 Cost Calculation Steps

5.3.6.1 Inventory Module/Generation of FX.Prices

It is very important that companies who use the FX accounting application first run the Inventory Module/FX Prices Calculation option before their cost calculations. This is because the programme reads the FX amounts that will be the base in calculating costs from the company FX amount field in the inventory transaction records. The company FX amounts can be calculated with the Inventory Module/FX Prices Calculation option.

5.3.6.2 Inventory Module /Generation of Cost

If within a certain date interval, you wish to use the Monthly Weighted Average/LIFO/FIFO cost calculation method, this section calculates the unit prices for all of the inventories including branches and updates the outbound transactions.

Cost Calculation

Initial Query | **General Filters** | Filter | Scaling

Cost Eval.Method: Monthly Weighted Averag

Yearly Operation:

Start Date: 01/12/2006

End Date: 31/12/2006

Include Branches:

Calculate Branch Based Cost:

Branch Code of Cost Center: 0

Loop Count for Calculation: 1

Evaluate returns using period average price:

Raw Mat.-Packaging-Commercial
 Product-SemiPr.-ByPr.
 All

Ok, Read, Save, Help, Iptal

In this section, you should enter the date interval for which the cost will be calculated. The last day of the cost calculation should be entered as the end date. The start date cannot be modified when the annual operation parameter is not selected. In this case, the programme will calculate monthly costs according to the selected cost type and for the period that starts with the first day of the month that is indicated in the end date until its last day.

The annual operation option is a parameter that applies the standard cost system throughout the year and calculates the actual costs at the end of the year. Companies that calculate the differences between the standard and actual costs can use the parameter. With this parameter, a single cost price will be calculated for all of the transaction within the year. To be able to use the annual standard cost system, you should first select the "Annual Standard Cost" parameter in the cost parameters.

This next window displays the "Include Branches" query related to including branches in cost calculations. The branch/warehouses, which are defined as production centres in cost main groups, MUST be included in the cost calculation made in this section.

Example: When the cost type is selected as "monthly weighted average" and the date interval is specified as 01/08/2003 - 31/08/2003, the programme will calculate the cost that runs until 01/08/2003 and updates the prices within the given time interval by calculating the monthly weighted average until 31/08/2003.

When the cost calculation operation is completed, the programme transfers the cost prices that are calculated with the cost method specified in this

section to the unit cost and company FX cost fields in the additional information window of the inventory master records.

At the end of the operations processed here, you can get related lists for control purposes in the Inventory/Additional Reports/Average Cost Inventory Values and Main/Branch Inventory Reports sections.

5.3.6.3 General Ledger Module / Generation of FX Amounts

After completing all of the operations, companies who use FX application should run the General Ledger Module/FX Amounts calculation section before they run the Cost Accounting/Cost Calculation section. In this way, they will be able to calculate the FX amounts when reflecting the expenses to unit costs.

The screenshot shows the 'Company/Entity/Parameter Definitions' window with the 'Parameters' tab selected for the entity 'Genel Merkez'. The 'Enable FX Usage' checkbox is checked and highlighted with a red box. The 'Adjustm. Type' is set to 1. The 'Support Enter Key' checkbox is also checked. The 'FX Usage Rate' section shows 'FX Purchase' selected. Other parameters include 'Enable Salesman Control' (unchecked), 'Enable Project Code System' (checked), 'Automatic Operation Type' (unchecked), 'Enable Integration' (checked), 'Currency' (YTL, YKR), 'Prosses management' (unchecked), 'Dynamic Coddng System' (checked), 'Don't show special account window' (unchecked), 'Security Application' (None), 'Ask For Integration User ID Number' (unchecked), 'Form Validation Exist' (unchecked), 'Enable Serial Number System' (unchecked), 'Lookup Usage Type' (Normal), 'WorkPlace App. Exist' (checked), and 'Message with beep sound' (unchecked). The 'E-Mail Usage' checkbox is checked, and the 'SMTP Server Name' is MAIL.NETSIS.COM.TR.

You should first select the "FX Usage Application" query in the Auxiliary/ Company/Branch Parameter definition section. This parameter will enable FX usage on company/branch bases. Again, in this section, you should specify the FX Conversion Type and the Company FX Type. The company FX type that you will specify in this section is the foreign currency type that will be the base in cost calculations.

Secondly, you must have selected the FAS52 field in the General Ledger Module/Parameter Records/ FX.Usage in General Ledger section. In this case, FX information can also be included in the data calculated when some of the below-explained sections are processed.

