**Chapter 03-02: Financial Accounting**

**Process Execution**

|  |
| --- |
|  |

|  |
| --- |
| **MOTIVATION**  In this exercise, you will do the following for the Financial Accounting processes:   1. Invest into GBI 2. View Account Balances 3. Purchase Supplies with Cash 4. Purchase Supplies via Payables – Misc. 5. Pay Rent |

|  |
| --- |
| **PRODUCT**  SAP S/4HANA 2020 |
|  |
| **REVISED**  12/07/2021 |
|  |
| **FOCUS**  Financial Accounting |
|  |
| **AUTHORS**  Simha R. Magal  Jeff Word |
| **VERSION**  1.6 MCC  **TESTED**  Date: 12/07/2021  System: MGL |

|  |
| --- |
| **ACKNOWLEDGEMENT**  These are the GBI exercises developed by Simha R. Magal and Jeff Word.  These exercises include concepts discussed in the book, *Integrated Business Processes with ERP Systems* (Epistemy Press, 2012). |

|  |
| --- |
| **PREREQUISITES**   1. You should be familiar with navigation in SAP HANA 2. Completed Exercises Ch. 02-01 & 03-01 |



© 2022 Epistemy Press, LLC.

Screenshots © 2022 SAP SE

1. Table of Contents

Table of Contents

[Section 1.1: Invest into GBI 3](#_Toc35812639)

[Section 1.2: View Account Balances 5](#_Toc35812640)

[Section 1.3: Purchase Supplies for Cash 7](#_Toc35812641)

[Section 1.4: Purchase Supplies via Payables – Misc. 9](#_Toc35812642)

[Section 1.5: Pay Rent 12](#_Toc35812643)

* 1. Invest into GBI

In this section, an outside investor invests $60,000 into GBI. You must record this transaction in GBI’s books within SAP. You will credit $60,000 to GBI’s common stock (shareholder equity) account and debit the same amount to GBI’s Bank Account within the SAP system.

* + 1. In the *“SAP Easy Access”* screen, follow the navigation path below:

Navigation

SAP Easy Access Menu à Accounting à Financial Accounting à General Ledger à Document Entry à Enter G/L Account Document

1. What is the transaction code to post a journal entry?  
   FB50 !

* You may be required to enter in your company code.
* If you are not asked to enter in your company code and the transaction does not say your company code at the top of the screen, you can change the current company code to yours by clicking Switch Company Code .
  + 1. In the *“Enter G/L Account Document: Company Code US##”* screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Document Date | Date on which the original document was issued | *Today’s Date* |
| Posting Date | Date which is used when entering the document in Financial Accounting or Controlling. | *Today’s Date* |

* + 1. At the bottom of the screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Entry** |
| G/L acct | The G/L account to which the transaction figures are updated | *Your Bank Account* |
| D/C | Shows on which side of the account transactions are updated. | Debit |
| Amount in doc. Curr. | Line item amount in document currency | 60000 |
| **Next Line** | | |
| G/L acct | The G/L account to which the transaction figures are updated | *Your Common Stock* |
| D/C | Shows on which side of the account transactions are updated. | Credit |
| Amount in doc. Curr. | Line item amount in document currency | 60000 |

* + 1. Press Enter .
* Notice the status light  will turn to green when done correctly.
  + 1. Click Post .
* Make sure you click POST. **DO NOT** click PARK .
* You will receive a message that says “Document was posted in company code US##”

1. What is the Accounting Document number?  
    100000000 !
2. What type of document is this?  
    G/L Account Document !

* Hint: View the top of the screen for the type of document.
  1. View Account Balances

In this section, you will view the account balance of the posting you have made in the previous section.

* + 1. In the *“SAP Easy Access”* screen, follow the navigation path below:

Navigation

SAP Easy Access Menu à Accounting à Financial Accounting à General Ledger à Account à Display Balances

1. What is the Transaction Code to view account balances?  
    FAGLB03 !
   * 1. In the *“G/L Account Balance Display”* screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Account Number | G/L Account Number | *Your Bank Account* |
| Company Code | Organizational unit within financial accounting | US## |
| Fiscal Year | Financial Statement year | *The Current Year* |

* + 1. Click Execute .

1. What is the General Ledger account number for Your Bank Account?  
    100000 !
2. What is the account document currency?  
    USD !
3. What is the current balance for Your Bank Account?  
    60000 !
   * 1. In the *“Balance Display: G/L Accounts for the Ledger 0L”* screen, double-click on the total cumulative balance

* Cumulative Balance is at the bottom right under the “Cumulative balance” column.
* The following screen lists all the transactions for the selected month. The “DocumentNo.” column breaks down all the changes in your Bank Account by separate transactions.
  + 1. In the *“G/L Account Line Item Display G/L View”* screen, select the only document within the chart by placing a check mark  in the box next to your document.
    2. Click Display .
    3. In the *“Display Document: Line Item 1”* screen, click “Call Up Document Overview” .
* Pressing on the F9 key will also call up the document overview.

