

Summary of Lecture 3 and 5 – Tutorial Week 4 & 5



1. Summary of Lecture 3: Financial Accounting
2. Summary of Lecture 4: Procurement
3. Tutorial Weeks 4 and 5

Lecturer/Tutor: Dr. Farshid Keivanian

Overview of Financial Accounting in ERP Systems:

Lecture 3 focuses on the integration of financial accounting within Enterprise Resource Planning (ERP) systems, specifically using SAP as the primary example. Financial accounting in ERP systems is essential for capturing and managing all transactions that have financial impacts on the enterprise. This includes activities related to:

- **General Ledger (G/L) Accounting**
- **Accounts Receivable (A/R) and Payable (A/P)**
- **Asset Management**
- **Bank Accounting**

1. Summary of the Lecture 3: Financial Accounting in Enterprise Systems



These components are crucial for preparing financial statements such as balance sheets and income statements, which are vital for both internal and external stakeholders such as executives, auditors, banks, and shareholders.

Key Financial Accounting Components:

1. **General Ledger Accounting:** The backbone of financial systems, recording all business transactions in detail.
2. **Accounts Receivable and Payable:** Tracking of all receivables from customers and payables to vendors, integrated with sales and procurement.
3. **Asset Accounting:** Management of company assets, from acquisition to depreciation.
4. **Bank Accounting:** Handling all transactions with financial institutions.

Master Data:

The lecture highlights the importance of master data in financial accounting, which includes:

- **Chart of Accounts:** Defines all accounts used in the organization.
- **General Ledger Accounts:** Specific accounts within the G/L for detailed tracking.

Practical Example in Australia:

To provide a practical example, consider a scenario where an Australian subsidiary of a global company uses SAP for its financial accounting. The subsidiary needs to adhere to both local Australian accounting standards and the global policies of its parent company.

Scenario:

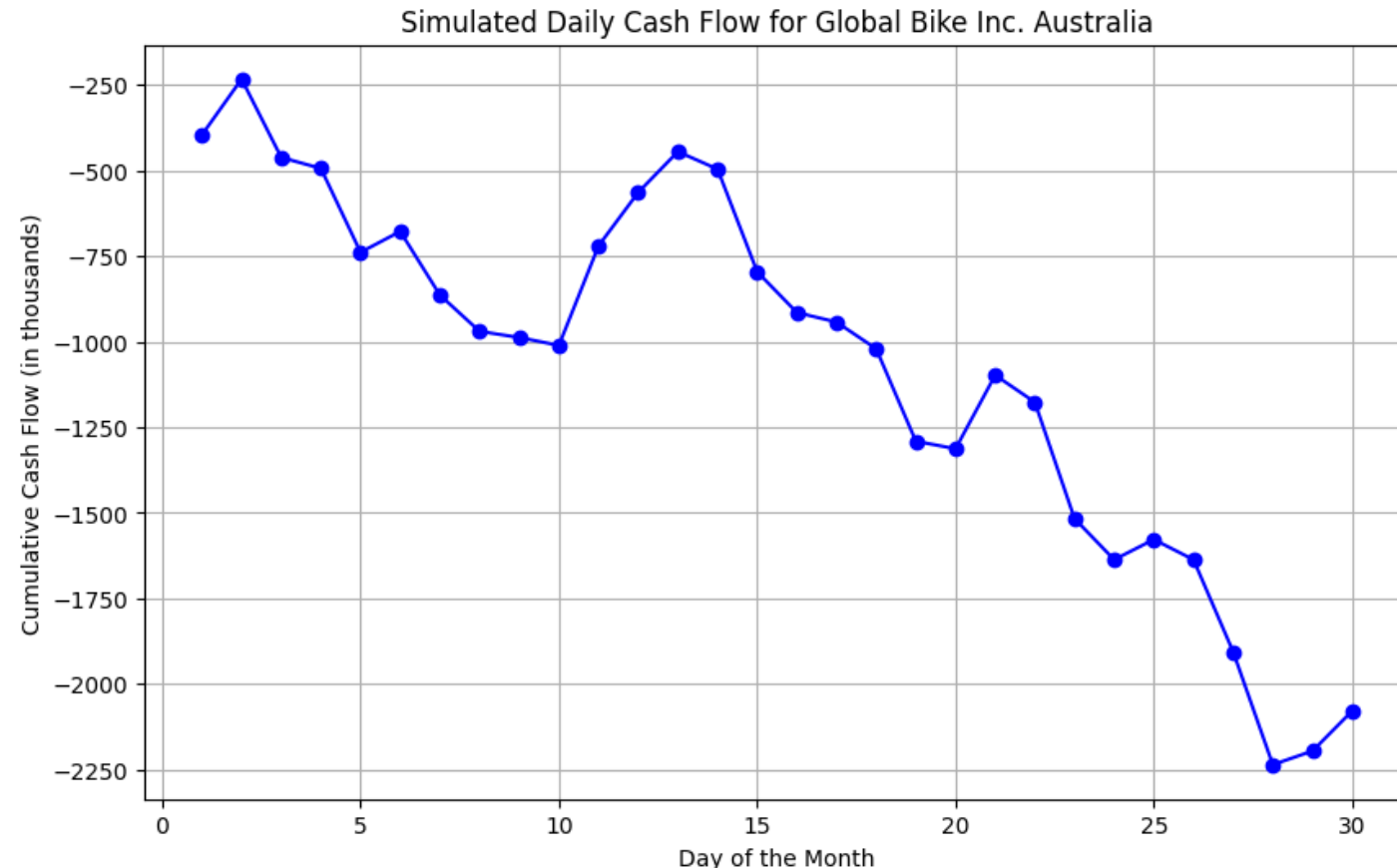
The Australian subsidiary of "Global Bike Inc." needs to report its financials both locally and as part of the global consolidation. The chart of accounts must adhere to Australian standards, but also align with the group's reporting requirements.

Example of G/L Transaction Recording:

Imagine the subsidiary sells bicycles to a local retailer. This transaction would involve several steps in the financial accounting module of SAP:

- 1. Sales Entry:** Record the sale in the accounts receivable ledger, debiting A/R and crediting sales revenue.
- 2. Receipt of Payment:** When payment is received, cash/bank account is debited, and A/R is credited.

Here, we see a visualization of the impact of such transactions over a month on the subsidiary's cash flow.



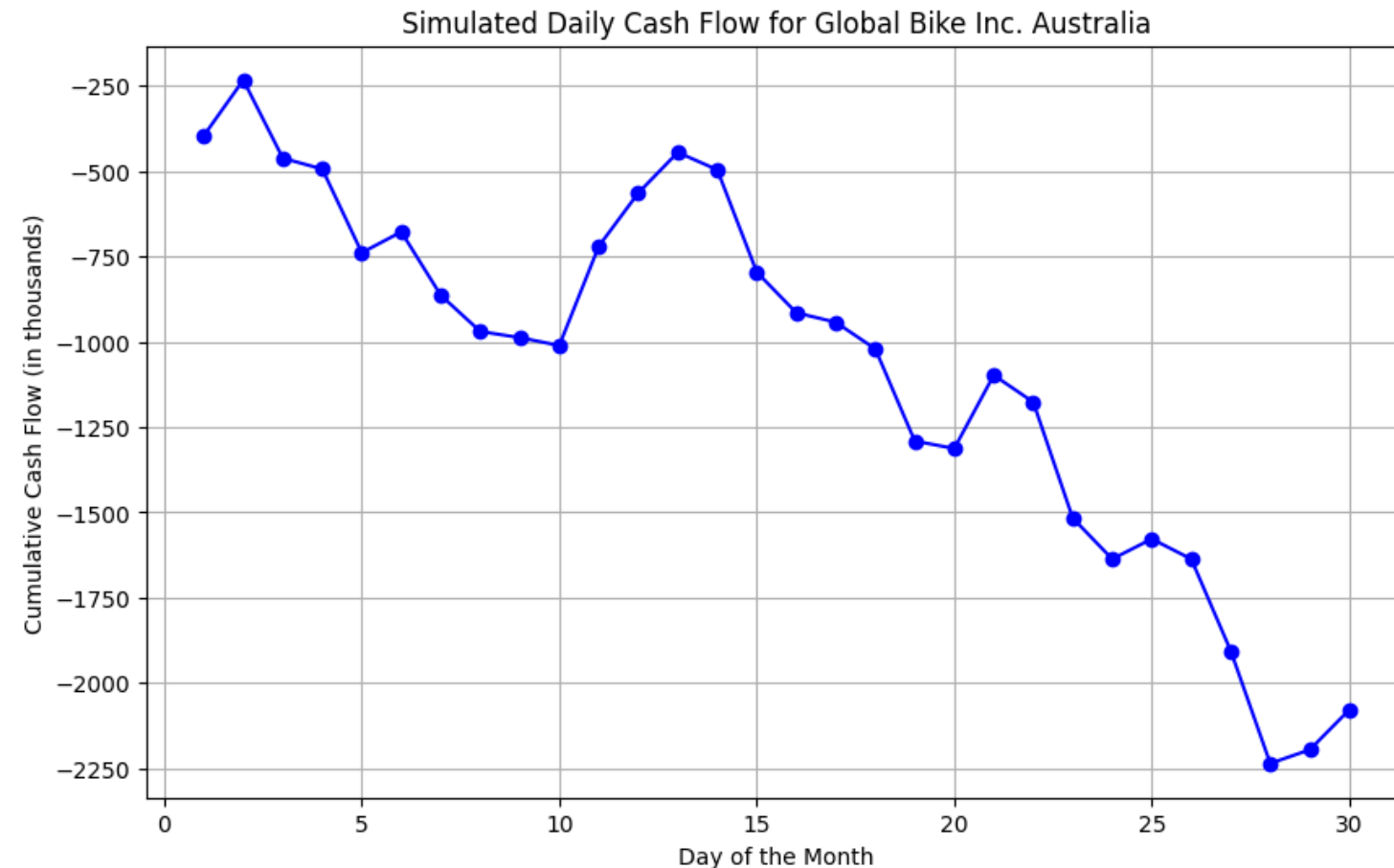
1. Summary of the Lecture 3: Financial Accounting in Enterprise Systems

The graph presents the cumulative cash flow for Global Bike Inc. Australia over a month, bas

The trend is decidedly negative, indicating that the company is spending more than it is receiving almost every day.

The cumulative cash flow starts at a slightly negative value and continues to decline, reaching its lowest point by the end of the month. There are a few days where the cash flow improves slightly, suggesting days when payments received were higher than sales

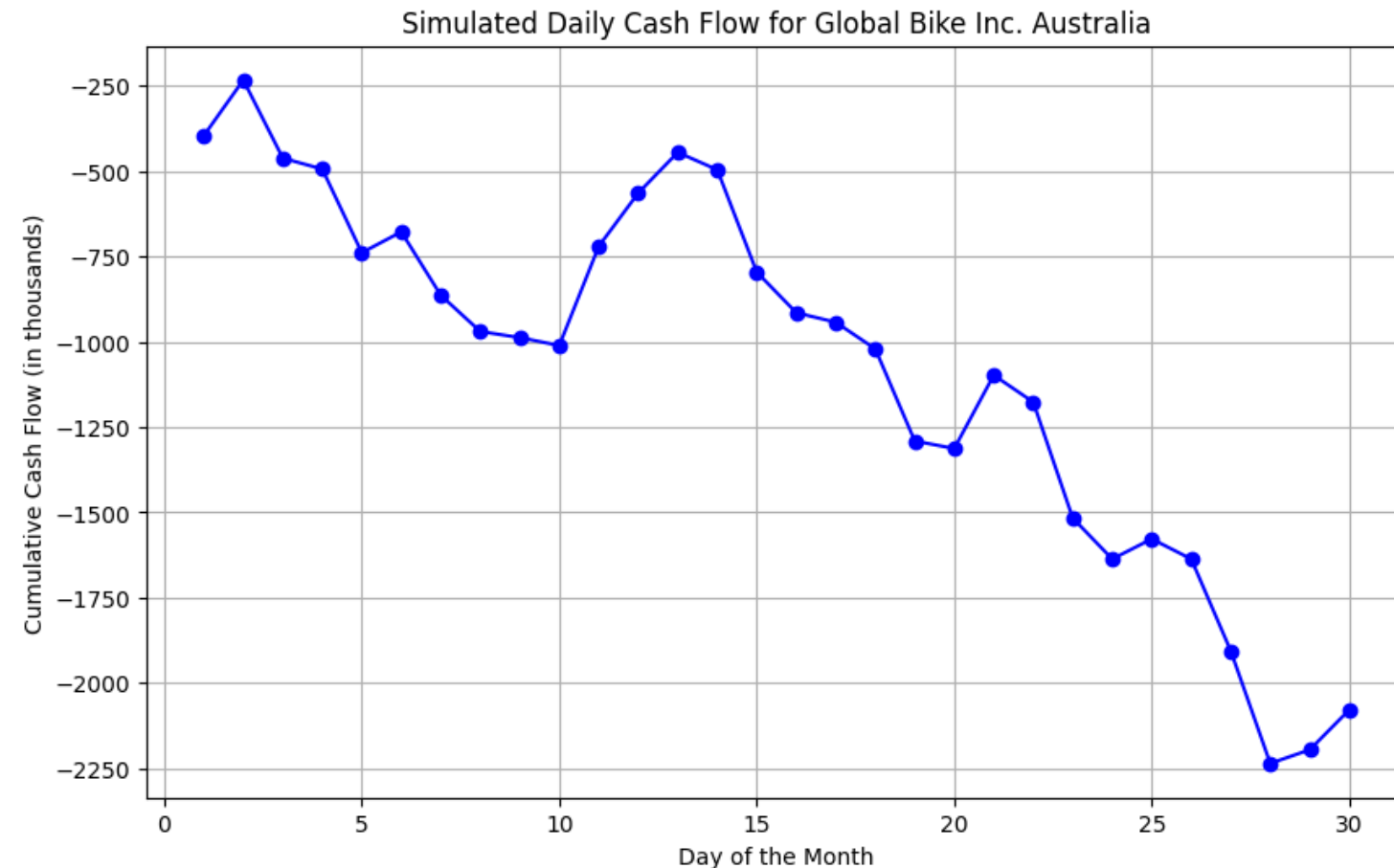
made. However, these are not enough to counter the overall negative trend. It's important to note that this analysis is based on randomized data and does not reflect any real financial situation. In a real-world context, such a consistent negative trend could be alarming and might suggest the need for urgent financial restructuring or investigation into the causes of the deficit.



1. Summary of the Lecture 3: Financial Accounting in Enterprise Systems

This plot provides a visual representation of how cash flow might vary day-to-day based on receipts, helping you grasp the dynamic nature of financial accounting in a real-world business context.

The integration of financial accounting into SAP allows for seamless reporting and financial management across different geographical locations, adhering to both local and global standards. This example not only illustrates the practical use of ERP systems in financial accounting but also highlights the importance of adapting to different regulatory environments.



2. Summary of Lecture Week 4 - Optimizing Procurement and Inventory Management in Australia: A Comprehensive Approach

Organizational Units and Master Data

- **Organizational Structure:** The lecture emphasizes the importance of organizing procurement around distinct units such as companies, plants, and storage locations. This structure facilitates localized management of resources, crucial in a geographically diverse market like Australia, where supply chain operations might span across multiple states or regions.
- **Master Data Management:** Critical for efficient procurement, master data includes information on materials, vendors, and accounts. In Australia, managing this data accurately ensures compliance with local regulations and standards, streamlining operations across different jurisdictions.

2. Summary of Lecture Week 4 - Optimizing Procurement and Inventory Management in Australia: A Comprehensive Approach

Procurement Process

- **Steps of the Procurement Cycle:** Starting with determining requirements and ending with payment processing, each step is integral to maintaining a robust procurement system. In an Australian context, particular attention must be given during the vendor selection process to ensure alignment with local supplier standards and ethical sourcing practices.
- **Material Requirements Planning (MRP):** This process involves planning order quantities and timings based on production needs. For Australian companies, this means adapting to local market demands and seasonal variations, which can significantly affect inventory levels and procurement needs.

2. Summary of Lecture Week 4 - Optimizing Procurement and Inventory Management in Australia: A Comprehensive Approach

Procurement Reporting and Technologies

- **SAP Material Management (MM):** Utilized to manage procurement activities within an organization, SAP MM integrates with other business functions such as finance and sales. In Australia, leveraging SAP MM can help businesses better manage their procurement activities by providing detailed reporting and analytics, essential for making informed decisions in a dynamic economic environment.
- **Technological Integration:** With the rise of digital transformation in Australia, integrating advanced technologies like AI for predictive analytics in procurement processes can lead to more proactive management of resources and improved operational efficiencies.

