

# Chapter 3

## Accounting In Enterprise Systems

هنتكلم في الشاتر دا عن ال ERP بيتعامل ازاى مع الأثر المالي والمحاسبي للعمليات الي بتقوم بيها الشركة

	Financial accounting	Management Accounting
Focus	External بين الشركة والأطراف الخارجية	Internal العمليات الي بتتم داخل الشركة
Purpose	1- Legal Reporting (financial Statements) القوائم المالية 2- Tracking financial impact of processes لان أي عملية بيكون ليها تأثير مالي 3- Communicate with investors ابعتله القوائم المالية عشان يطمئن علي وضع الشركة	Managing the firm with regard of costs and revenues تقارير عن التكاليف والارباح عشان تساعدني اتخذ قرارات وتحقيق اهداف المنظمة
Content	Defined by laws and regulations حسب معايير المحاسبة (المصرية) او حسب الدولة	Defined by management needs مفيش معايير معينة لكن بحددها حسب احتياجات ومتطلبات الشركة

### Financial Accounting

#### Key Financial Accounting Processes

1) The general ledger (GL) دفتر الأستاذ صلب المحاسبة المالية يستخدمه عشان اعمل القوائم في الاخر	is used to record the <b>financial impacts</b> of business process steps. أي عملية بيكون ليها اثر مالي ومحاسبي بيسمع في ال GL
2) Accounts receivables accounting	is associated with the <b>fulfillment</b> process and is used to manage money

	<u>owed by customers</u> for goods and services sold to them.
<b>3) Accounts payable accounting</b>	Is associated with the <u>procurement</u> process, used to record and manage money <u>owed to vendors</u> for the purchase of materials and services.
<b>4) Asset accounting</b>	is used to record data related to the purchase, use, and disposal of <u>assets</u> such as buildings, equipment, machinery, and automobiles.
<b>5) Bank ledger accounting</b>	is concerned with recording data associated with <u>bank transactions</u> .

## Organizational Data

The organizational data associated with financial accounting are client, company code, and business area. من المنظور المحاسبي.

### **1) Client:**

- Highest organizational level.
- Only one client per enterprise.
- Can have one or multiple company codes.

### **2) Company Code:**

- Highest organizational level for financial reporting.
- Financial statements are generally prepared at the company code level.

احنا قولنا الشابتير الي فات ان ان كلية تجارة وكلية حاسبات دول CC وكل كلية مستقلة بذاتها قانونيا وماديا ويتقدم ال Financial Statements لوحدها. عشان كذا بقول ان كل شركة فرعية تعتبر اعلي مستوى تنظيمي من ناحية التقارير المالية.

### **3) Business Areas**

- are internal divisions of an enterprise that are used to define areas of responsibility or to meet the external reporting requirements of an enterprise segment.

مثلا عندي LAB جوا الكلية اشترينته أجهزة ومعدات واقلام وبدي فيه كورسات في الصيف كمان, ف في فلوس داخلية وخارجة بشكل كبير ومنفصل ف لازم اقدم التقارير بتاعته بشكل منفصل قبل مبدأ اعمل التقارير بتاعى كلية تجارة كلها.

- Across Company Codes.

- A business area is often based on the enterprise's product lines or its geographic

division, across company codes. مثلا انا عندي اكثر من خط انتاج في شركتي ف يكون محتاج تقارير مالية لكل خط انتاج.

و مثلا انا عندي فروع فتحالله جوا اسكندرية كل فرع يعتبر business area بيعمل تقارير لوحده.

## MASTER DATA

Chart of Accounts - General Ledger Accounts - Subsidiary ledgers (sub ledgers)

### 1) Chart Of Accounts (COA):

A list of accounts that can be included in a general ledger. التعريف

An orderly definition of accounts in the general ledger.

عبارة عن قائمة بأسماء الحسابات في المنظمة (ح/عملاء ح/موردين ح/اهلاك)

There are **three** types of charts of accounts:

1-Operative COA: contains the operational accounts that are used to record the financial impact of an organization's day-to-day transaction.

