

Controlling Reference Sheet - Student Edition

Key Controlling Concepts

- Cost Accounting: Fixed vs Variable Costs
- Break-Even Analysis: $BEQ = \text{Fixed Costs} / (\text{Price} - \text{Variable Cost})$
- Contribution Margin: $\text{Unit Profit} = \text{Sales Price} - \text{Variable Cost}$
- Variance Analysis: Plan vs Actual (Price, Volume, Cost Variances)
- Budgeting vs Forecasting: Static plans vs dynamic updates
- KPIs: Metrics like Gross Margin, ROI, Inventory Turnover
- Responsibility Centres: Cost, Revenue, Profit, Investment

Quick Formulas

1. Break-Even Quantity = $FC / (P - VC)$
2. Contribution Margin = $P - VC$
3. Contribution Margin Ratio = $(P - VC) / P$
4. Profit = Total Revenue - (Fixed + Variable Costs)
5. Sales Price Variance = $(\text{Actual Price} - \text{Planned Price}) \times \text{Units Sold}$