2. Summary of Lecture Week 4 - Optimizing Procurement and Inventory Management in Australia: A Comprehensive Approach

Inventory Management Systems

- **Types of Inventory Systems:** The lecture discusses various systems such as fixed order quantity and fixed time period models. In Australia, choosing the right system could depend on the nature of the goods, market conditions, and the geographical spread of operations.
- **Just-In-Time (JIT) Systems:** Particularly beneficial for Australian industries where reducing inventory holding costs is crucial due to high real estate prices. JIT can help minimize waste and improve cash flow, which is vital for maintaining competitiveness in the market.

2. Summary of Lecture Week 4 - Optimizing Procurement and Inventory Management in Australia: A Comprehensive Approach

Practical Applications

- Implementing effective inventory management practices such as JIT and cycle counting can significantly reduce overhead costs and improve the responsiveness of businesses to market changes.
- The strategic selection of vendors and the careful management of supplier relationships are critical in Australia, where distance and logistics can impact supply chain efficiency.

2. Summary of Lecture Week 4 - Advanced Procurement Strategies and Applications in the Australian Market

Master Data in Procurement



1. Material Master Data: Central to procurement, this includes detailed descriptions, units of measure, weight, and material groups. In Australia, where standards and regulations may vary, having detailed master data ensures compliance and aids in accurate procurement operations across different states.

2. Vendor Master Data: Essential for maintaining information about suppliers. This data includes addresses, payment terms, and contact details which are critical for establishing and maintaining supplier relationships within the Australian market.

3. Purchasing Info Record: Links specific vendors to materials or groups of materials, including conditions such as pricing and discounts. For Australian businesses, this record is crucial for negotiating terms that meet local market dynamics and competitive conditions.

2. Summary of Lecture Week 4 - Advanced Procurement Strategies and Applications in the Australian Market



Master Data in Procurement

Procurement Process Steps

1. Purchase Requisition: Initiates the procurement process; can be created manually or automatically by Material Requirements Planning (MRP). This step is vital for Australian companies to manage inventory efficiently, especially in industries like manufacturing where material needs can fluctuate due to market demands.

2. Source of Supply: Involves identifying whether to source from internal (like distribution centers) or external suppliers. This decision is particularly significant in Australia where the choice between local versus international suppliers can impact lead times, costs, and compliance with trade regulations.

2. Summary of Lecture Week 4 - Advanced Procurement Strategies and Applications in the Australian Market



3. Vendor Selection: Involves a Request for Quotation (RFQ) process, crucial for selecting the most cost-effective and reliable suppliers. Australian businesses need to consider local vendor capabilities and competitive pricing to optimize their supply chain.

4. Purchase Order Processing: Formal request to a vendor to supply goods or services under specified conditions. For Australian businesses, creating purchase orders with accurate vendor and material data ensures that operations are streamlined and compliant with legal requirements.

2. Summary of Lecture Week 4 - Advanced Procurement Strategies and Applications in the Australian Market



Practical Application in Australia

- **Compliance and Localization:** Adhering to Australian standards and regulations is crucial. Businesses must ensure that their procurement processes are designed to meet local requirements such as safety standards, environmental regulations, and labor laws.
- **Supplier Relationships:** Establishing strong relationships with local suppliers can lead to better pricing, loyalty discounts, and improved supply chain reliability. This is especially important in Australia's often geographically dispersed market.

2. Summary of Lecture Week 4 - Advanced Procurement Strategies and Applications in the Australian Market



- **Technology Integration:** Implementing advanced procurement technologies like SAP ECC helps Australian companies enhance efficiency. The integration of ERP systems can automate many procurement tasks, reduce errors, and provide real-time analytics to support decision-making.
- **Strategic Sourcing:** Australian companies benefit from strategic sourcing practices that reduce costs and improve efficiency. This includes negotiating bulk purchase agreements or long-term contracts with key suppliers to ensure price stability and supply continuity.

By focusing on these advanced procurement strategies and their practical applications within the Australian context, businesses can optimize their procurement processes to achieve greater efficiency, compliance, and profitability in a competitive market.

2. Summary of Lecture Week 4 - Advanced Procurement Strategies and Applications in the Australian Market



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2. Summary of Lecture Week 4 - Streamlining Procurement in Australia: Compliance, Efficiency, and System Integration



- **Goods Receipt (GR)**
- **Process Overview:** In this stage, goods received from external vendors or produced internally are officially recorded. This step is crucial as it impacts stock levels and financial records.
- **Relevance to A** Given Australia's strict trade and import regulations, ensuring accurate goods receipt documentation is essential for compliance. This includes verifying that the goods match the purchase orders, which is critical for customs and quarantine processes.**ustralia:**

2. Summary of Lecture Week 4 - Streamlining Procurement in Australia: Compliance, Efficiency, and System Integration



Invoice Verification

- **Process Overview:** Invoice verification involves matching the invoices received from vendors with the purchase orders and the goods receipts. Discrepancies can lead to invoices being blocked until resolved, which is crucial for maintaining financial accuracy.
- **Relevance to Australia:** For Australian businesses, particularly those in sectors like retail or manufacturing where large volumes of goods are procured, efficient invoice verification processes can prevent financial discrepancies and help in managing cash flows effectively. Automating this process can reduce human error and improve operational efficiency.

2. Summary of Lecture Week 4 - Streamlining Procurement in Australia: Compliance, Efficiency, and System Integration



Payment Processing

- **Process Overview:** This final step involves the actual payment of invoices, which is only executed after successful invoice verification. This step closes the procurement cycle.
- **Relevance to Australia:** Effective payment processing is vital for maintaining healthy supplier relationships, crucial in the Australian market where late payments can affect business credibility and lead to supply chain disruptions. Implementing electronic payment systems that comply with Australian banking standards can expedite this process.

2. Summary of Lecture Week 4 - Streamlining Procurement in Australia: Compliance, Efficiency, and System Integration



Integration with Other Processes

- The procurement process doesn't operate in isolation but is integrated with other business functions such as accounting, quality management, and inventory control. This integration is facilitated by systems like SAP, which can handle complex data needs and reporting requirements.
- **Relevance to Australia:** Integration is particularly important in Australia due to the need for detailed reporting to regulatory bodies, effective stock management across potentially vast geographic distances, and alignment with local financial practices.

2. Summary of Lecture Week 4 - Streamlining Procurement in Australia: Compliance, Efficiency, and System Integration



Practical Example: Victoria University Procure to Pay Process

- **Case Study Insights:** Victoria University's approach to handling 25,000 invoices annually with a "No PO No Pay" policy demonstrates a practical application of procurement principles. By enforcing this policy, the university streamlined its processes, significantly reducing per invoice costs from \$37 to best practice costs of \$3.09.
- **Relevance to Australian Institutions:** This case highlights the importance of strict procurement policies to ensure financial discipline and efficiency, a practice that can be adopted by other Australian institutions to optimize costs and improve process speeds.

2. Summary of Lecture Week 4 - Streamlining Procurement in Australia: Compliance, Efficiency, and System Integration

This detailed explanation of the procurement process provides insights into how each step can be tailored to meet the specific business and regulatory needs in Australia, emphasizing the importance of compliance, efficiency, and integration with broader business systems.



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HS2041 – Enterprise Systems

Workshop 2 - Accounting

Overview

- The function of accounting is to provide financial documentation and information for an enterprise and other interested parties that are associated with it. There are two types of accounting:
- **External accounting** is oriented more towards satisfying the information requirements of external parties. This is referred to as **Financial Accounting (FI)**.
- **Internal accounting** meets the reporting demands of internal enterprise groups. This is referred to as **Cost Accounting (CO)**.

	Financial accounting	Management accounting
Focus	External	Internal
Purpose	Legal reporting (financial statements) Tracking financial impact of processes Communicate with investors	Managing the firm with regard to costs and revenues
Content	Defined by laws and regulations	Defined by management needs

Financial Accounting

- The main components of Financial Accounting are the **General ledger(G/L)** and Sub ledger accounting (accounts payable, accounts receivable, and asset accounting) and consolidation.
 - **General Ledger (G/L)** is the foundation of the accounting function. It serves as a complete record of all business transactions. It is the centralised, up-to-date reference for the maintaining of accounts. Actual individual transactions can be checked at any time in real-time processing by displaying the original documents, line items, and transaction figures at various levels, such as:
 - Account information
 - Journals
 - Totals/transaction figures
 - Balance sheet/profit and loss evaluations

- Sub-ledger accounting includes:
 - **Accounts Payable** records all accounting transactions for dealings with suppliers. Much of its data is obtained from procurement. This supports the procure to pay business scenario.
 - **Accounts Receivable** records all accounting transactions for dealings with customers. This supports the order to cash business scenario
 - **Asset Accounting** records all accounting transactions relating to the management of assets.
 - **Travel Management** manages and calculates travel costs and supports travel planning and travel expenses
 - **Bank ledger** supports the posting of cash flows.

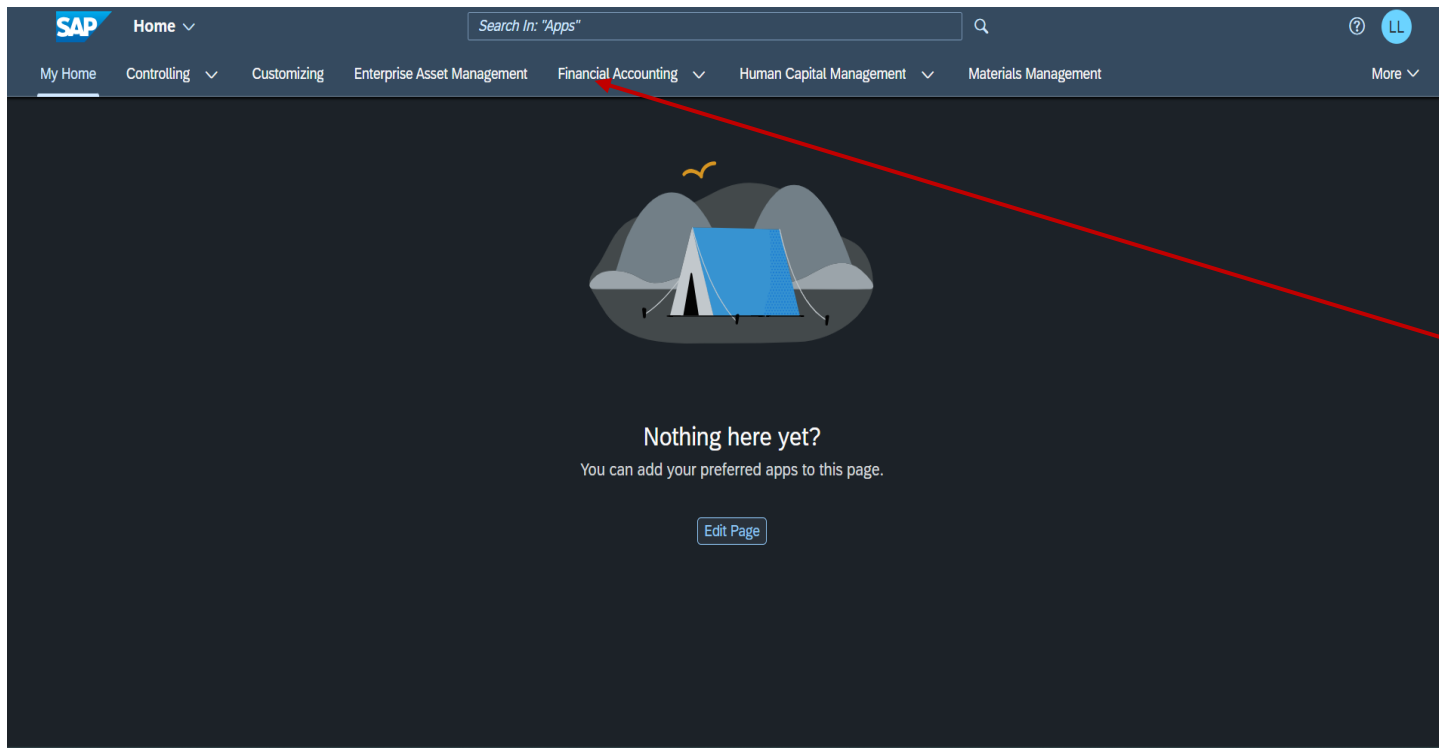


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Financial Accounting

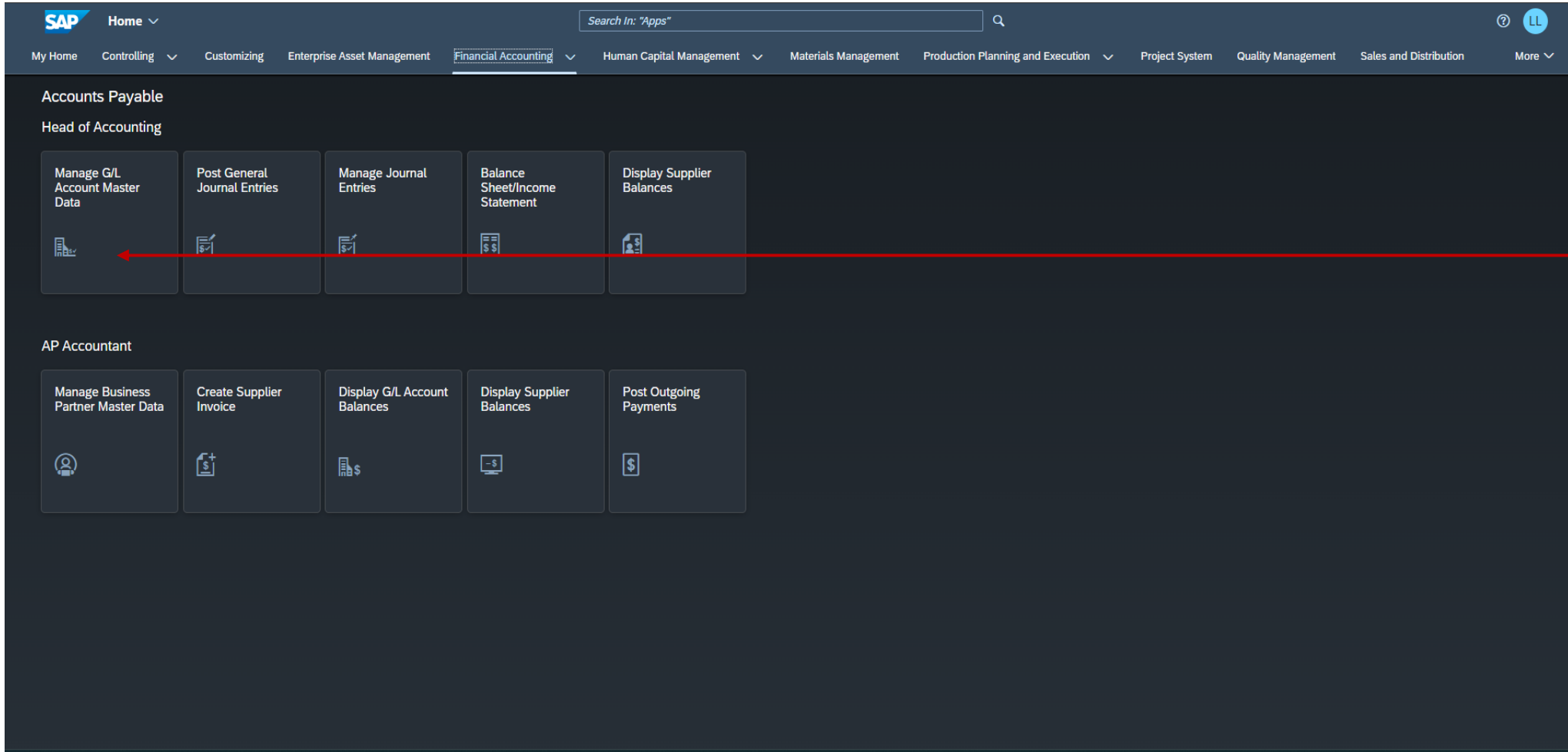
Exploring the Financial Accounting Space

- For the Introduction workshop (Week 4 & 5), we will be using the Controlling space from the Selection bar.