This screen displays the journal entry you just created. The column titled “Key” is the Posting Key field. The Posting Key describes the type of transaction (expense, credit memo, stock initial entry, etc.) that is entered into a line item during accounting document creation.

1. How many accounts are being affected within this transaction?  
    2 !
2. Which period did this transaction take place in?  
    9!
3. What does Posting Key 40 Stand for?  
    Debit Entry !
4. What does Posting Key 50 Stand for?  
    Credit Entry !
5. What account is being debited?  
    100000 !
6. What account is being credited?  
    329000 !
   1. Purchase Supplies for Cash

In this section, you purchase supplies. This transaction is a cash transaction, therefore GBI will not assume liability.

* You will receive warning messages that says your document date is in the future or in the past. Refer to the Chapter 2 exercise information regarding warning messages.
  + 1. In the *“SAP Easy Access”* screen, follow the navigation path below:

Navigation

SAP Easy Access Menu à Accounting à Financial Accounting àGeneral Ledger à Document Entry à Enter G/L Account Document

1. What is the Transaction Code to purchase supplies with cash?  
    FB50 !
   * 1. In the *“Enter G/L Account Document: Company Code US##”* screen. Enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Entry** |
| Document Date | Date on which the original document was issued | 20th of the Current Month |
| Posting Date | Date which is used when entering the document in Financial Accounting or Controlling. | 20th of the Current Month |

* + 1. At the bottom of the screen, enter the following information:
* You will need to scroll to the right to find the Cost Center input field. Look for your administration costs by using your company code.

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Entry** |
| G/L acct | Number of the G/L account to which the transaction figures are updated. | *Your Supplies Expense* |
| D/C | Shows on which side of the account the transaction figures are updated. | Debit |
| Amount in doc. Curr | Line item amount in document currency | 500 |
| Cost center | Key uniquely identifying a cost center | *Your Admin Costs* |
| Next Line | | |
| G/L acct | Number of the G/L account to which the transaction figures are updated. | *Your Bank Account* |
| D/C | Shows on which side of the account the transaction figures are updated. | Credit |
| Amount in doc. Curr | Line item amount in document currency | 500 |
| Cost center | Key uniquely identifying a cost center | (Leave Blank) |

* + 1. Press Enter.
* A yellow warning message may occur about a future date or past date. If this should happen, press enter to continue. Keep this in mind for the following steps and sections of this exercise.
  + 1. Click Post  to Post the Document.
* DO NOT Click Park .
* You will receive a message that says, “Document was posted in company code US##”

1. What is the Accounting Document number?  
    100000001 !
   * 1. Review the pervious section to view your account balances for your Supplies Expense and your Bank Account to answer the following questions:
2. What is the General Ledger account number for your Supplies Expense?  
    740000 !
3. What is the General Ledger account number for your Bank Account?  
    100000 !
4. What is the Posting Key for your Supplies Expense?  
    40 !
5. What is the Posting Key for your Bank Account?  
    50 !
   1. Purchase Supplies via Payables – Misc.

In this section, GBI purchases supplies via payables-miscellaneous and then pays for them later from its bank. This is a two-step process: receive the supplies and pay for them later.

* You may receive warning messages that say either your document date is in the future or in the past. Refer to the Chapter 2 exercise information regarding warning messages.
  + 1. In the *“SAP Easy Access”* screen, follow the navigation path below:

Navigation

SAP Easy Access Menu à Accounting à Financial Accounting à General Ledger à Document Entry à Enter G/L Account Document

1. A) What is the transaction code to purchase supplies via payables-misc.?  
    FB50 !
   * 1. In the *“Enter G/L Account Document: Company Code US##”* screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Document Date | Date on which the original document was issued | *10th of the Current Month* |
| Posting Date | Date which is used when entering the document in Financial Accounting or Controlling. | *10th of the Current Month* |

* + 1. At the bottom of the screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| G/L acct | Number of the G/L account to which the transaction figures are updated. | *Your Supplies Expense* |
| D/C | Shows on which side of the account the transaction figures are updated. | Debit |
| Amount in doc. curr. | Line item amount in document currency | 500 |
| Cost center | Key uniquely identifying a cost center | *Your Admin Costs* |
| Next Line | | |
| G/L acct | Number of the G/L account to which the transaction figures are updated. | *Your Payables-Misc.* |
| D/C | Shows on which side of the account the transaction figures are updated. | Credit |
| Amount in doc. curr. | Line item amount in document currency | 500 |
| Cost center | Key uniquely identifying a cost center | (leave blank) |

20: B) What is the cost center for Your Marketing Costs?