مجموعة الحسابات الي المنظمة بتستخدمها عشان تسجل الأثر المحاسبي لمعاملتها والأنشطة اليومية

### 2-Country- specific COA:

دي بتكون نفس الحسابات ولكن مترجمة حسب أسمائها في البلد المستخدمة فيها ولان كل دولة لديها نظام ومعايير محاسبية خاصة بيها. يعني أسماء الحسابات في مصر مش نفس أسماء الحسابات في أمريكا ولا نفس المعايير المحاسبية

3- Group COA: : contains group accounts that multiple companies in an enterprise use to merge their financial reporting.

ان انا عندي فروع في دول مختلفة وكل فرع بيتعامل ب أسماء حسابات مختلفة ف انا ك Client لازم يكون عندي مجموعة واحدة من الحسابات اسمها Group COA بتستخدمها في تجميع التقارير المنفصلة للفروع في تقرير واحد مجمع.

Notes: 1- A company must use at least one chart of account and it Can use more than one chart of account to create alternate ledgers. لأن لو مفيش حسابات ف مفيش قوائم أصلا

2- All enterprises must maintain an operative COA, while group and country-specific COAs are optional.

ال operative أساسي عشان بسجل فيه التعاملات اليومية مثلا اخدت فلوس من عميل او دفعت لمورد ف دا من غيره مش هلاقي داتا اعمل بيها قوائم أصلا , لكن ال group و country-specific دا في حالة لو شركتي ليها فروع حول العالم.

### 1) General Ledger Accounts:

-G/L accounts are master data.

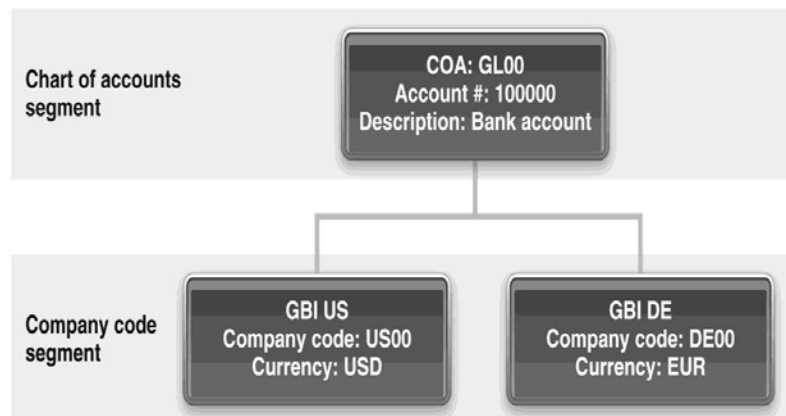
-Recording of all accounting-relevant business transactions occurs in a G/L account. بنسجل فيه الأثر المحاسبي للمعاملات الي المنظمة بتقوم بيها

Data in the general ledger accounts are segmented by:

✓ Chart of account segment : اسم الحساب ونوعه ووصف ليه ويكون ليه رمز عشان مش كل مرة احتاج اكتب اسم الحساب ممكن اكتب الرمز بس

✓ Company code segment : استخدمت الحساب ف انهي فرع, لاني شركة كبيرة ف لازم اعرف مثلا حساب العملا استخدمته ف انهي كامبني كود

General ledger = COA data + Company code data



## General Ledger Accounts

1-Balance sheet accounts الميزانية العمومية

Assets = Liabilities + Equity الأصول بتساوي الالتزامات + حقوق الملكية

2-Income statement accounts قائمة الدخل

Income = Revenue - Expenses

3-Reconciliation accounts حسابات التسوية

### 1) Sub-Ledger And Recon Accounts:

<u>Subsidiary OR Sub-ledgers</u>	<u>Reconciliation Accounts</u>
1- <u>Are not part</u> of the General Ledger. 2- used to <u>separate</u> accounting for customers, vendors and assets. اشوف بيانات كل كاستمر علي حدا	1- <u>Are part</u> of the General Ledger. 2- <u>Consolidate data</u> from a group of related sub-ledger accounts. Such as customers and vendors. 3- it's <u>not possible</u> to post data directly into them.