Click on
**Financial
Accounting** in
the Space
Selection Bar

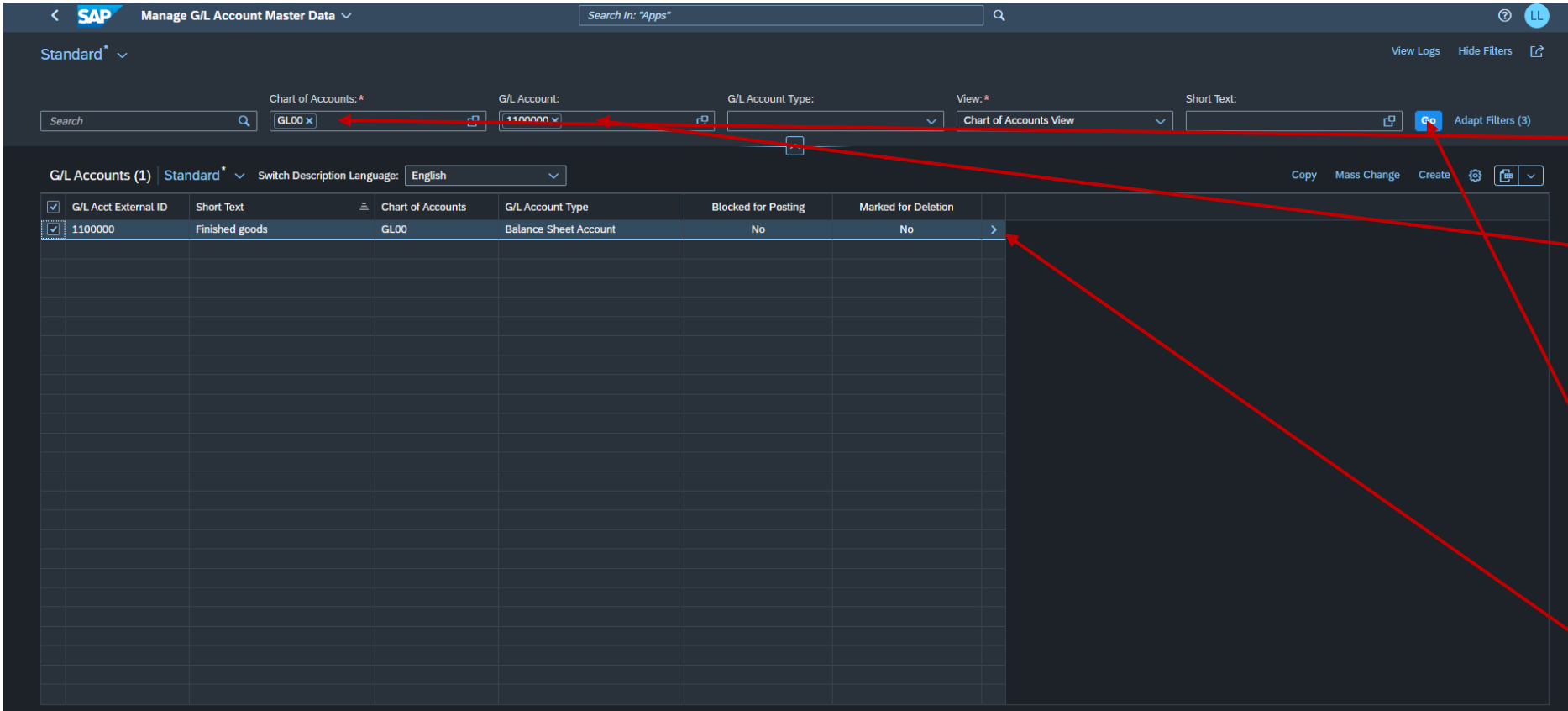
- To understand the structure of G/L Account, view the Chart of Accounts



The screenshot displays the SAP S4/HANA Financial Accounting interface. The top navigation bar includes the SAP logo, a 'Home' dropdown, a search bar labeled 'Search In: "Apps"', and a user profile icon. Below this, a horizontal menu lists various SAP modules: My Home, Controlling, Customizing, Enterprise Asset Management, Financial Accounting (highlighted with a red box), Human Capital Management, Materials Management, Production Planning and Execution, Project System, Quality Management, Sales and Distribution, and a 'More' dropdown. The main content area is divided into two sections. The 'Accounts Payable' section, labeled 'Head of Accounting', contains five tiles: 'Manage G/L Account Master Data' (with a red arrow pointing to it), 'Post General Journal Entries', 'Manage Journal Entries', 'Balance Sheet/Income Statement', and 'Display Supplier Balances'. The 'AP Accountant' section contains five tiles: 'Manage Business Partner Master Data', 'Create Supplier Invoice', 'Display G/L Account Balances', 'Display Supplier Balances', and 'Post Outgoing Payments'.

To view the
Chart of
Accounts,
Click on
Manage G/L
Account
Master
Data

- To view the Chart of Accounts for GBI Global



Manage G/L Account Master Data

Search In: "Apps"

Standard*

View Logs Hide Filters

Chart of Accounts: * G/L Account: G/L Account Type: View: * Short Text: Adapt Filters (3)

G/L Accounts (1) Standard* Switch Description Language: English

<input checked="" type="checkbox"/>	G/L Acct External ID	Short Text	Chart of Accounts	G/L Account Type	Blocked for Posting	Marked for Deletion
<input checked="" type="checkbox"/>	1100000	Finished goods	GL00	Balance Sheet Account	No	No

Enter **GL00** or select from the search screen in the Chart of Accounts field. Enter **1100000** (Finished Goods) or select from the search screen in the G/L Account field. Press **GO**. Click **>** on the account list

■ The Chart of Accounts is displayed

SAP G/L Account Master Data Search In: "Apps" LL

1100000 Edit Copy ↗

Finished goods

General Company Code Data Controlling Data Where Used

Basic Information

Control

Chart of Accounts: GL00 (Global Bike Group)
 G/L Account Type: Balance Sheet Account
 Account Group: 01 (Current Asset Accounts)

Description in Maintenance Lang. (EN)

Short Text: Finished goods
 G/L Account Long Text: Finished goods and merchandise (inventories)

Consolidation Data

Trading Partner No.: -

Administration

Created On: 08/17/2021
 Created by: CREICH
 Group Chart of Accounts: -

Others

Blocked for Creation: No
 Blocked for Posting: No
 Blocked for Planning: No
 Marked for Deletion: No

Translation

Language Key	Short Text	G/L Account Long Text
DE (German)	Fertige Erzeugnisse	Fertige Erzeugnisse und Waren (Bestand)
EN (English)	Finished goods	Finished goods and merchandise (inventories)
ES (Spanish)	Finished goods	Finished goods and merchandise (inventories)
FR (French)	Finished goods	Finished goods and merchandise (inventories)
PT (Portuguese)	Finished goods	Finished goods and merchandise (inventories)

Change History

What Account Group is this G/L assigned to?

What type of Account is this?

■ The Chart of Accounts applied to General Ledger (G/L)

SAP G/L Account Master Data

Search In: "Apps"

1100000
Finished goods

Edit Copy

General Company Code Data Controlling Data Where Used

Basic Information

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FR (French)	Finished goods	Finished goods and merchandise (inventories)
PT (Portuguese)	Finished goods	Finished goods and merchandise (inventories)

Change History

To view the company code specific data, click on **Company Code Data**

- The properties of the account are displayed

SAP

G/L Account Master Data

Search In: "Apps"

?

LL

1100000

Finished goods

General

Company Code Data

Controlling Data

Where Used

Company Code Data

Company Code Assignment (2)

Controlling Area	Company Code	Company Name	Account Currency	Marked for Deletion	Open Item Managem...	Open Item Mgmt by ...	Post Automatically O...	Blocked for Posting	
EU00	DE00	Global - Germany GmbH	EUR	No	No	No	No	No	>
NA00	US00	Global Bike Inc.	USD	No	No	No	No	No	>

Controlling Data

Controlling Area	Apply Statistically	Change History
No data available		

Where Used

Financial Statement Version

Financial Statement Version	Path
G000 (Financial Statement (Global Bike) 000)	Assets -> 1 Current Assets
G001 (Financial Statement (Global Bike) 001)	Assets -> 1 Current Assets
G002 (Financial Statement (Global Bike) 002)	Assets -> 1 Current Assets

Shows that this account is used by **DE00** and **US00** company codes.

Also shows that this account has Euros (EUR) for DE00 and US Dollars (USD) for US00 company codes.

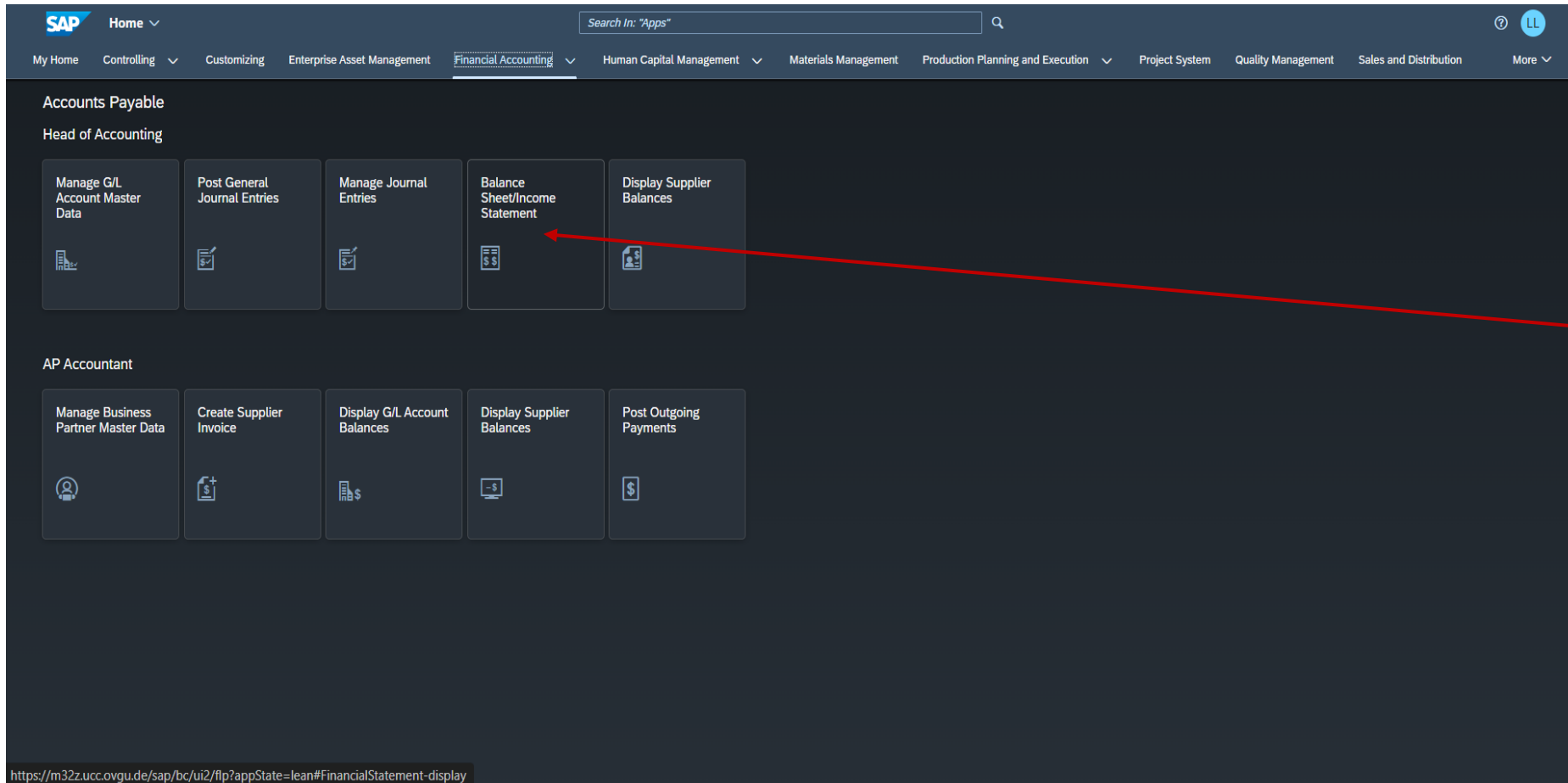


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Display Financial Statements

Display Financial Statements

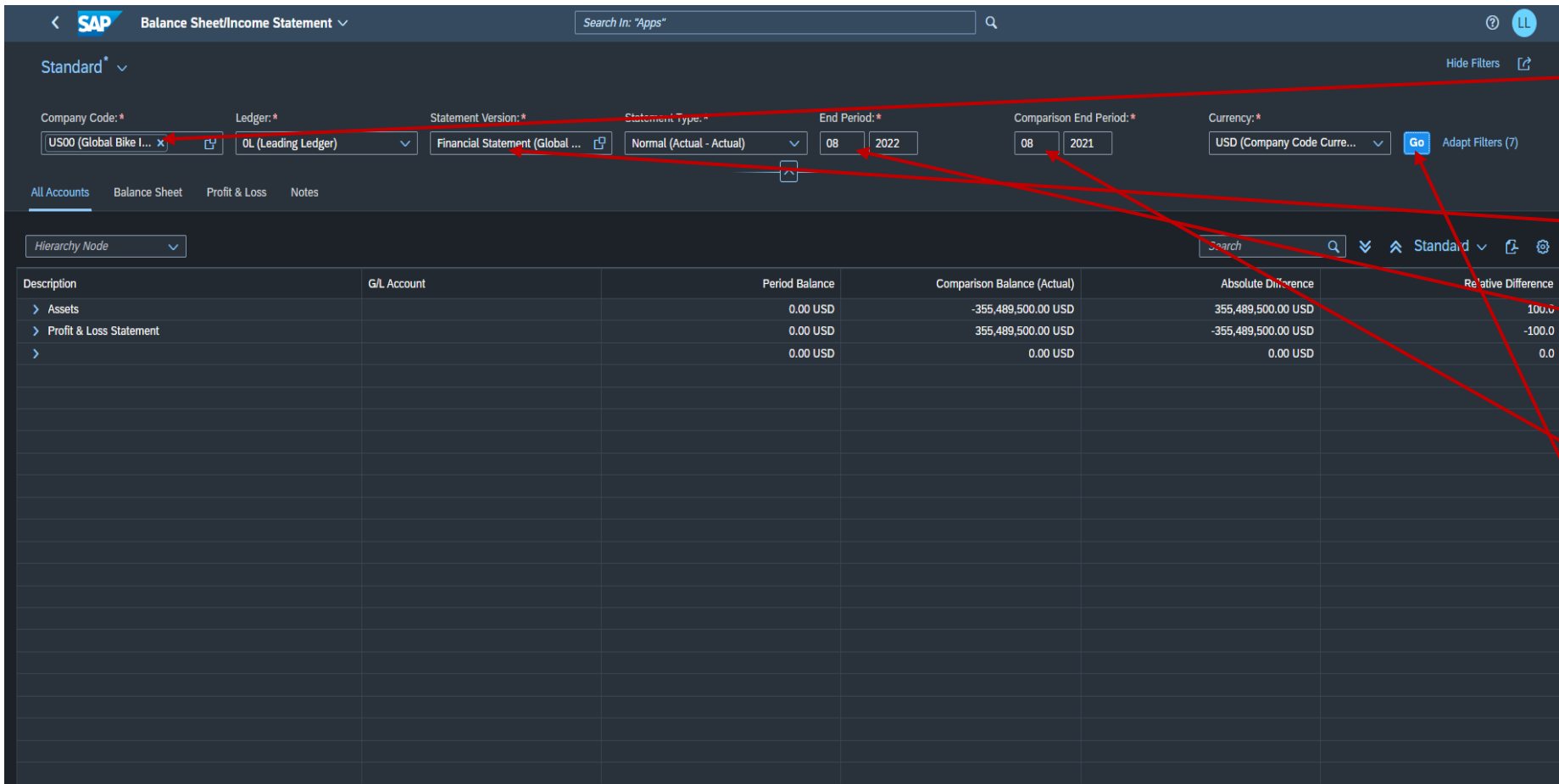
- Click on **SAP** to return to the home screen.
- Click on Financial Accounting Space.