NAMK1029 !

* + 1. Press Enter.
    2. Click Post .
* You will receive a message that says, “Document was posted in company code US##”

1. What is the Accounting Document number?  
    100000002 !
   * 1. Refer to a previous exercise on how to review account balances. Review your Supplies Expense and your Payables-Misc. Account to answer the following questions for this exercise.
2. What is the General Ledger account number for your Supplies Expense?  
    740000 !
3. What is the General Ledger account number for your payables-miscellaneous?  
    300200 !
4. What is the Posting Key for your Supplies Expense?  
    40 !
5. What is the Posting Key for your payables-miscellaneous?  
    50 !
6. Which period did this transaction take place in?  
    9 !
   * 1. Refer previously on how to get back to posting an accounting document to your general ledger.
     2. In the *“Enter G/L Account Document: Company Code US##”* screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Document Date | Date on which the original document was issued | *15th of the Current Month* |
| Posting Date | Date which is used when entering the document in Financial Accounting or Controlling. | *15th of the Current Month* |

* + 1. At the bottom of the screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| G/L acct | Number of the G/L account to which the transaction figures are updated. | *Your Payables-Misc.* |
| D/C | Shows on which side of the account the transaction figures are updated. | Debit |
| Amount in doc. curr. | Line item amount in document currency | 500 |
| Next Line | | |
| G/L acct | Number of the G/L account to which the transaction figures are updated. | *Your Bank Account* |
| D/C | Shows on which side of the account the transaction figures are updated. | Credit |
| Amount in doc. curr. | Line item amount in document currency | 500 |

* + 1. Press Enter.
    2. Click Post .
* You will receive a message that says, “Document was posted in company code US##”

1. What is the Accounting Document number?  
    100000003      !
   * 1. Refer to a previous exercise on how to review account balances. Review your payables-misc. account and your Bank Account to answer the following questions for this exercise.
2. What is the Posting Key for your Bank Account?  
    50 !
3. What is the Posting Key for your payables-miscellaneous?  
    40 !
4. Which period did this transaction take place in?  
    9 !
   1. Pay Rent

In this section, GBI pays the rent on its building for the current month and prepays the rent for the following two months. You must record this transaction in GBI’s books. GBI pays $5,000 per month so you need to pay a total of $15,000 from GBI’s cash account. You must debit the current month’s rent using the rent expense account and assign it to the cost center for administrative costs. You must then debit the payment for the next two months of the year.

The second part of this exercise section simulates the journal entry that will be made the following month when GBI’s rent payment is due. The bank does not receive the payment when you prepay rent, the landlord does. The reason that prepaid rent is debited is because of the matching principle in accounting. The prepaid account is credited when the expense is accrued.

* You will receive warning messages that say either your document date is in the future or in the past. Refer to the Chapter 2 exercise information regarding warning messages.
  + 1. In the *“SAP Easy Access”* screen, follow the navigation path below:

Navigation

SAP Easy Access Menu à Accounting à Financial Accounting à General Ledger à Document Entry à Enter G/L Account Document

1. What is the transaction code to pay rent?  
    FB50 !
   * 1. In the *“Enter G/L Account Document: Company Code US##”* screen. Enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Document Date | Date on which the original document was issued | *Last Day of the Current Month* |
| Posting Date | Date which is used when entering the document in Financial Accounting or Controlling. | *Last Day of the Current Month* |

* + 1. At the bottom of the screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| G/L acct | Number of the G/L account to which the transaction figures are updated. | *Your Prepaid Rent* |
| D/C | Shows on which side of the account the transaction figures are updated. | Debit |
| Amount in doc. curr. | Line item amount in document currency | 10000 |
| Cost center | Key uniquely identifying a cost center | (Leave Blank) |
| Next Line | | |
| G/L acct | Number of the G/L account to which the transaction figures are updated. | *Your Rent Expense* |
| D/C | Shows on which side of the account the transaction figures are updated. | Debit |
| Amount in doc. curr. | Line item amount in document currency | 5000 |
| Cost center | Key uniquely identifying a cost center | *Your Admin Cost* |
| Next Line | | |
| G/L acct | Number of the G/L account to which the transaction figures are updated. | *Your Bank Account* |
| D/C | Shows on which side of the account the transaction figures are updated. | Credit |
| Amount in doc. curr. | Line item amount in document currency | 15000 |
| Cost center | Key uniquely identifying a cost center | (Leave Blank) |

* + 1. Press Enter.
    2. Click Post .
* You will receive a message that says, “Document was posted in company code US##”

1. A) What is the Accounting Document number?  
    100000004 !

B) Compare question number 31 with question number 20 and briefly explain as to why you are using a same T-code for two different questions.