حساب الأستاذ بيظهر جواه حساب العملاء في صورة بند واحد فيه الرصيد بتاع كل العملاء الي الشركة بتتعامل معاها (ح عملاء/ 100000) نفس الكلام مع الموردين بيكون عندي حساب فيه ارصدة كل الموردين (ح موردين/.....) . و انا كشركة كبيرة بتتعامل مع عملاء و موردين كثير لازم اعرف كل واحد عليا كام ليه لو مورد و لو عميل اعرف دفعلي كام ومتبقيلي كام. الكلام دا قبل ما اعرف رصيد العملاء كلهم او الموردين كلهم. ف هنا انا عملت لكل كاستمر و كل مورد sub-ledger اسجل فيه دفعلي كام ولسا عليه كام وطبعا الكلام دا مش جزء من ال General Ledger . ف انا عندي ال Reconciliation Accounts دي حساب مجمع لكل ارصدة العملاء و الموردين ف اقدر اسجلها في ال General Ldeger دلوقتي.

Sub ledger account	Reconciliation account
Customer	Accounts Receivable
Vendor	Accounts Payable
Asset (specific)	Assets

## Accounting Documents:

الSAP ERP ييسجل العمليات المالية نتيجة أي عملية مثلا فواتير مبيعات ييسجلها في documents عشان بعد كذا اقدر اسجلها في الحساب الخاص بيها. عندي تفاصيل كتير بس اعرف اتنين:

### 1- Document Type:

- Two-digit code that identifies the process that generated the document.  
مثلا الفاتورة الي قدامي دي من عملية بيع ولا شراء, دفع لمورد ولا تحصيل من عميل
- Determine the document number range and the account type that can be posted to.  
رينج الفاتورة وهتسجل ف انهي حساب, مثلا هسجلها في حساب عملاء او موردين وكذا.

### 2- Posting Key: هسجلها ازاي

- is a two-digit code that determines how a line item is posted.
- Account type for posting the document item.
- Determines the document item is posted as a debit or a credit.  
بشوف الداتا هسجلها, Debit or credit يعني مدين ولا دائن و الحساب الي هسجل الداتا دي فيه

## Parallel Accounts:

An organization can implement multiple ledgers in parallel and use each ledger for different purposes, so there are two types of ledgers:

### A) One leading ledger:

- For the **whole client (all company codes)**.
- Global principles are consolidated.
- All transactions are posted to it based on the **international financial reporting standard (IFRS)**.  
معايير المحاسبة العالمية.

### B) Non-leading ledgers:

For **each company code** based on local accounting standards.

زي ما قولنا اني مثلا شركة كبيرة وعندي فروع حول العالم وكل شركة فرعية لازم تقدم القوائم بتاعتها للدولة الي موجودة فيها حسب معايير الدولة.  
وانا ك الشركة الأم بجمع القوائم دي في تقرير واحد مجمع.

# Management Accounting

- Most of the data used in management accounting are derived from financial accounting.

- A key function of management accounting is to manage and allocate costs.

الدور الأساسي للمحاسبة الإدارية هي إدارة التكاليف

## Cost Center

- Location where costs are incurred: such as Department, individual .

- Container or bucket that accumulates costs.

- Cost centers can be associated with departments such as marketing or with locations such as plants and with individual.

دلو قتي أي عملية بتقوم بيها المنظمة سواء بيع او شرا او انتاج ف بيكون في تكاليف , و ال management accounting بتركز علي التكاليف ف لازم احدد كل تكلفة سببها ايه و احملها علي مين, ف مثلا عندي قسم الماركيتنج بيعمل حملات إعلانية واشتري أجهزة ف التكاليف دي هحملها علي ال cost center الخاص ب قسم الماركيتنج.

او لو عندي مصنع كامل ممكن اعتبره cost center يعني أي تكاليف تخص المصنع دا هحملها علي ال كوست سنتر المرتبطة بيه.

ممكن مجموعة افراد زي المديرين ليهم cost center خاص بيهم ان مثلا أي تكاليف المنظمة بتتكلفها بسببهم أقول ان دي تكاليف إدارة.

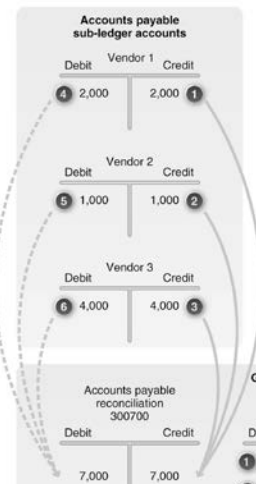
### 1)Accounts Payable Accounting:

- Concerned with vendors.