Click on
**Balance
Sheet/Income
Statement.**

Display Financial Statements

- To gain insight into the company performance, display financial statements (Balance Sheets, Profit & Loss Statements etc)



The screenshot shows the SAP 'Balance Sheet/Income Statement' interface. Red arrows point from text instructions on the right to specific fields in the interface:

- Company Code: * **US00** (Global Bike I...)
- Ledger: * **0L** (Leading Ledger)
- Statement Version: * **G000** (Financial Statement (Global ...))
- Statement Type: * **Normal** (Actual - Actual)
- End Period: * **08** **2022**
- Comparison End Period: * **08** **2021**
- Currency: * **USD** (Company Code Curre...)
- Go** button

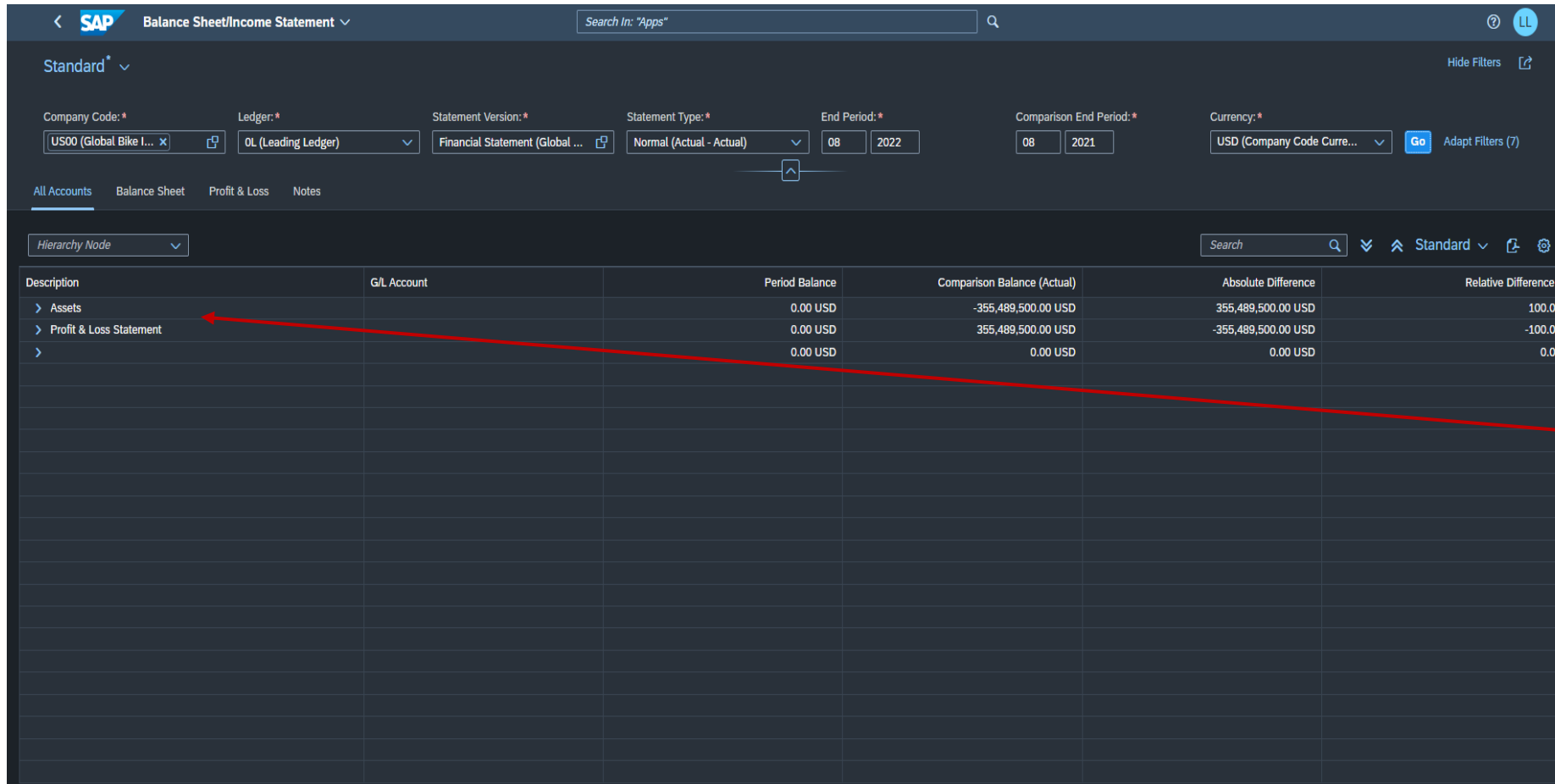
The table below shows the financial data for the selected parameters:

Description	G/L Account	Period Balance	Comparison Balance (Actual)	Absolute Difference	Relative Difference
> Assets		0.00 USD	-355,489,500.00 USD	355,489,500.00 USD	100.0
> Profit & Loss Statement		0.00 USD	355,489,500.00 USD	-355,489,500.00 USD	-100.0
>		0.00 USD	0.00 USD	0.00 USD	0.0

Enter **US00** in the company code field.
 Enter **G000** in the Statement Version field.
 Enter **08 2022** in the End Period field.
 Enter **08 2021** in the Comparison End Period field.
 Click **Go**.

Display Financial Statements

- The financial statements are displayed



The screenshot shows the SAP Financial Statement display interface. The top navigation bar includes the SAP logo, the title 'Balance Sheet/Income Statement', a search bar, and user information. Below this, the 'Standard' view is selected. The main configuration area includes fields for Company Code (US00), Ledger (0L), Statement Version, Statement Type (Normal), End Period (08/2022), Comparison End Period (08/2021), and Currency (USD). A 'Go' button and 'Adapt Filters (7)' link are also present. Below the configuration, tabs for 'All Accounts', 'Balance Sheet', 'Profit & Loss', and 'Notes' are shown. The 'Balance Sheet' tab is active, displaying a table with columns: Description, G/L Account, Period Balance, Comparison Balance (Actual), Absolute Difference, and Relative Difference. The table lists 'Assets' and 'Profit & Loss Statement' with their respective balances and differences. A red arrow points from the text 'Displays the assets and Profit & Loss Statements' to the 'Assets' and 'Profit & Loss Statement' rows in the table.

Description	G/L Account	Period Balance	Comparison Balance (Actual)	Absolute Difference	Relative Difference
> Assets		0.00 USD	-355,489,500.00 USD	355,489,500.00 USD	100.0
> Profit & Loss Statement		0.00 USD	355,489,500.00 USD	-355,489,500.00 USD	-100.0
>		0.00 USD	0.00 USD	0.00 USD	0.0

Displays the
assets and
Profit & Loss
Statements

Display Financial Statements

- Each statement is hierarchical and needs to expand for details.

SAP Balance Sheet/Income Statement

Search In: "Apps"

Standard

Company Code: * US00 (Global Bike I...)

Ledger: * OL (Leading Ledger)

Statement Version: * Financial Statement (Global ...)

Statement Type: * Normal (Actual - Actual)

End Period: * 08 2022

Comparison End Period: * 08 2021

Currency: * USD (Company Code Curre...)

Go Adapt Filters (7)

All Accounts Balance Sheet Profit & Loss Notes

Hierarchy Node

Search

Description	GL Account	Period Balance	Comparison Balance (Actual)	Absolute Difference	Relative Difference
Assets		0.00 USD	-355,489,500.00 USD	355,489,500.00 USD	100.0
1 Current Assets		0.00 USD	-355,489,500.00 USD	355,489,500.00 USD	100.0
Inventories of raw materials, consumables and supp	1000000	0.00 USD	6,009,500.00 USD	-6,009,500.00 USD	-100.0
Work in progress (inventories)	1040000	0.00 USD	915,465,500.00 USD	-915,465,500.00 USD	-100.0
Finished goods and merchandise (inventories)	1100000	0.00 USD	-1,277,509,500.00 USD	1,277,509,500.00 USD	100.0
Merchandise inventories	1140000	0.00 USD	505,250.00 USD	-505,250.00 USD	-100.0
Bank 1	1810000	0.00 USD	-5,250.00 USD	5,250.00 USD	100.0
Bank 2	1820000	0.00 USD	45,000.00 USD	-45,000.00 USD	-100.0
Profit & Loss Statement		0.00 USD	355,489,500.00 USD	-355,489,500.00 USD	-100.0
Revenues		0.00 USD	-45,000.00 USD	45,000.00 USD	100.0
Sales	4000000	0.00 USD	-45,000.00 USD	45,000.00 USD	100.0
Expenditure		0.00 USD	355,534,500.00 USD	-355,534,500.00 USD	-100.0
Other operating expenses	6300000	0.00 USD	355,513,500.00 USD	-355,513,500.00 USD	-100.0
Cost of Goods Sold	6993000	0.00 USD	21,000.00 USD	-21,000.00 USD	-100.0
>		0.00 USD	0.00 USD	0.00 USD	0.0

Expand the statements by clicking expand/collapse icons.

Display Financial Statements

- **Highlighted** data allows drill down for further details.

SAP Balance Sheet/Income Statement

Search In: "Apps"

Standard

Company Code: * US00 (Global Bike I... x)

Ledger: * 0L (Leading Ledger)

Statement Version: * Financial Statement (Global ...)

Statement Type: * Normal (Actual - Actual)

End Period: * 08 2022

Comparison End Period: * 08 2021

Currency: * USD (Company Code Curre...)

Go Adapt Filters (7)

All Accounts Balance Sheet Profit & Loss Notes

Hierarchy Node

Search

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Merchandise inventories	1140000	0.00 USD	505,250.00 USD	-505,250.00 USD	-100.0
Bank 1	1810000	0.00 USD	-5,250.00 USD	5,250.00 USD	100.0
Bank 2	1820000	0.00 USD	45,000.00 USD	-45,000.00 USD	-100.0
Profit & Loss Statement		0.00 USD	355,489,500.00 USD	-355,489,500.00 USD	-100.0
Revenues		0.00 USD	-45,000.00 USD	45,000.00 USD	100.0
Sales	4000000	0.00 USD	-45,000.00 USD	45,000.00 USD	100.0
Expenditure		0.00 USD	355,534,500.00 USD	-355,534,500.00 USD	-100.0
Other operating expenses	6300000	0.00 USD	355,513,500.00 USD	-355,513,500.00 USD	-100.0
Cost of Goods Sold	6993000	0.00 USD	21,000.00 USD	-21,000.00 USD	-100.0
>		0.00 USD	0.00 USD	0.00 USD	0.0

Click on the Comparison Balance (Actual) for Merchandise inventories.

Display Financial Statements

- Select Display Line Items in General Ledger for Journal details.

SAP Display Line Items in General Ledger Search In: "Apps"

Standard Hide Filters

Ledger: * OL (Leading Ledger) Company Code: US00 (Global Bike Inc. x) G/L Account: 1140000 (Goods inv... x) Status: All Items Posting Date: Fiscal Year of Ledger: =2021 x Fiscal Period: 0...8 x Go Adapt Filters (6)

Line Items (1,002) Standard Line Item Details

Status	Assignment Reference	Journal Entry	Journal Entry T...	Posting Date	Posting Key	Amount in Company Code ...	Tax Code	Clearing Journal Entry	Profit Center	Segment	Journal Entry Item Text	Number of Items
Company Code: US00 - Global Bike Inc.												
G/L Account: 1140000 - Merchandise inventories												
✓	20210801	4900000001	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000011	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000017	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000022	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000028	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000034	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000040	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000045	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000051	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000056	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000061	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000068	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000074	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000080	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000086	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000092	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000098	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000104	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000110	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000116	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000122	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000128	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
						505,250.00 USD						1,002

Display Financial Statements

- Click on any line to view the Journal Entry details.

SAP Display Line Items in General Ledger

Search in: "Apps"

Standard

Ledger: OL (Leading Ledger) Company Code: US00 (Global Bike Inc. X) G/L Account: 1140000 (Goods inv... X) Status: All Items Posting Date: Fiscal Year of Ledger: =2021 X Fiscal Period: 0.6 X Adapt Filters (6)

Line Items (1,002) Standard

Status	Assignment Reference	Journal Entry	Journal Entry T...	Posting Date	Posting Key	Amount in Company Code ...	Tax Code	Clearing Journal Entry	Profit Center	Segment	Journal Entry Item Text	Number of Items
Company Code: US00 - Global Bike Inc.												
G/L Account: 1140000 - Merchandise Inventories												
✓	20210801	4900000001	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000011	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000017	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000022	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000028	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000034	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000040	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000045	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000051	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000056	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000061	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000068	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000074	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000080	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000086	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000092	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000098	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000104	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000110	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000116	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000122	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
✓	20210801	4900000128	WA (Goods Iss...	08/01/2021	89	500.00 USD						1
											505,250.00 USD	1,002

SAP Manage Journal Entries

Search in: "Apps"

Item 1 of 2 (4900000001) 500.00 USD Leading Ledger

General Data

Posting Key: 89 (Stock inward movement)
G/L Account: 1140000 (Goods inventory)
Company Code Crd Amt: 500.00 USD
Transaction Crd Amt: 500.00 USD
Functional Currency Amt: 500.00 USD
Assignment: 20210801
Quantity: 20 EA

Payment Transaction Value Date: 09/22/2021

Account Assignment

Business Area: BI00 (Bikes)
Partner Bus. Area: BI00 (Bikes)
Company Code: US00 (Global Bike Inc.)
Controlling Area: NA00
Earmarked funds: -
Document Item: 000
Completion ind.: No
Plant: MI00 (DC Miami)
Material: OHMT1580 (Off Road Helmet)

Output Details

Item ID	Log	Status	Dispatch Time	Output Type	Role	Recipient	Channel	Form Language	Form Template	Changed On	Form Country/Region	Attachments	Display	Details
No data available														

Back to Journal Entry

Click to Manage Journal Entries to view amount, quantity, business area, control area etc.

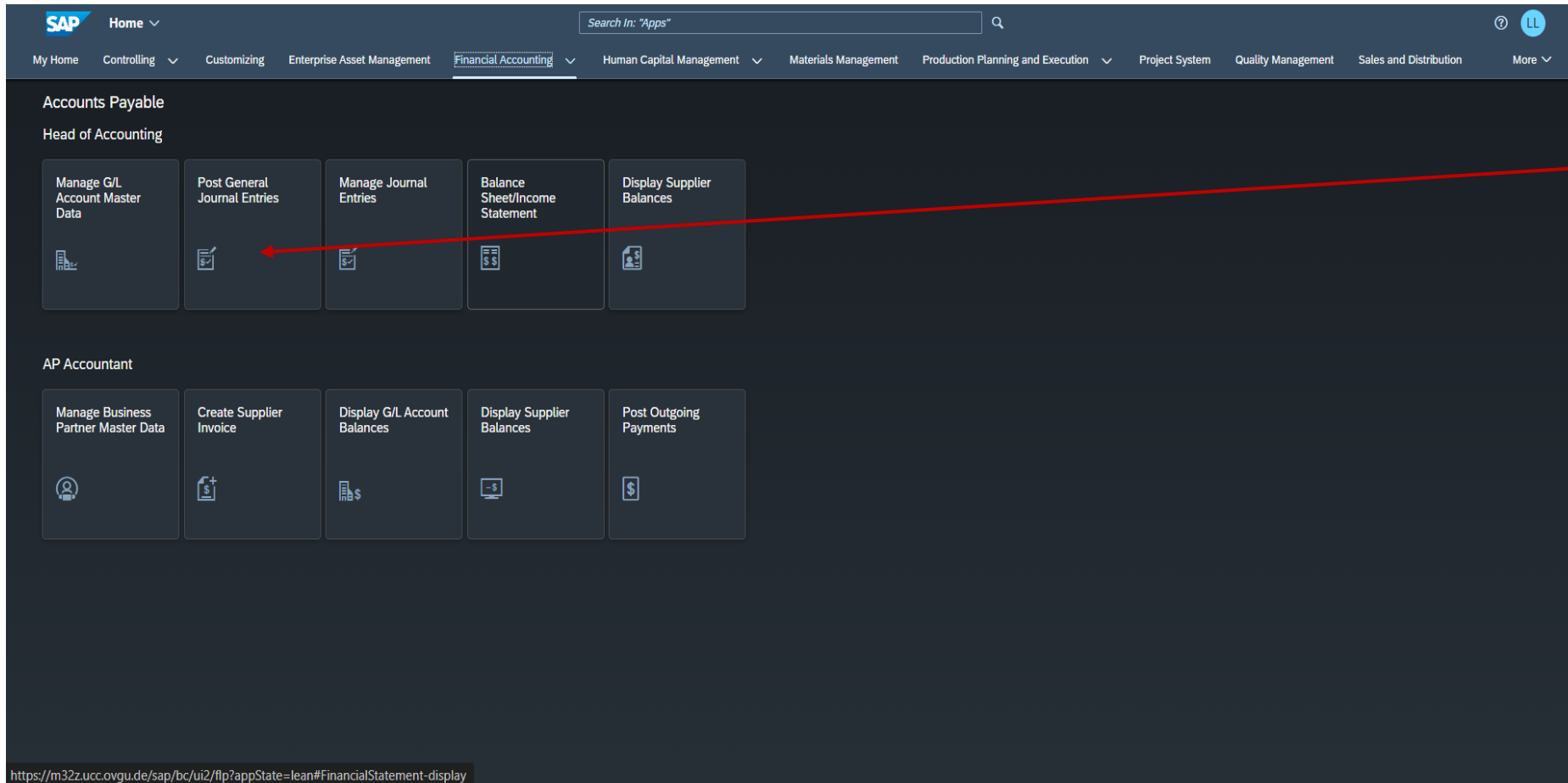


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Post Transfer of Funds to an Account

Post Transfer of Funds to an Account

- Click on **SAP** to return to the home screen and Click on Financial Accounting Space.