After the above-explained operations are completed, you can run the Cost Accounting/Cost Calculation operation.

5.4 Annex-3 (Sample Chart of Accounts)

CHART OF ACCOUNTS

ACCOUNT CODE	ACCT. DESCR.	TYPE	GROUP	CODE
151	SEMI PROD-PRODUCTION ACCOUNT	A	15	
151-001	PHASE1 SEMI PROD-PRODUCTION		G	15
151-001-0001	YY1 SEMI-PRODUCTS ACCOUNT		M	15
151-001-0002	YY2 SEMI-PRODUCT ACCOUNT		M	15
151-002	PHASE2 PRODUCTS-PRODUCTION		G	15
151-002-0001	SEMI-PRODUCTS FOR PRODUCTS ACCOUNT		M	15
152	PRODUCTS ACCOUNT	A	15	
152-001	PRODUCTS ACCOUNT			G
15				
152-001-0001	MM1 PRODUCT ACCOUNT		M	15
710	DIRECT RAW MATERIAL EXPENSES	A	71	
710-001	DIRECT RAW MATERIAL EXPENSES		G	71
710-001-0001	PHASE1 RAW MATERIAL EXPENSES		M	71
710-001-0002	PHASE2 RAW MATERIAL EXPENSES		M	71
711	DIRECT RAW MAT. & MAT. REFL.	A	71	

711-001	DIRECT RAW MAT. & MAT. REFL.			G
71				
711-001-0001	PHASE1 RAW MATERIAL REFL.	M	71	
711-001-0002	PHASE2 RAW MATERIAL REFL.	M	71	
720	DIRECT WORKER EXPENSES	A	72	
720-001	WORKER NORMAL WAGES		G	72
720-001-0001	WORKER NORMAL WAGE / PHASE1	M	72	
720-001-0002	WORKER NORMAL WAGE / PHASE2	M	72	
720-002	WORKER BONUSES		G	72
720-002-0001	BONUS / PHASE1	M	72	
720-002-0002	BONUS / PHASE2	M	72	
720-003	WORKER PREMIUMS		G	72
720-003-0001	WORKER PREMIUMS / PHASE1	M	72	
720-003-0002	WORKER PREMIUMS / PHASE2	M	72	
720-004	WORKER OVERTIME		G	72
720-004-0001	WORKER OVERTIME / PHASE1	M	72	
720-004-0002	WORKER OVERTIME / PHASE2	M	72	
721	DIRECT WORKER EXP. REFL.	A	72	
721-001	DIRECT WORKER EXP. REFL.		G	72
721-001-0001	DIRECT WORK. EXP./ PHASE1	M	72	
721-001-0002	DIRECT WORK. EXP./ PHASE2	M	72	
730	GENERAL PRODUCTION EXPENSES		A	73
730-001	OPER. EQUIP. REPAIR CONSTR.		G	73
730-001-0001	OPER. EQ. REP. CONS./ PHASE1	M	73	
730-001-0002	OPER. EQ. REP. CONS./ PHASE2	M	73	
730-001-0003	OPER. EQ. REP. CONS./ CAFETERIA	M	73	
730-001-0004	OPER. EQ. REP. CONS./ LABORATORY	M	73	
730-002	ELECTRICITY MATERIALS		G	73
730-002-0001	OPER. EQ. REP. CONS./ PHASE1	M	73	
730-002-0002	OPER. EQ. REP. CONS./ PHASE2	M	73	
730-002-0003	OPER. EQ. REP. CONS./ CAFETERIA	M	73	
730-002-0004	OPER. EQ. REP. CONS./ LABORATORY	M	73	

ACCOUNT CODE	ACCT. DESCR.	TYPE	GROUP	CODE
730-003	MISC. OPER. EQUIPMENT		G	73
730-003-0001	MISC. OPER. EQUIPMENT/ PHASE1	M	73	
730-003-0002	MISC. OPER. EQUIPMENT/ PHASE2	M	73	
730-003-0003	MISC. OPER. EQUIPMENT/ CAFETERIA	M	73	
730-003-0004	MISC. OPER. EQUIPMENT/ LABORATORY		M	73
730-100	WORKER NORMAL WAGES		G	73
730-100-0001	WORK. NORM. WAGES/ PHASE1	M	73	
730-100-0002	WORK. NORM. WAGES/ PHASE2	M	73	
730-100-0003	WORK. NORM. WAGES/ CAFETERIA	M	73	
730-100-0004	WORK. NORM. WAGES/ LABORATORY	M	73	
730-101	WORKER PREMIUMS		G	73
730-101-0001	WORKER PREMIUMS/ PHASE1	M	73	
730-101-0002	WORKER PREMIUMS/ PHASE2	M	73	
730-101-0003	WORKER PREMIUMS/ CAFETERIA		M	73
730-101-0004	WORKER PREMIUMS/ LABORATORY		M	73
730-102	WORKER OVERTIME		G	73
730-102-0001	WORKER OVERTIME/ PHASE1	M	73	
730-102-0002	WORKER OVERTIME/ PHASE2	M	73	