- Involve sub-ledgers to track money owed to individual vendors.

- Involve reconciliation accounts: Accounts payable-reconciliation.

دلو قتي انا عندي account payable sub-ledger بسجل فيه كل تعاملاتي مع كل vendor والفلوس الي دفعتها والي متبقية عليا, بعد كذا بجمع الأرصدة في حساب واحد Accounts-payable reconciliation ودا الي بيظهر في ال General Ledger

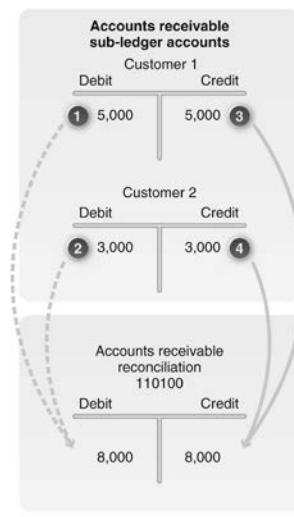


## 2)Accounts Receivable Accounting:

- Concerned with customers.
- Involves sub-ledger accounts for individual customers.
- Involves reconciliations accounts:

### Accounts receivable – reconciliation

المجموع



## 3)Asset Accounting:

- Concerned with tracking the financial consequences associated with the entire lifecycle of an asset, from acquisition to disposal (retirement).

بتهتم بالتأثير المالي لكل الأصول من بداية الشراء مروراً بالهلاك لحد ما اتخلص منها خالص

### -Assets can be:

1- Tangible : have a physical form, such as computers, machine and buildings.

2- Intangible: nonphysical, such as trademarks. العلامة التجارية

3- Financial: include a variety of financial instruments such as securities (الأوراق المالية), long term notes (السندات) and mortgages (الرهن العقاري).

### -Tangible Assets can be categorized as:

- fixed assets أصول ثابتة زي الأراضي و المباني

- Leased assets مؤجرة زي ارض مؤجرة

- Assets under construction مصنع تحت الانشاء

Assets Can be assigned to Company Code and Business Area.

دلوقتي هتكلم عن الشراء والهلاك والتخلص منه



## Asset Acquisition:

Asset acquisition is concerned with acquiring assets via internal or external processes.

-Internal: production process or project systems.

مثلا لو بصنع كراسي او عربيات ف استخدمهم بدل ما اجيب من برا

- external:

- |  |
|--|
| (1) purchase from an established vendor <u>without</u> using the purchasing process<br>مثلا لو مستعجل علي بضاعة ف قابلت ال Vendor بنفسي ودفعته واخذت البضاعة والموضوع انتهى بدون استخدام ERP System, الموضوع تم بشكل يدوي.   |
| (2) purchase from an established vendor <u>using</u> the purchasing process.<br>هنا انا اشتريت عادي باستخدام ال ERP system   |
| (3) purchase from a <u>one-time vendor</u> , or a vendor for whom master data are not maintained.<br>مثلا عايز بضاعة معينة وملقتهاش عند أي مورد من الي بتعامل معاهم ومسجلهم عندي في السيستم , ف هطلب من مورد اخر ودي هتكون اول مرة اتعامل معاه وممكن اخر مرة فبالتالي مش متسجل عندي ولا معايا أي داتا تخصه |

## Asset Depreciation : الاهلاك

-Asset depreciation is concerned with the decrease in the value of an asset over time. انخفاض قيمة الأصل بمرور الزمن

- Depreciation can be planned or unplanned. يعني ممكن أكون مخطط وحاسب الاهلاك كل سنة. هيكون عندي بقيمة معينة وان اللآلة ممكن تعيش 5 سنين, لكن فجأة يحصل حريق والآلة بتاعتي تبوظ, ف ممكن اصلحها وتقعد معايا سنة كمان لكن مش هتقعد 5 سنين زي ما كنت حاسب.