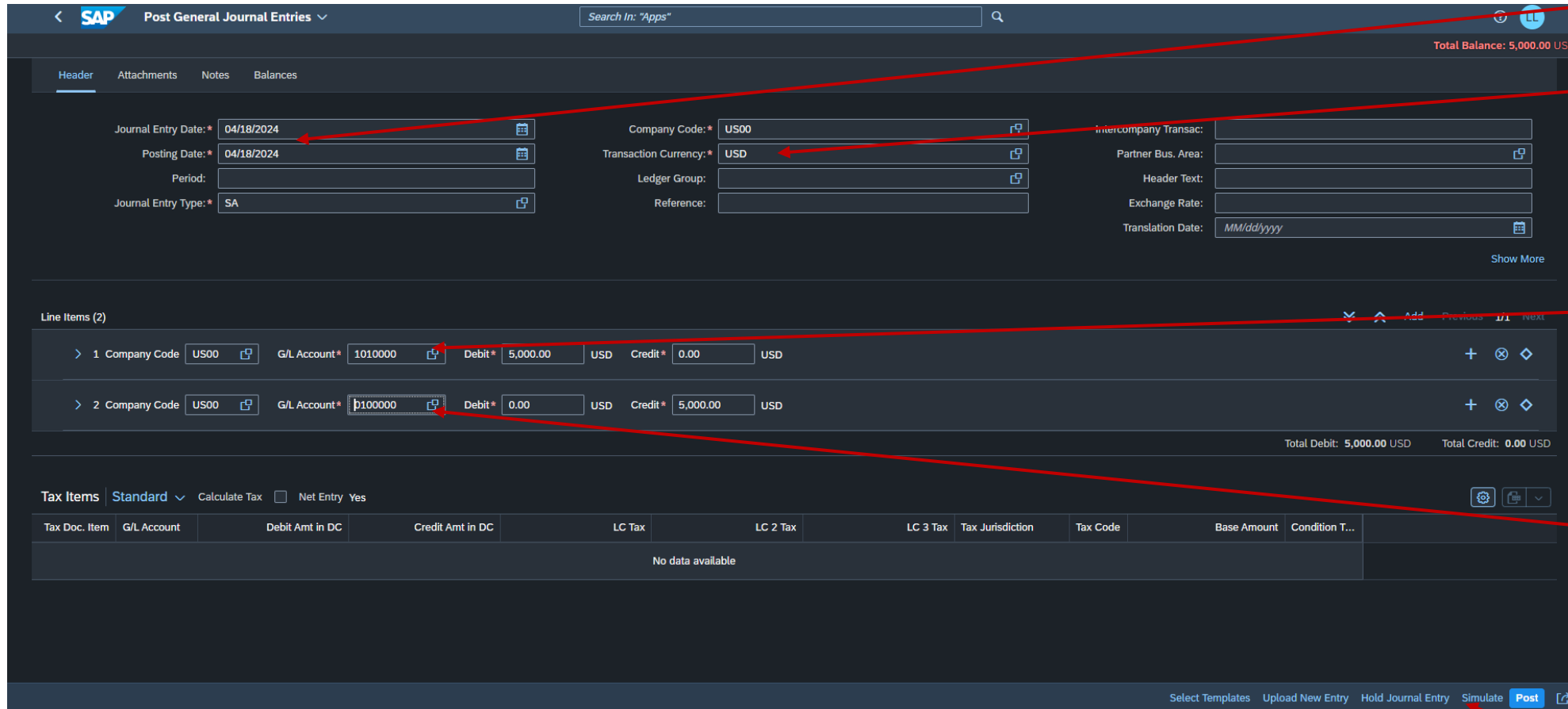


Click on **Post General Journal Entries.**

Scenario:
Transfer \$5000 from the Consumables Account into the Concessions Banks Account.

Post Transfer of funds to an Account

- The Post General Entries Screen is displayed.



The screenshot shows the SAP 'Post General Journal Entries' screen. Red arrows indicate the following fields and values:

- Journal Entry Date:** 04/18/2024
- Posting Date:** 04/18/2024
- Company Code:** US00
- Transaction Currency:** USD
- G/L Account (Line Item 1):** 1010000
- Debit (Line Item 1):** 5,000.00
- G/L Account (Line Item 2):** 0100000
- Credit (Line Item 2):** 5,000.00
- Simulate Button:** Located at the bottom right of the screen.

The screen also displays a 'Total Balance' of 5,000.00 USD and a 'Total Debit' of 5,000.00 USD. The 'Tax Items' section shows 'Standard' as the selected option.

Enter Journal **Entry Date** and **Posting Date**.

Enter **US00** in the Company Code and Select **USD** in the Transaction Currency field.

Enter **1010000** (Consumables) in the G/L account field and **5000** in the Debit field.

Enter **0100000** (Concessions Bank Account) and 5000 in the Credit field. Click **Simulate**

Post Funds Transfer to an Account

- The transaction fits the accounting criteria and no errors are indicated.

< **SAP** Manage Journal Entries ▾ Search In: "Apps" 🔍 ? LL

Journal Entry (YCJNJIUUCF) - Entry View

Header

Journal Entry Date: 04/18/2024	Company Code: US00	Reference: -
Posting Date: 04/18/2024	Transaction Currency: USD	Reference Document Type: BKPFF (Actg Doc.Direct Inpt)
Posting Period: 4 / 2024		Header Text: -
Journal Entry Type: SA (G/L Account Document)		Journal Entry Created By: -
		Entered At (Local Time): -

Show More

Line Items (2) Standard ▾

Posting View I...	G/L Account	Profit Center	Debit	Credit
000001	1010000 (Consumables)		5,000.00 USD	0.00 USD >
000002	100000 (Concessions)		0.00 USD	5,000.00 USD >

Tax Standard ▾

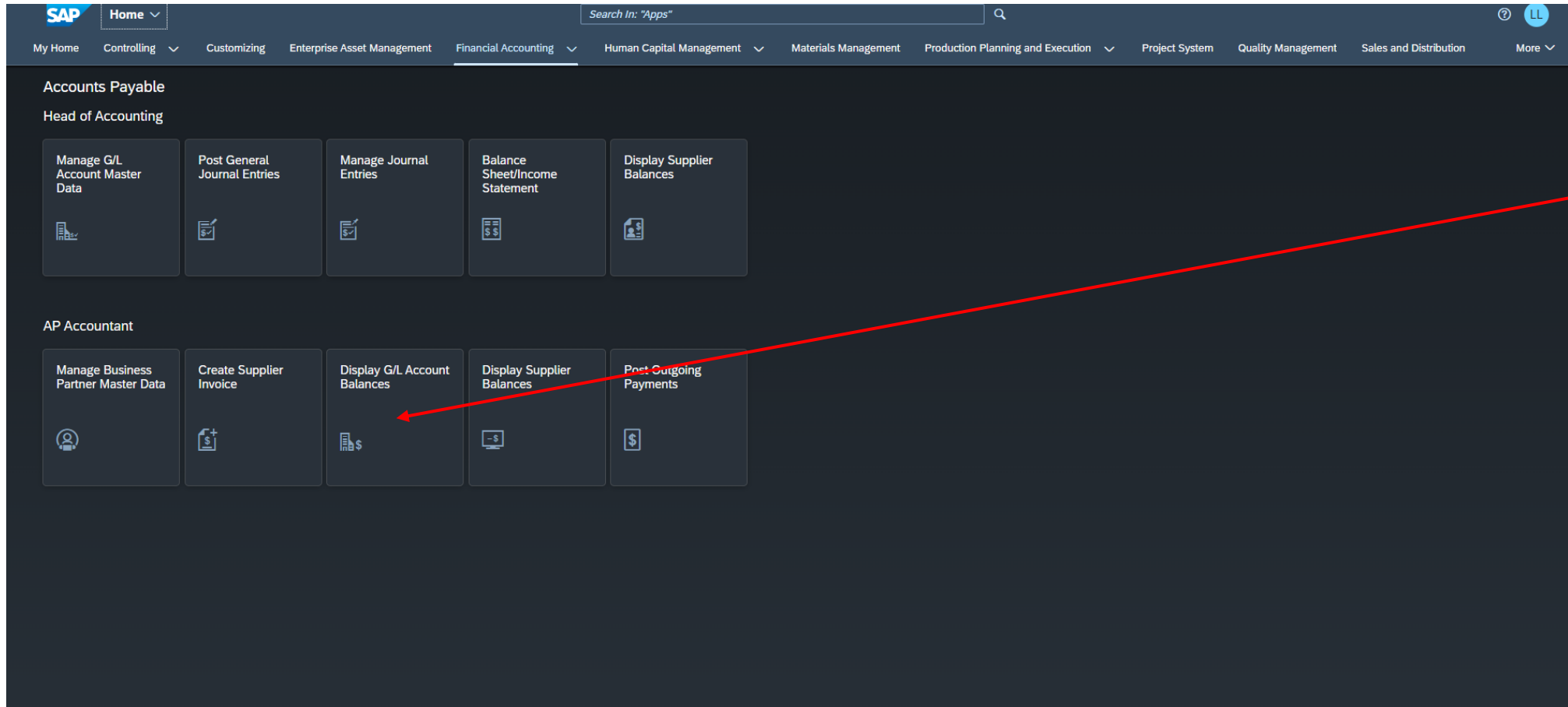
Tax Code	G/L Account	Tax Base Amount	Debit	Credit	Tax Rate
No data available					

Post Select Currency ↗

Click **Post**
to complete
the
transaction

Post Funds Transfer to an Account

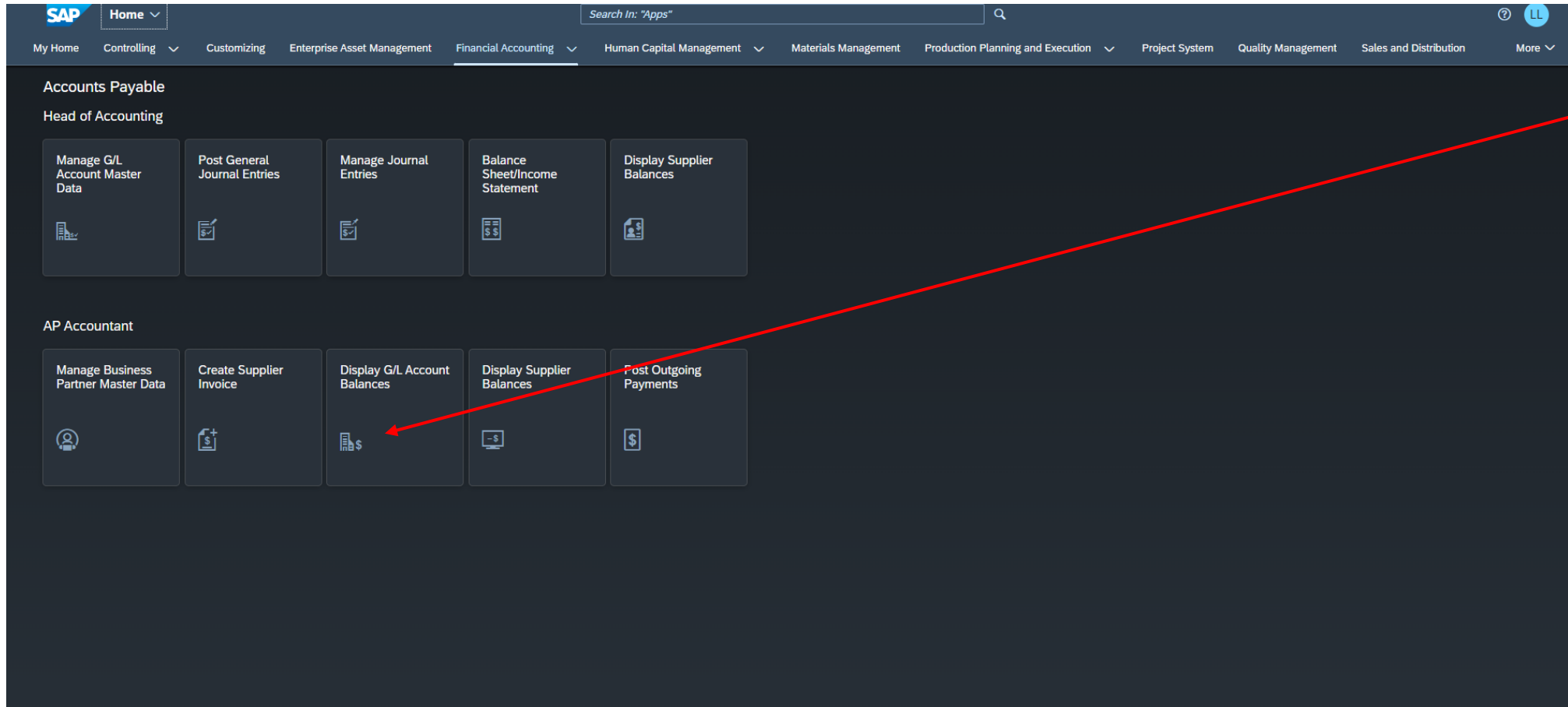
- To check the Journal Entry impact on account Balance, return to the home screen and select Financial accounting.



Click on
**Display G/L
Account
Balance**

Post Funds Transfer to an Account

- To check the Journal Entry impact on account Balance, return to the home screen and select Financial accounting.



Click on
**Display G/L
Account
Balance**

The Consumables account should have a Debit of \$5000 and Concessions Bank Account a Credit of \$5000.

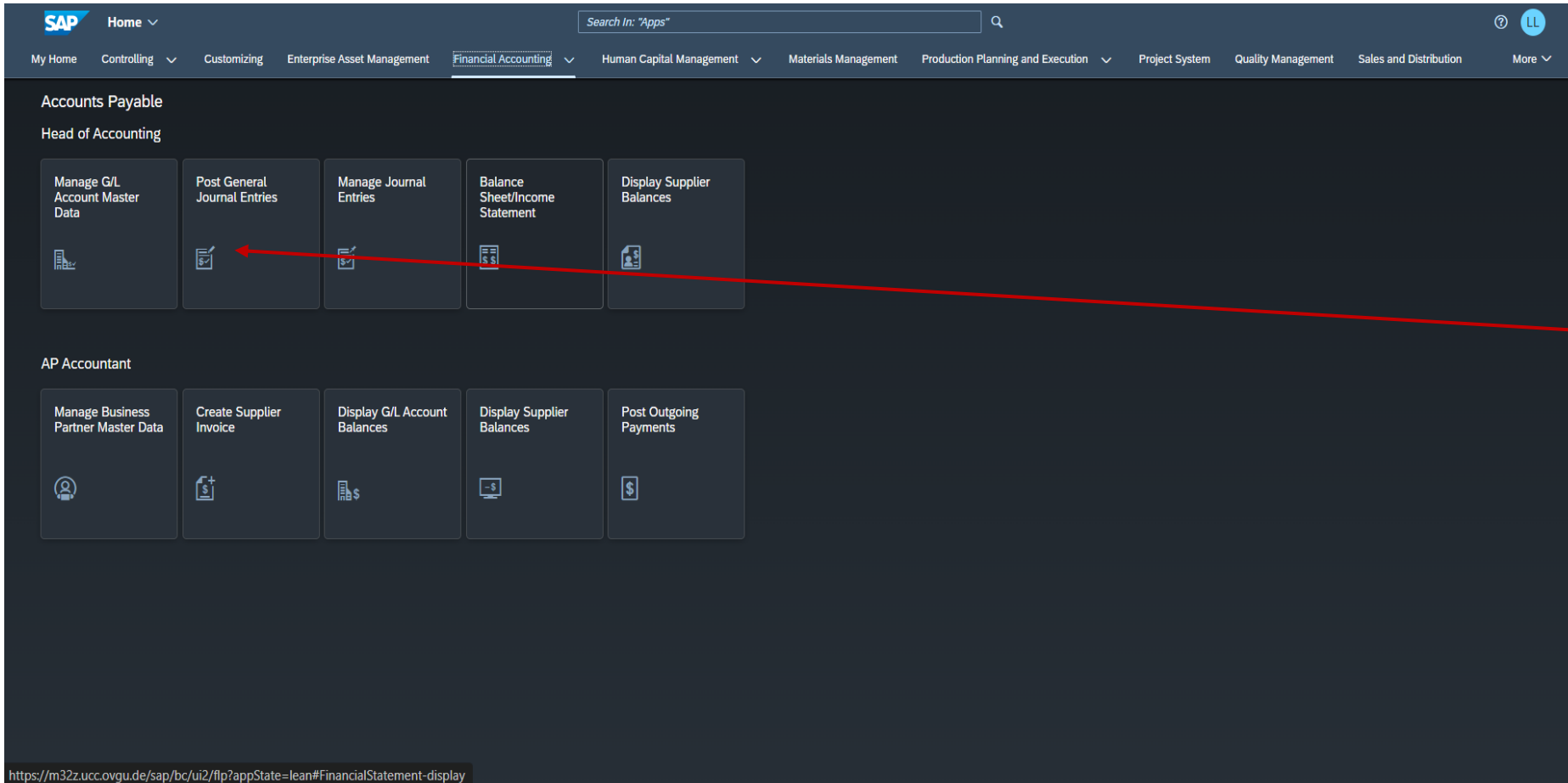


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Create a Journal Entry

Create a Journal Entry

- Click on **SAP** to return to the home screen.
- Click on Financial Accounting Space.