730-102-0003	WORKER OVERTIME/ CAFETERIA		M	73
730-102-0004	WORKER OVERTIME/ LABORATORY		M	73
730-103	WORKER CHILD ALLOWANCE		G	73
730-103-0001	WORK. CHILD ALLOW./ PHASE1		M	73
730-103-0002	WORK. CHILD ALLOW./ PHASE2		M	73
730-103-0003	WORK. CHILD ALLOW./ CAFETERIA		M	73
730-103-0004	WORK. CHILD ALLOW./ LABORATORY		M	73
730-104	WORKER LEAVE ALLOWANCE		G	73
730-104-0001	WORK. LEAVE ALLOW./ PHASE1		M	73
730-104-0002	WORK. LEAVE ALLOW./ PHASE2		M	73
730-104-0003	WORK. LEAVE ALLOW./ CAFETERIA		M	73
730-104-0004	WORK. LEAVE ALLOW./ LABORATORY		M	73
730-105	WORK.SOC.SEC.EMPLOYER CONTRIB.		G	73
730-105-0001	WORK. SOC. SEC. EMPL. CONTR./ PHASE1		M	73
730-105-0002	WORK. SOC. SEC. EMPL. CONTR./ PHASE2		M	73
730-105-0003	WORK. SOC. SEC. EMPL. CONTR./ CAFETERIA		M	73
730-105-0004	WORK. SOC. SEC. EMPL. CONTR./ LABORATORY		M	73
	73			
730-200	EMPLOYEE NORMAL SALARIES		G	73
730-200-0001	EMPLOYEE NORMAL SAL./ PHASE1		M	73
730-200-0002	EMPLOYEE NORMAL SAL./ PHASE2		M	73
730-200-0003	EMPLOYEE NORMAL SAL./ CAFETERIA		M	73
730-200-0004	EMPLOYEE NORMAL SAL./ LABORATORY		M	73
730-201	EMPLOYEE BONUSES		G	73
730-201-0001	EMPLOYEE BONUSES/ PHASE1		M	73
730-201-0002	EMPLOYEE BONUSES/ PHASE2		M	73
730-201-0003	EMPLOYEE BONUSES/ CAFETERIA		M	73
730-201-0004	EMPLOYEE BONUSES / LABORATORY		M	73
730-202	EMPLOYEE PREMIUMS		G	73
730-202-0001	EMPLOYEE PREMIUMS/ PHASE1		M	73
730-202-0002	EMPLOYEE PREMIUMS/ PHASE2		M	73
730-202-0003	EMPLOYEE PREMIUMS/ CAFETERIA		M	73
730-202-0004	EMPLOYEE PREMIUMS / LABORATORY		M	73
730-203	EMPLOYEE OVERTIME		G	73
730-203-0001	EMPLOYEE OVERTIME/ PHASE1		M	73
730-203-0002	EMPLOYEE OVERTIME/ PHASE2		M	73
730-203-0003	EMPLOYEE OVERTIME/ CAFETERIA		M	73
730-203-0004	EMPLOYEE OVERTIME/ LABORATORY		M	73
ACCOUNT CODE	ACCT. DESCR.	TYPE	GROUP	CODE
730-300	ENERGY AND FUEL EXPENSES		G	73
730-300-0001	ENERGY AND FUEL EXP./ PHASE1		M	73
730-300-0002	ENERGY AND FUEL EXP./ PHASE2		M	73
730-300-0003	ENERGY AND FUEL EXP./ CAFETERIA		M	73
730-300-0004	ENERGY AND FUEL EXP./ LABORATORY		M	73
730-301	WATER EXPENSE		G	73
730-301-0001	WATER EXPENSE/ PHASE1		M	73
730-301-0002	WATER EXPENSE/ PHASE2		M	73
730-301-0003	WATER EXPENSE/ CAFETERIA		M	73
730-301-0004	WATER EXPENSE/ LABORATORY		M	73
730-302	MACH.INST.EQ.MAIN.REP.EXP.		G	73
730-302-0001	MACH.INST.EQ.MAIN.REP.EXP./ PHASE1		M	73
730-302-0002	MACH.INST.EQ.MAIN.REP.EXP./ PHASE2		M	73
730-302-0003	MACH.INST.EQ.MAIN.REP.EXP./ CAFETERIA		M	73
730-302-0004	MACH.INST.EQ.MAIN.REP.EXP./ LABORATORY		M	73