The observation is G/L postings are made into different accounts within the same company code. SAP handles all G/L postings or Journal entry's with the same transaction FB50. !

!

* + 1. Refer to a previous exercise on how to review account balances. Review your prepaid rent, your rent expense, and your Bank Account to answer the following questions for this exercise.

1. What is the General Ledger account number for your prepaid rent?  
    215000 !
2. What is the General Ledger account number for your rent expense?  
    740300 !
   * 1. Refer previously on how to get back to posting an accounting document to your ledger.
     2. In the *“Enter G/L Account Document: Company Code US##”* screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Document Date | Date on which the original document was issued | *Last Day of Next Month* |
| Posting Date | Date which is used when entering the document in Financial Accounting or Controlling. | *Last Day of Next Month* |

* + 1. At the bottom of the screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| G/L acct | Number of the G/L account to which the transaction figures are updated. | *Your Rent Expense* |
| D/C | Shows on which side of the account the transaction figures are updated. | Debit |
| Amount in doc. curr. | Line item amount in document currency | 5000 |
| Cost center | Key uniquely identifying a cost center | *Your Admin Costs* |
| Next Line | | |
| G/L acct | Number of the G/L account to which the transaction figures are updated. | *Your Prepaid Rent* |
| D/C | Shows on which side of the account the transaction figures are updated. | Credit |
| Amount in doc. curr. | Line item amount in document currency | 5000 |
| Cost center | Key uniquely identifying a cost center | (leave blank) |

* + 1. Press Enter.
    2. Click Post .
* You will receive a message that says, “Document was posted in company code US##”

1. What is the Accounting Document number?  
    100000005 !
2. Exercise Deliverables

**Name:** Srikanth Reddy Narra

**Course and Section:** 643-1

**Identifier:** 29

**Client:** 313

1. What is the transaction code to post a journal entry?

FB50 !

1. What is the Accounting Document number?  
    100000000 !
2. What type of document is this?  
    G/L Account Document !
3. What is the Transaction Code to view account balances?  
    FAGLB03 !
4. What is the General Ledger account number for your Bank Account?  
    100000 !
5. What is the account document currency?  
    USD !
6. What is the current balance for your Bank Account?  
    60000 !
7. How many accounts are being affected within this transaction?  
    2 !
8. Which period did this transaction take place in?  
    9 !
9. What does Posting Key 40 stand for?  
    Debit Entry !
10. What does Posting Key 50 stand for?  
     Credit Entry !
11. What account is being debited?  
     100000 !
12. What account is being credited?  
     329000 !
13. What is the Transaction Code to purchase supplies with cash?  
     FB50 !
14. What is the Accounting Document number?  
     100000001 !
15. What is the General Ledger account number for your Supplies Expense?  
     740000 !
16. What is the General Ledger account number for your Bank Account?  
     100000 !
17. What is the Posting Key for your Supplies Expense?  
     40 !
18. What is the Posting Key for your Bank Account?  
     50 !
19. A) What is the transaction code to purchase supplies via payables–misc.?  
     FB50 !

B) What is the cost center for Your Marketing Costs?

NAMK1029 !

1. What is the Accounting Document number?  
    100000002 !
2. What is the General Ledger account number for your Supplies Expense?  
    740000 !
3. What is the General Ledger account number for your payables-miscellaneous?  
    300200 !
4. What is the Posting Key for your Supplies Expense?  
    40 !
5. What is the Posting Key for your payables-miscellaneous?  
    50 !
6. Which period did this transaction take place in?  
    9 !
7. What is the Accounting Document number?  
    100000003 !
8. What is the Posting Key for your Bank Account?  
    50 !
9. What is the Posting Key for your payables-miscellaneous?  
    40 !
10. Which period did this transaction take place in?  
     9 !
11. What is the transaction code to pay rent?  
     FB50 !
12. A) What is the Accounting Document number?  
     100000004 !

B) Compare question number 31 with question number 20 and briefly explain as to why you are using a same T-code for two different questions.

The observation is G/L postings are made into different accounts within the same company code. SAP handles all G/L postings with the same transaction FB50. !

1. What is the General Ledger account number for your prepaid rent?  
    215000 !
2. What is the General Ledger account number for your rent expense?  
    740300 !
3. What is the Accounting Document number?  
    100000005 !