The screenshot displays the SAP Financial Accounting Space. The top navigation bar includes the SAP logo, a 'Home' dropdown, and a search bar labeled 'Search In: "Apps"'. Below the navigation bar, the 'Financial Accounting' menu is expanded, showing several options. A red arrow points from the text 'Click on Post General Ledger Entries' to the 'Post General Journal Entries' button.

Accounts Payable

Head of Accounting

- Manage G/L Account Master Data
- Post General Journal Entries
- Manage Journal Entries
- Balance Sheet/Income Statement
- Display Supplier Balances

AP Accountant

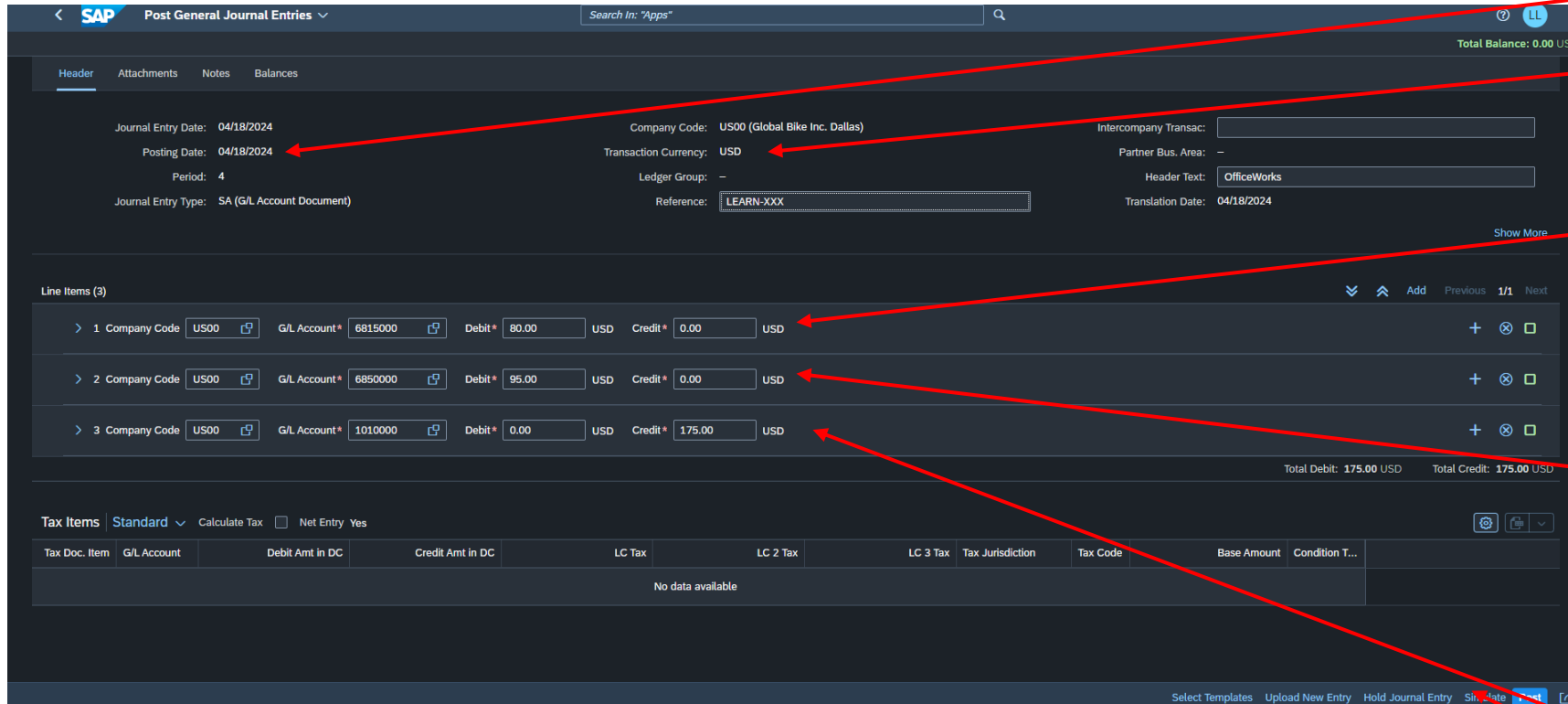
- Manage Business Partner Master Data
- Create Supplier Invoice
- Display G/L Account Balances
- Display Supplier Balances
- Post Outgoing Payments

<https://m32z.ucc.ovgu.de/sap/bc/ui2/flip?appState=lean#FinancialStatement-display>

Click on **Post General Ledger Entries**

Create a Journal Entry

- Scenario: Some Office supplies have been purchased and need to be reconciled in the accounts.



The screenshot shows the SAP 'Post General Journal Entries' interface. Red arrows point to the following fields:

- Journal Entry Date:** 04/18/2024
- Posting Date:** 04/18/2024
- Company Code:** US00 (Global Bike Inc. Dallas)
- Transaction Currency:** USD
- G/L Account * (Line 1):** 6815000
- Debit * (Line 1):** 80.00
- G/L Account * (Line 2):** 6850000
- Debit * (Line 2):** 95.00
- G/L Account * (Line 3):** 1010000
- Debit * (Line 3):** 0.00
- Credit * (Line 3):** 175.00
- Simulate button:** Located at the bottom right of the interface.

Summary of Line Items:

Line	Company Code	G/L Account	Debit	Credit
1	US00	6815000	80.00	0.00
2	US00	6850000	95.00	0.00
3	US00	1010000	0.00	175.00

Total Debit: 175.00 USD, Total Credit: 175.00 USD

Enter Journal **Entry Date** and **Posting Date**.

Enter **US00** in the Company Code and Select **USD** in the Transaction Currency field.

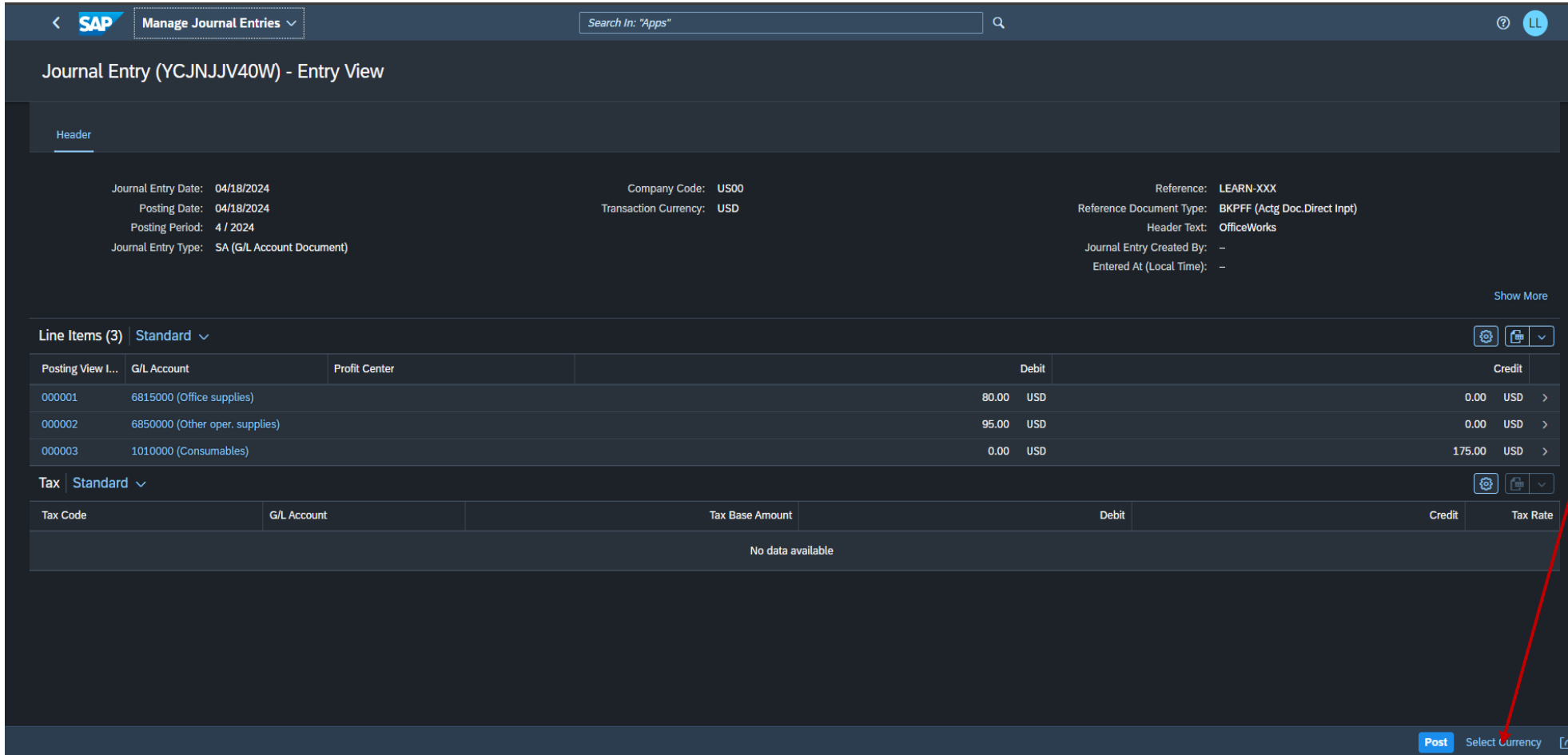
Enter **6815000** (Office Supplies) in the G/L account field and **80** in the Debit field. **NA1510000** Cost Centre must be used.

Enter **6850000** (Other Oper. Supplies) in the G/L account field and **95** in the Debit field. **NA1510000** Cost Centre must be used.

Enter **1010000** (Consumables) in the G/L account field and **175** in the Debit field. Click **Simulate**.

Create a Journal Entry

- The transaction fits the accounting criteria and no errors are indicated.



The screenshot shows the SAP 'Manage Journal Entries' interface. The header section displays the following details:

- Journal Entry Date: 04/18/2024
- Posting Date: 04/18/2024
- Posting Period: 4 / 2024
- Journal Entry Type: SA (G/L Account Document)
- Company Code: US00
- Transaction Currency: USD
- Reference: LEARN-XXX
- Reference Document Type: BKPF (Actg Doc.Direct Inpt)
- Header Text: OfficeWorks
- Journal Entry Created By: -
- Entered At (Local Time): -

The 'Line Items (3)' section is expanded, showing the following data:

Posting View I...	G/L Account	Profit Center	Debit	Credit
000001	6815000 (Office supplies)		80.00 USD	0.00 USD
000002	6850000 (Other oper. supplies)		95.00 USD	0.00 USD
000003	1010000 (Consumables)		0.00 USD	175.00 USD

The 'Tax' section is also expanded, showing 'No data available'.

At the bottom right, there is a 'Post' button and a 'Select Currency' link.

Click on
Post

You may run the G/L Account balance to check the balances in the:

- Consumables account
- Internal Services account

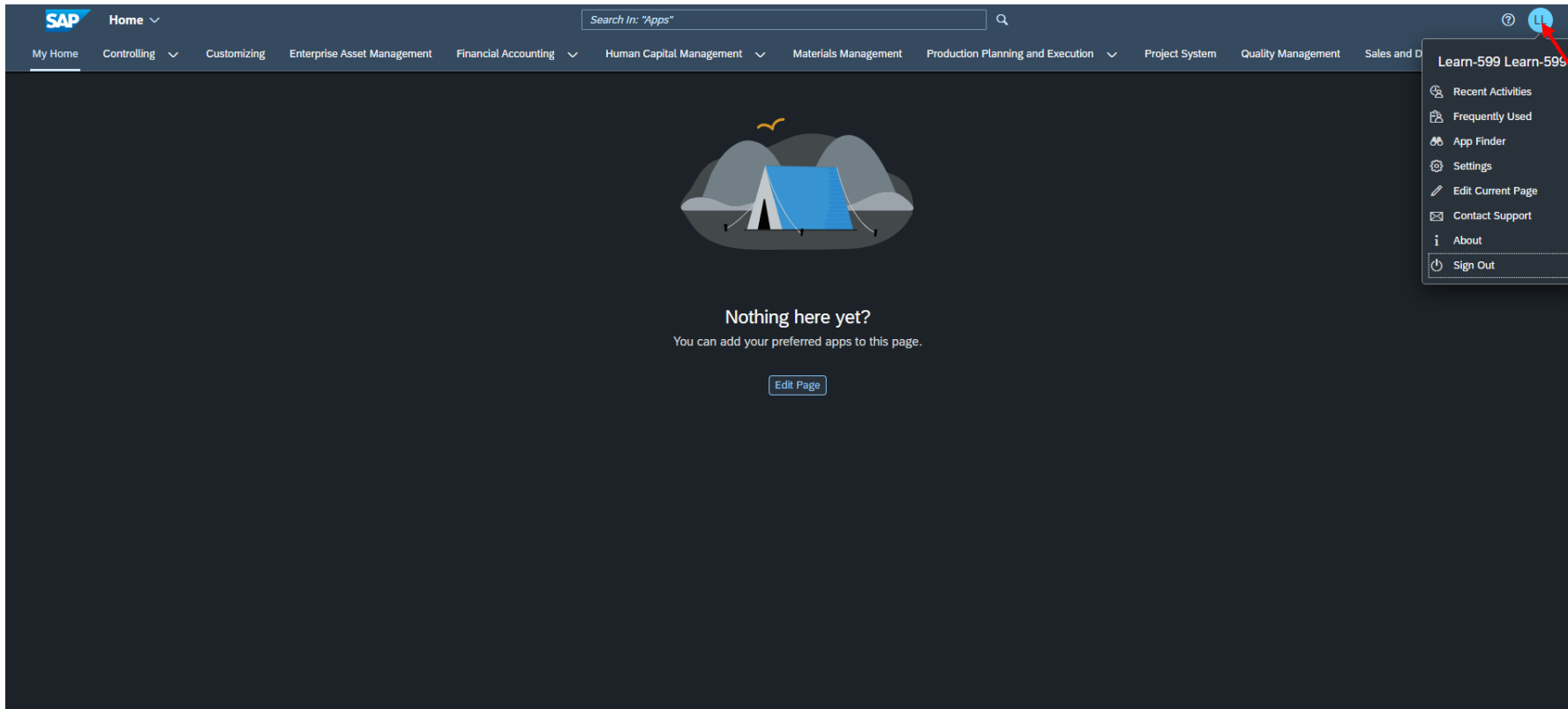


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Logging Off

Logging Off

- Always Log off to protect the data and to avoid unauthorised use.



To Log Off, Click on **LL** Profile and select Sign Out, and press **OK**.



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End of Workshop 1 **Week 2 & 3**

HOLMES INSTITUTE



Holmes Institute SAP Tutorial



SAP ERP: S/4HANA

Introduction

MOTIVATION

This tutorial is an introduction to the SAP S/4HANA enterprise system.

It can be used in the classroom or for self-study.

On completion of the course, students will be able to understand the basic navigation and functionality concepts of the enterprise systems

The material also serves as a reference for occasional users of SAP systems.

LEARNING METHOD

The learning method used is "guided learning." The benefit of this method is that knowledge is imparted quickly. Students also acquire practical skills and competencies.

Exercises, in the end, enable students to put their knowledge into practice.

Product

SAP S/4HANA

Level

Introductory

Focus

ERP Systems

Author

Professor. Paul Hawking

Version 3.2024

SAP Mentors

SAP ERP: S/4HANA Accounting

MOTIVATION

This material is an introduction to SAP S/4HANA financial functionality. It is aimed at students at universities and other educational institutions with limited experience with accounting.

It can be used in the classroom or for self-study.

On completion of the course, students will understand the basic concepts of general ledger accounting.

The material also serves as a reference for occasional users of SAP systems.

LEARNING METHOD

The learning method used is "guided learning." The benefit of this method is that knowledge is imparted quickly. Students also acquire practical skills and competencies. As with an exercise, this method explains a process or procedure in detail using the GBI case study.

Exercises in the end enable students to put their knowledge into practice.