730-400	RAW MAT.MAT.PROD.INS.EXP.		G	73
730-400-0001	RAW MAT.MAT.PROD.INS.EXP./ PHASE1		M	73
730-400-0002	RAW MAT.MAT.PROD.INS.EXP./ PHASE2		M	73
730-400-0003	RAW MAT.MAT.PROD.INS.EXP./ CAFETERIA		M	73
730-400-0004	RAW MAT.MAT.PROD.INS.EXP./ LABORATORY	M		73
730-401	REAL ASSETS INSURANCE EXP.		G	73
730-401-0001	REAL ASSETS INS. EXP./ PHASE1	M		73
730-401-0002	REAL ASSETS INS. EXP./ PHASE2	M		73
730-401-0003	REAL ASSETS INS. EXP./ CAFETERIA	M		73
730-401-0004	REAL ASSETS INS. EXP./ LABORATORY	M		73
730-402	TRANSPORT. INSURANCE EXP.		G	73
730-402-0001	TRANSPORT. INS. EXP./ PHASE1	M	73	
730-402-0002	TRANSPORT. INS. EXP./ PHASE2		M	73
730-402-0003	TRANSPORT. INS. EXP./ CAFETERIA	M		73
730-402-0004	TRANSPORT. INS. EXP./ LABORATORY	M		73
730-403	OTHER INSURANCE EXPENSES		G	73
730-403-0001	OTHER INS. EXP./ PHASE1	M		73
730-403-0002	OTHER INS. EXP./ PHASE2	M		73
730-403-0003	OTHER INS. EXP./ CAFETERIA	M		73
730-403-0004	OTHER INS. EXP./ LABORATORY	M		73
730-601	BUILDING AMORTISATION ACCOUNT		G	73
730-601-0001	BUILDING AMORT. ACCT./ PHASE1	M		73
730-601-0002	BUILDING AMORT. ACCT./ PHASE2	M		73
730-601-0003	BUILDING AMORT. ACCT./ CAFETERIA	M		73
730-601-0004	BUILDING AMORT. ACCT./ LABORATORY	M		73
730-602	INST.-MACH-APPLIANCE.AMORTIS.			G
73				
730-602-0001	INST.-MACH.-APPL. AMORT./ PHASE1	M		73
730-602-0002	INST.-MACH.-APPL. AMORT./ PHASE2	M		73
730-602-0003	INST.-MACH.-APPL. AMORT./ CAFETERIA		M	73
730-602-0004	INST.-MACH.-APPL. AMORT./ LABORATORY	M		73
730-603	VEHICLE AMORTISATION		G	73
730-603-0001	VEHICLE AMORTISATION/ PHASE1	M		73
730-603-0002	VEHICLE AMORTISATION/ PHASE2	M		73
730-603-0003	VEHICLE AMORTISATION/ CAFETERIA	M		73
730-603-0004	VEHICLE AMORTISATION/ LABORATORY	M		73
730-604	FIXED ASSETS AMORTISATION		G	73
730-604-0001	FIXED ASSETS AMORT./ PHASE1	M		73
730-604-0002	FIXED ASSETS AMORT./ PHASE2	M		73
730-604-0003	FIXED ASSETS AMORT./ CAFETERIA	M		73
730-604-0004	FIXED ASSETS AMORT./ LABORATORY	M		73

ACCOUNT CODE	ACCT. DESCR.	TYPE	GROUP	CODE
731	GENERAL PRODUCTION EXP.REFL. ACCT.			73
731-001	GENERAL PROD. EXP. REFL. ACCT.	G		73
731-001-0001	PHASE1 REFLECTION	M		73
731-001-0002	PHASE2 REFLECTION	M		73
731-001-0003	CAFETERIA REFLECTION	M		73
731-001-0004	LABORATORY REFLECTION	M		73