Product

SAP S/4HANA

Level

Introductory

Focus

ERP Systems- Finance

Author

Professor Paul Hawking

Version V3 2024



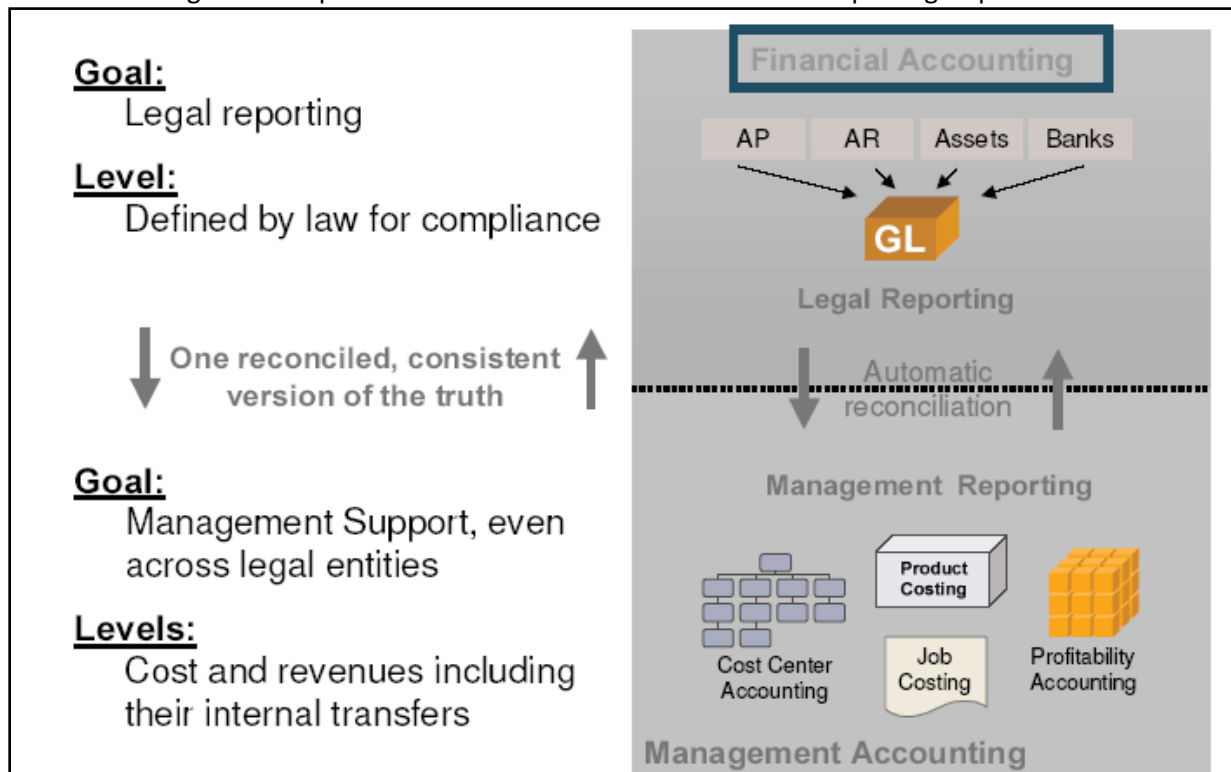
Accounting

The function of accounting is to provide financial documentation and information for an enterprise and other interested parties that are associated with it. There are two types of accounting:

- *External accounting* is oriented more towards satisfying the information requirements of external parties. This is referred to as **Financial Accounting (FI)**.
- *Internal accounting* meets the reporting demands of internal enterprise groups. This is referred to as **Cost Accounting (CO)**.

	Financial accounting	Management accounting
Focus	External	Internal
Purpose	Legal reporting (financial statements) Tracking financial impact of processes Communicate with investors	Managing the firm with regard to costs and revenues
Content	Defined by laws and regulations	Defined by management needs

Each accounting area comprises a number of business scenarios and reporting requirements.



Financial Accounting

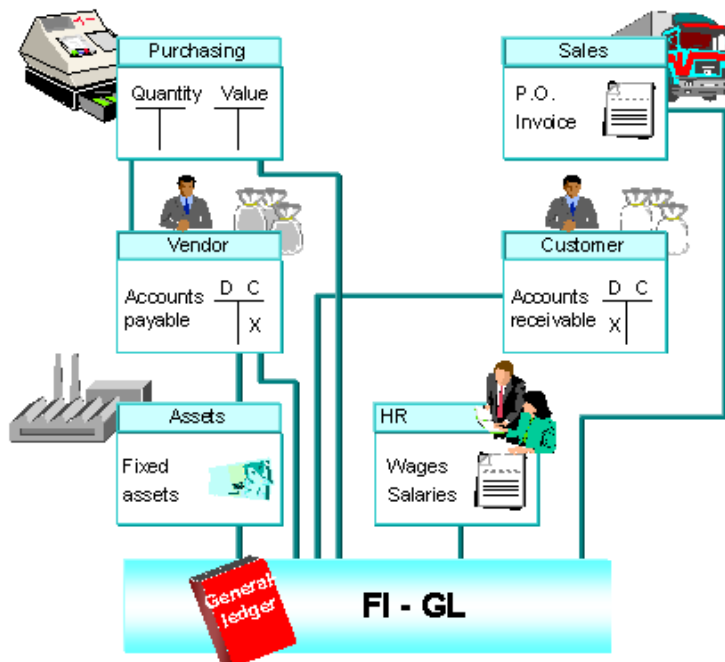
The main components of Financial Accounting are the general ledger(G/L) and sub-ledger accounting (accounts payable, accounts receivable, and asset accounting) and consolidation.

- **Accounts Payable** records all accounting transactions for dealings with suppliers. Much of its data is obtained from procurement. This supports the procure to pay business scenario.
- **Accounts Receivable** records all accounting transactions for dealings with customers. This supports the order to cash business scenario
- **Asset Accounting** records all accounting transactions relating to the management of assets.
- **Travel Management** manages and calculates travel costs and supports travel planning and travel expenses
- **Bank ledger** supports the posting of cash flows.

General Ledger (G/L) is the foundation of the accounting function. It serves as a complete record of all business transactions. It is the centralised, up-to-date reference for the maintaining of accounts.

Actual individual transactions can be checked at any time in real-time processing by displaying the original documents, line items, and transaction figures at various levels, such as:

- Account information
- Journals
- Totals/transaction figures
- Balance sheet/profit and loss evaluations



General Ledger Master Records

General Ledger (G/L) account master records contain the data that is always needed by the general ledger to determine the account's function. The G/L account master records control the posting of accounting transactions to G/L accounts and the processing of the posting data. Before you can make postings to a G/L account, you need to create a master record in that account's system.

G/L account master records are divided into two areas so that companies (company codes) with the same chart of accounts can use the same G/L accounts.

- Chart of accounts area

The chart of accounts area contains the valid data for all company codes, such as the account number. It is a list of all G/L account master records which are used in one or several company codes. For every G/L account master record, the chart of accounts contains the account number, the account name and controlling information. This information is consistent across companies in the same organisation.

- Company code specific area


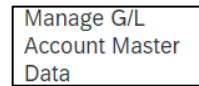
The company code specific area contains data that may vary from one company code to another, such as the currency in which the account may be posted.

The **G/L account master record in the company code** contains company code-specific information which controls the entry of data to this account and the management of the account.

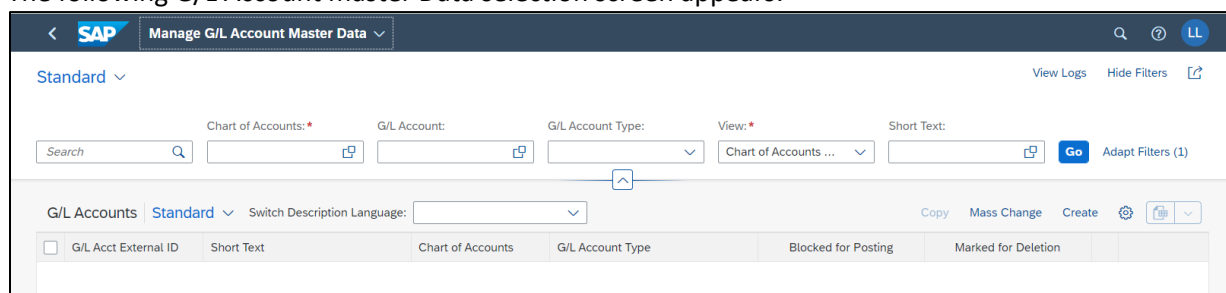
Displaying the Chart of Accounts

Many company codes may share a chart of accounts in the same organisation. For example, Apple Australia and Apple Singapore. Each company code must be assigned a chart of accounts. Once assigned to a company code, it is used to capture information for both Financial Accounting (FI) and Cost Accounting (CO). For each G/L Account, the chart of accounts contains the account number, the account name, and additional technical information

You want to view the Chart of Accounts to understand the structure of General Ledger better.





1. Logon to SAP S/4HANA if not already logged on.
- 2.
3. Click  on the Space Selection Bar to display this Space.
4. Click  to select this function.

The following G/L Account master Data selection screen appears:








The screenshot displays the 'Manage G/L Account Master Data' selection screen in SAP S/4HANA. The interface includes a search bar, filters for 'Chart of Accounts', 'G/L Account', and 'G/L Account Type', and a table of G/L Accounts. The table has columns for 'G/L Acct External ID', 'Short Text', 'Chart of Accounts', 'G/L Account Type', 'Blocked for Posting', and 'Marked for Deletion'. The 'G/L Accounts' section is currently set to 'Standard'.


You want to view the **Chart of Accounts** for GBI Global

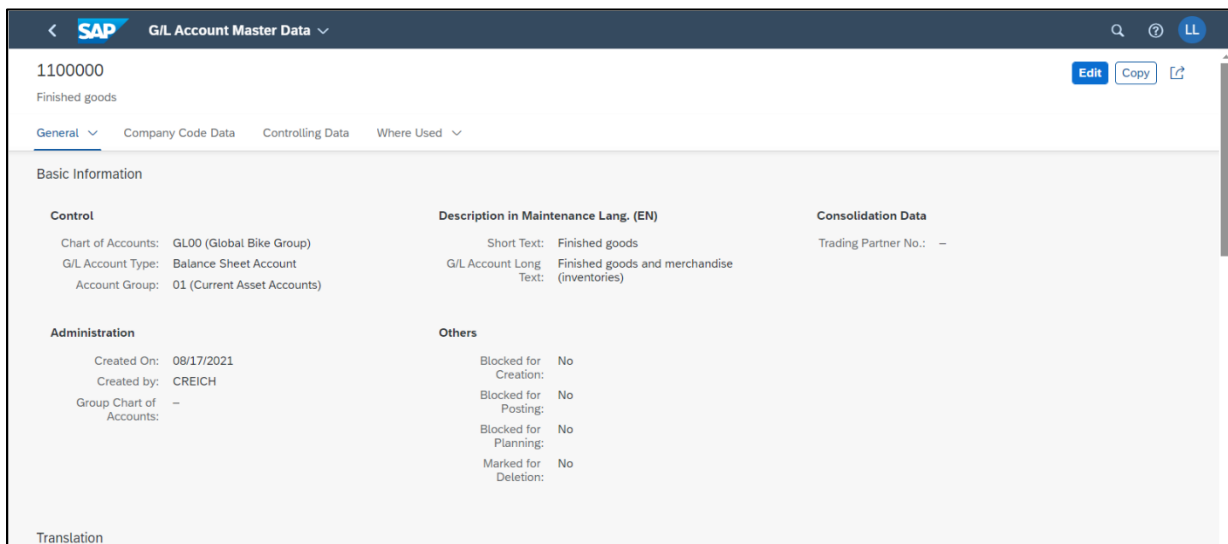
5. Click  in the Chart of Accounts* field to display the Search screen.
6. Click  for **GL00** (Financial Statement (GBI) 000) to select this Chart of Accounts.
7. Click  to continue and return to the selection screen.
8. Click  to display the account definitions for the GBI Chart of Accounts.

As you can see there are a lot of G/L accounts in this Chart of Accounts. You can filter the list to a particular account by using the search facilities in the header of the page. For example, to view the accounts associated with Finished Goods (acct. 1100000) you:

9. Click  in the G/L Account: field to display the Search screen.
10. Type **Finished Goods** or **1100000** in the text field.
11. Click  to display the accounts that match the selection criteria.
12. Click  for 1100000 (Finished Goods) to select this account.
13. Click  to continue and return to the selection screen.
14. Click  to display the account.

To view further details:

15. Click  of the account.



SAP G/L Account Master Data

1100000
Finished goods

General | Company Code Data | Controlling Data | Where Used

Basic Information

Control	Description in Maintenance Lang. (EN)	Consolidation Data
Chart of Accounts: GL00 (Global Bike Group)	Short Text: Finished goods	Trading Partner No.: -
G/L Account Type: Balance Sheet Account	G/L Account Long Text: Finished goods and merchandise (inventories)	
Account Group: 01 (Current Asset Accounts)		

Administration

Created On: 08/17/2021	Blocked for Creation: No
Created by: CREICH	Blocked for Posting: No
Group Chart of Accounts: -	Blocked for Planning: No
	Marked for Deletion: No

Translation



The Chart of Accounts includes a structure for Account codes.

What Account Group is this G/L account assigned to?

What type of account is this account?

The Chart of Accounts Applied to the General Ledger

The General Ledger is a version of the Chart of Accounts implemented for each Company. Each G/L Account being used by a company code is defined by the Charts of Accounts (Account Group, Numbering, Type, Description). Although there is a consistent definition of accounts in the General Ledger additional information needs to be added for specific company codes especially when these companies operate in different countries for example Currency, tax etc. In this way, in an organisation, a chart of accounts may be used by several company codes, with each having its own unique information and settings (different countries) but at the same time facilitating the integration of accounting information across the organisation. For example, Account 600000 would reflect sales transactions in each company.

16. Click [Company Code Data](#) to view company code specific data for the Finished Goods account (110000).

The screenshot shows the SAP G/L Account Master Data screen for account 1100000 (Finished goods). The 'Company Code Data' tab is selected. Below the tab, there is a table titled 'Company Code Assignment (2)' which lists the company codes and their associated currencies.


Controlling Area	Company Code	Co...	Account Currency	Marked for Deletion	Open Item Managem...	Open Item Mgmt by ...	Post Automatically O...	Blocked for Posting
EU00	DE00	GL...	EUR	No	No	No	No	No
NA00	US00	GL...	USD	No	No	No	No	No


The screen indicates that this Account is used in the DE00 – Global Bike Germany GmbH and US00 Global Bike Inc. Company Codes. Also, it indicates that the currency for DE00 is euros (EUR) and US dollars (USD) for US00.

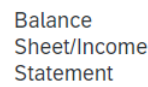


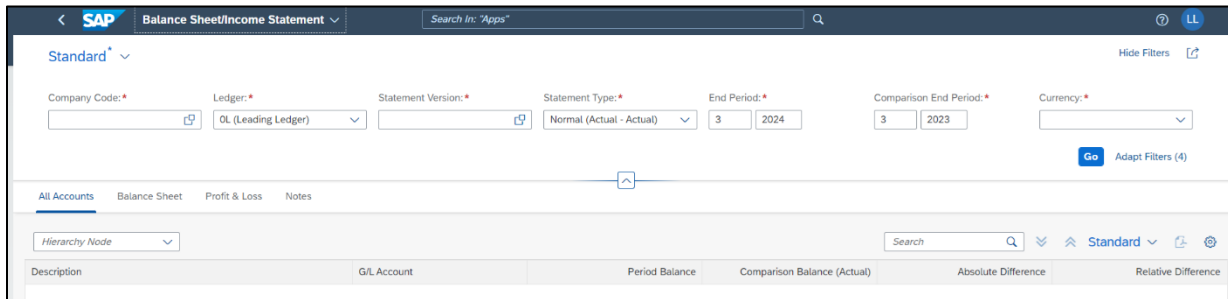
Display Financial Statements

Often Financial staff need to display financial statements which involves Balance Sheets and Profit and Loss statements for a company to gain insight to company's performance. These reports are generated by analysing all the relevant accounting line items. From these reports, a user can also access the line items of a specific G/L account or customer/supplier line items. To do this:

17. Click  to return to the home screen.

18. Click  on the Space Selection Bar to display this Space.

19. Click  to display a selection screen.



The screenshot shows the SAP 'Balance Sheet/Income Statement' selection screen. The 'Company Code*' field is empty. The 'Ledger*' is set to '0L (Leading Ledger)'. The 'Statement Version*' is empty. The 'Statement Type*' is set to 'Normal (Actual - Actual)'. The 'End Period*' is set to '3' and '2024'. The 'Comparison End Period*' is set to '3' and '2023'. The 'Currency*' is empty. The 'Go' button is visible. Below the selection fields, there are tabs for 'All Accounts', 'Balance Sheet', 'Profit & Loss', and 'Notes'. The 'All Accounts' tab is selected. A search bar is present. The table below shows the hierarchy of accounts.

Description	G/L Account	Period Balance	Comparison Balance (Actual)	Absolute Difference	Relative Difference
> Assets		0.00 USD	-355,489,500.00 USD	355,489,500.00 USD	100.0
> Profit & Loss Statement		0.00 USD	355,489,500.00 USD	-355,489,500.00 USD	-100.0
>		0.00 USD	0.00 USD	0.00 USD	0.0

20. Type **US00** (Company Code for Global Bike Inc.) in the **Company Code*** field.

21. Type **G000** in the **Statement Version*** field.

22. Type **08 2022** in the **End Period*** field.

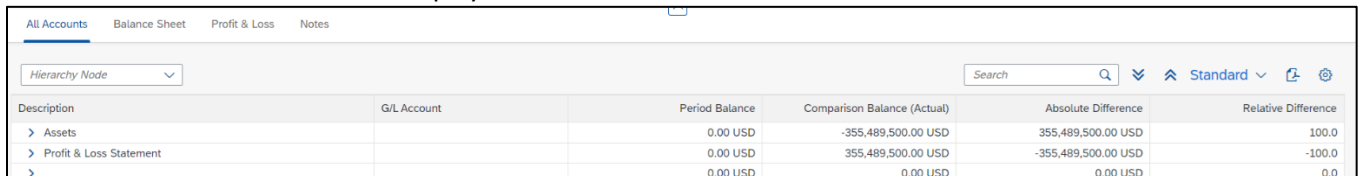
23. Type **08 2021** in the **Comparison End Period*** field

Similar to below:



The screenshot shows the SAP 'Balance Sheet/Income Statement' selection screen with filters applied. The 'Company Code*' is set to 'US00 (Global B...)'. The 'Ledger*' is set to '0L (Leading Ledger)'. The 'Statement Version*' is set to 'Financial Statement (Glo...)'. The 'Statement Type*' is set to 'Normal (Actual - Actual)'. The 'End Period*' is set to '08' and '2022'. The 'Comparison End Period*' is set to '08' and '2021'. The 'Currency*' is set to 'USD (Company Code C...)'. The 'Go' button is visible.

24. Click  to display the results.



The screenshot shows the SAP 'Balance Sheet/Income Statement' results table. The table has columns for 'Description', 'G/L Account', 'Period Balance', 'Comparison Balance (Actual)', 'Absolute Difference', and 'Relative Difference'. The data is as follows:

Description	G/L Account	Period Balance	Comparison Balance (Actual)	Absolute Difference	Relative Difference
> Assets		0.00 USD	-355,489,500.00 USD	355,489,500.00 USD	100.0
> Profit & Loss Statement		0.00 USD	355,489,500.00 USD	-355,489,500.00 USD	-100.0
>		0.00 USD	0.00 USD	0.00 USD	0.0

The data is displayed in a hierarchy to assist the user with navigation. To display all the data:

25. Click



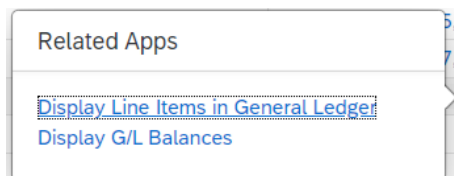
Description	G/L Account	Period Balance	Comparison Balance (Actual)	Absolute Difference	Relative Difference
Assets		0.00 USD	-355,489,500.00 USD	355,489,500.00 USD	100.0
1 Current Assets		0.00 USD	-355,489,500.00 USD	355,489,500.00 USD	100.0
Inventories of raw materials, consumables and supp	1000000	0.00 USD	6,009,500.00 USD	-6,009,500.00 USD	-100.0
Work in progress (inventories)	1040000	0.00 USD	915,465,500.00 USD	-915,465,500.00 USD	-100.0
Finished goods and merchandise (inventories)	1100000	0.00 USD	-1,277,509,500.00 USD	1,277,509,500.00 USD	100.0
Merchandise inventories	1140000	0.00 USD	505,250.00 USD	-505,250.00 USD	-100.0
Bank 1	1810000	0.00 USD	-5,250.00 USD	5,250.00 USD	100.0
Bank 2	1820000	0.00 USD	45,000.00 USD	-45,000.00 USD	-100.0
Profit & Loss Statement		0.00 USD	355,489,500.00 USD	-355,489,500.00 USD	-100.0
Revenues		0.00 USD	-45,000.00 USD	45,000.00 USD	100.0
Sales	4000000	0.00 USD	-45,000.00 USD	45,000.00 USD	100.0
Expenditure		0.00 USD	355,534,500.00 USD	-355,534,500.00 USD	-100.0

You will notice that the aggregated period balances on appear at the top of each hierarchy level.

As mentioned previously one of the strengths of these types of systems is to be quickly navigate to related data enabling a user to gain an insight as to the factors that contribute to balance. The highlighted data on the screen indicates that a user can drill-down to further detail. For example:

26. Click the **Comparison balance (Actual)** for **Merchandise inventories**.

A dialog screen appears;



27. Click Display Line Items in General Ledger

The following screen appears;

Line Items (1,002) Standard										Line Item Details	
Status	Assignment Reference	Journal Entry	Journal Entry T...	Posting Date	Posting Key	Amount in Company Code ...	Tax Code	Clearing Journal Entry	Profit Center	Segment	Journal En
Company Code: US00 - Global Bike Inc.						505,250.00	USD				
						505,250.00	USD				

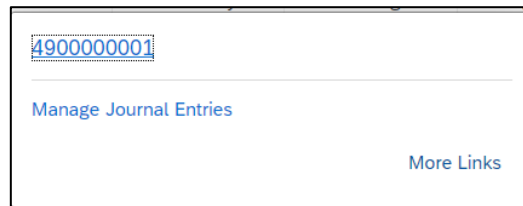
28. Click > next to **Company Code: US00 - Global Bike Inc.** to expand the hierarchy.

The G/L Account associated with the balance is displayed.

29. Click > of this account to display the Journal Entries which contributed to the merchandise inventories balance.

30. Click the first **Journal Entry** number to display its details.

A dialog screen appears.



31. Click [Manage Journal Entries](#).


Details of the Journal Entry appear. This includes the amount, quantity, business area, and controlling area.


Post Transfer of Funds to an Account

The General Ledger contains a number of accounts. In some scenarios, funds may need to be transferred between accounts. In this exercise you are going to generate a journal entry for the US GBI company to transfer funds (\$USD5,000) from the Consumables account (1010000) to the Concessions bank account (100000).

To create a Journal Entry you are going to use the **Post General Journal Entries** app.



32. Click  to return to the home screen.

33. Click  on the Space Selection Bar to display this Space.

34. Click  to display the posting screen.

SAP Post General Journal Entries

Header Attachments Notes Balances

Journal Entry Date: * MM/dd/yyyy
Posting Date: * 03/04/2024
Period:
Journal Entry Type: * SA

Company Code: *
Transaction Currency: *
Ledger Group:
Reference:

Intercompany Transac:
Partner Bus. Area:
Header Text:
Exchange Rate:
Translation Date: MM/dd/yyyy

Show More

Line Items (2)

1 Company Code G/L Account * Debit * 0.00 Credit * 0.00

2 Company Code G/L Account * Debit * 0.00 Credit * 0.00

Total Debit: 0.00 Total Credit: 0.00

Tax Items Standard Calculate Tax Net Entry Tax Reporting Date MM/dd/yyyy Exchange Rate Taxes

Tax Doc. Item	G/L Account	Debit Amt in DC	Credit Amt in DC	LC Tax	LC 2 Tax	LC 3 Tax
No data available						

Select Templates Upload New Entry Hold Journal Entry Simulate Post

First you need to indicate the Journal Entry Date.

35. Click  in the **Journal Entry Date** field to display the calendar.

You will notice that today's date is highlighted.

36. Click **<ENTER>** to transfer today's date to the **Journal Entry Date** field.

The Posting Date has defaulted to the same date but you could make the Posting date sometime in the future. For this exercise you will leave it as it is. You now need to indicate the company which is involved in the transfer.

37. Type **US00** in the **Company Code** field to indicate GBI US.

As monies are often transferred in different currencies to need to indicate the currency type.

38. Type **USD** in the **Transaction Currency** field.

Now you need to enter the details of the transfer. Transfer funds (\$USD5,000) from the Consumables account (debit) to the Concessions bank account (credit)

39. Type the following details

Line Items (2)

1 Company Code US00 G/L Account * 1010000 Debit * 5,000.00 USD Credit * 0.00 USD

2 Company Code US00 G/L Account * 0100000 Debit * 0.00 USD Credit * 5,000.00 USD



You can test if the postings are correct by simulating the posting.

40. Click **Simulate** to test the postings

No errors should appear and a summary of the Journal Entry appears. You are now ready to make the transfer of post it.

41. Click **Post** to complete the transfer.

The details of the posting appears. Notice that it indicates which user was involved what time it occurred.

Display G/L Account Balance

You can now view the impact that the Journal Entry had on the accounts involved. It is important for users to be able to quickly view the balance of different accounts. The accounting function underpins all businesses process in a company. The General Ledger and its accounts is the area where accounting activity is recorded. Throughout the exercises you will be continually reviewing the general ledger accounts to get an understanding how the various business processes and their associated transactions impact on the accounting function.

42. Click **SAP** to return to the home screen.

43. Click **Financial Accounting** on the Space Selection Bar to display this Space.

44. Click **Display G/L Account Balances** app to start this application.

The following screen appears:


You will notice that there are a number of fields in the **Header** area which require data.

45. Type **US00** in the **Company Code** field.

As you type the relevant data for US GBI Bike is displayed.

46. Click **US00** to select it and transfer the details to the **Company Code** field.
47. Type **1010000** (Consumables) in the **Account** field.

Again, notice that as you type, the available accounts are being searched automatically and those which match are being displayed.

48. Click **101000 Consumables** to select it.
49. Ensure that the **Ledger Fiscal Year** matches the current year.
50. Click  to display the details.

A screen similar to below appears:



Period	Debit Amount in Company Code Currency	Credit Amount in Company Code Currency	Balance Amount in Company Code Curre...	Ending Balance Amount in Company Cod...
Opening Balance				0.00
001/2024				0.00
002/2024				0.00
003/2024	5,000.00	0.00	5,000.00	5,000.00
004/2024				5,000.00

Notice that this account has been debited.

If your numbers are different, can you explain why?

Answer: Other students have also been using this account.

Now you need to view the account balance of the account that was to be credited to ensure that the posting has occurred. Rather than enter most of the same details again you can just change the account number.

51. Click the  in **G/L Account:** field.
52. Type **100000** in the **G/L Account** field.
53. Click  to display the details.

A screen similar to below appears:


Period	Debit Amount in Company Code Currency	Credit Amount in Company Code Currency	Balance Amount in Company Code Curre...	Ending Balance Amount in Company Cod...
Opening Balance				0.00
001/2024				0.00
002/2024				0.00
003/2024	0.00	5,000.00	-5,000.00	-5,000.00
004/2024				-5,000.00


Notice that this account has been credited indicating the posting has been successful.



Journal Entry - Business Scenario

The business scenario is that you need some office supplies immediately. You drive down to OfficeWorks and buy \$175 of supplies (paper, folders, and a software package) and pay for the purchase with a company check drawn on your alternate bank account. Two Cost Center's budgets (Internal Services-\$80, IT Costs-\$95) in the company will incur these costs.

54. Click  to return to the home screen.

55. Click  on the Space Selection Bar to display this Space.

56. Click  to display the posting screen.

First you need to indicate the Journal Entry Date.

57. Click  in the **Journal Entry Date** field to display the calendar.

You will notice that today's date is highlighted.

58. Click **<ENTER>** to transfer today's date to the **Journal Entry Date** field.

You now need to indicate the company which is involved in the transfer.

59. Type **US00** in the **Company Code** field to indicate GBI US.

As monies are often transferred in different currencies to need to indicate the currency type.

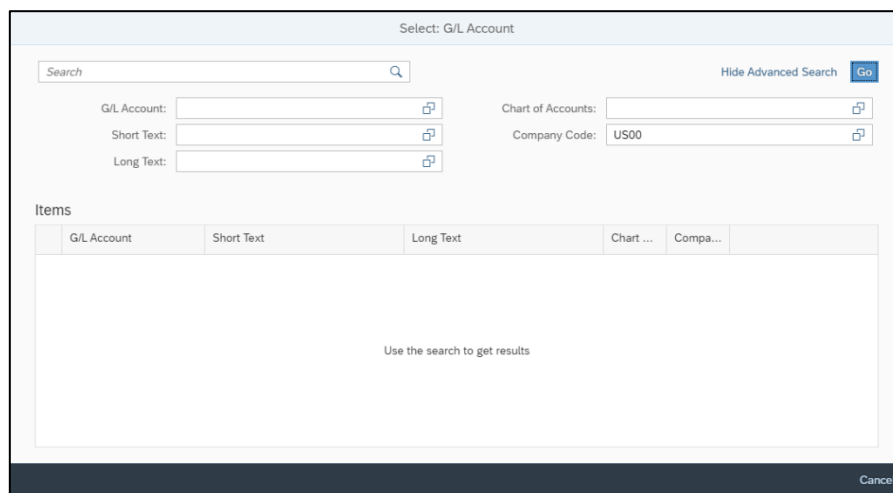
60. Type **USD** in the **Transaction Currency** field.

61. Type **###** (your id) in the **Reference** field.

62. Type **OfficeWorks** in the **Header Text** field.

You now need to provide the sending account details, the type of transfer, and the amount. However, you are not sure what the account number for the Supplies Expense account. You will need to search for it.


63. Click  in the first row of the **G/L Account** field to display the search facility.





The screen is requesting the G/L Account number but you are unsure what this number is. You need to search by description.

64. Type **Supplies*** in the **Short Text:** field.

65. Click  to display the search results.

The following results appear:

Select: G/L Account

G/L Account Description

supplies

X

Q

Go

Show Filters

Items (3)

G/L Acct External ID	Company Code	Chart of Accou...	G/L Account Name	G/L Account Long Name	Alternative G/L
6815000	US00	GL00	Office supplies	Office supplies	
1020000	US00	GL00	Production Supplies	Production Supplies (inventories	
6850000	US00	GL00	Other oper. supplies	Other operating supplies	

The account you require is the Office supplies account.

66. Click the first column to select this record and transfer these details.

67. Type **80** in the **Debit** field.

68. Press **<ENTER>** to display additional fields

You now need to indicate which Cost Centre's budget will be impacted. This data is displayed in the **Account Assignment** area.

69. Type **NAIS1000** for (Internal Services).in the **Cost Center:** field.

Now you need to repeat the process for the second Cost Center.

70. Scroll down to the next input area.

>	2	Company Code	US00		G/L Account*		Debit*	0.00	USD	Credit*	0.00	USD
---	---	--------------	------	---	--------------	---	--------	------	-----	---------	------	-----

71. Type **6850000** (Other oper. supplies) in the **G/L Account** field.

72. Type **95** in the **Debit** field.

73. Press **<ENTER>** to display additional fields


You now need to indicate which Cost Centre's budget will be impacted.

74. Type **NAIS1000** for (Internal Services).in the **Cost center** field.

At the bottom of the screen there is a summary of the transactions.

Total Debit: 175.00 USD	Total Credit: 0.00 USD
--------------------------------	-------------------------------

You have indicated which cost center accounts will be contributing to the purchase of the office supplies. However, funds from the Consumables account will be used to pay OfficeWorks. The debited amounts need to be credited to the Consumables account. To do this you need to add an additional line item.

75. Scroll to the top of the screen and click  to add another line item (3).



76. Scroll to the bottom of the screen to access the new line item.
77. Type **1010000** (Consumables) in the **G/L Account** field on the first line.
78. Type **175** in the **Credit** field.
79. Press **<ENTER>** to check the details.

You have entered all the required details and should simulate the posting to detect any errors.

80. Click **Simulate** to test the postings

A screen similar to below should appear:

Posting View L...	G/L Account	Profit Center	Debit	Credit
000001	6815000 (Office supplies)		80.00 USD	0.00 USD
000002	6850000 (Other oper. supplies)		95.00 USD	0.00 USD
000003	1010000 (Consumables)		0.00 USD	175.00 USD

As there are no errors you are now ready to make the transfer of post the Journal Entry.

81. Click **Post** to complete the transfer.

Display General Ledger Account Balances

You now need to display and confirm by individual account number the activity and associated balances for several accounts in the general ledger of the US GBI company.

Previously you displayed account balances in the general ledger (**steps 25 to 31**)

82. Repeat these steps for each of the accounts involved in the purchase of office supplies

What is the account balance for:

- Consumables?
- Supplies Expenses?

You have now completed the exercises on Financial Accounting. However, as accounting underpins all other company processes the exercises will continually be referring to accounting functions.