**Depreciation methods are:** طرق حساب الإهلاك

Straight-line: the asset is depreciated by the same amount every year. الإهلاك الثابت

بيقل كل سنة بكمية ثابتة, زي كل سنة يقل الف جنيه

Double-declining balance: the asset is depreciated at a fixed percentage rate each year. دا الاهلاك المتناقص بيقل كل سنة بكمية متناقصة, يعني اول سنة الف وتاني سنة 700 وتالت سنة 400 وكذا

فنفق  
النسبة!!

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اخ سنة الـ نفس المبلغ

**بعد ما بحسب الاهلاك بيكون عندي 3 قيم للأصل**

**-Useful life:** which specifies how long the company the asset. مثلا هلاقي ان الأصل ممكن يقعد معايا 5 سنين

**-Book value:** which is the value of the asset after it is depreciated. قيمة الأصل بعد الاهلاك مثلا الة كانت ب 100 الف بعد ال 5 سنين قيمتها بقت 40 الف

**-Residual value:** This is the amount the company expects to receive when it disposes of the asset. قيمة الأصل وهو خردة ممكن اطلع منه ب 10 الاف

### **التخلص منه : Asset Retirement**

-Concerned with the disposal or retirement of an asset after its useful life.

**Retirement may be:**

-Revenue generating (sold)

-Non-revenue generating (scrapped)

بعد ما استعملت الأصل وخلص السنين بتاعته وبقي خردة ممكن ابيع الخردة واكسب منها او ارميها لانها شغلالي مكان عندي علي الفاضي ومحدث عاوز يشتريها مني.

### **Asset Explorer :**

Asset explorer provides an overview of all activities related to the asset.

أداة اقدر من خلالها اشوف كل التفاصيل الي تخص الأصول عندي سواء مثلا تفاصيل الاهلاك او شراء

**Reporting:** دلوقتي بعد ما خلصت كل حاجة هطلع التقارير بتاعتي

-Financial reporting is divided into two categories:

1- Displaying <u>Account Information</u> تفاصيل كل حساب	Account Information can be displayed at 3 level: 1- Balance 2- line item 3- Original FI document
2- Generating <u>financial statement</u> القوائم المالية	1- balance sheet ميزانية عمومية 2- income statement قائمة الدخل 3- statement of cash flow قائمة التدفق النقدي

Choose:



**1. .... is concerned with recording the financial impacts of business processes as they are executed.**

- A)** Financial accounting (FI)
- B) Controlling (CO)
- C) Bank ledger accounting
- D) None of the above

**2. Which of the following is a key process in financial accounting?**

- A) Sales order processing
- B)** Accounts receivable accounting
- C) Credit management
- D) Income verification

**3. Which process is used to manage money owed by customers for goods and services purchased from the company?**

- A)** Accounts receivable accounting
- B) Fixed asset accounting
- C) Bank ledger accounting
- D) All of the above

**4. are internal divisions of an enterprise that are used to define areas of responsibility or to meet the external reporting requirements of an enterprise segment.**

- A) Cost centers
- B)** Business area
- C) Depreciation areas
- D) Sub- ledgers

**5. Which term refers to an ordered listing of accounts that comprise a company's general ledger?**

- A) General ledger
- B) Balance sheet
- C) Chart of accounts (COA)**
- D) Bank ledger

**6. Which term is a general ledger account that consolidates data from a group of related sub- ledger accounts?**

- A) Sub- ledger
- B) Reconciliation account**
- C) Line item display
- D) None of the above

**7. Which of the following is used to implement multiple ledgers and use each ledger for different purposes?**

- A) Financial accounting document
- B) Subsidiary ledger
- C) Sub- ledger
- D) Parallel accounting**

**8. Which type of asset has a physical form?**

- A) Master asset
- B) Tangible asset**
- C) Informal asset
- D) Intangible asset

**9. Which type of asset has a non- physical form?**

- A) Intangible asset**
- B) Master asset
- C) Tangible asset
- D) Informal asset

**10. Which of the following is used to report data needed to meet legal and regulatory requirements?**

- A) Assets
- B) Equity
- C) Tangible document
- D) Financial statement**

**11. Which of the following is not a mode of acquiring an asset for a company?**

- A) Acquiring internally via the production process
- B) Acquire from a vendor using the purchasing process
- C) Acquire from a vendor without using the purchasing process
- D) Selling equipment**

**12. All of the following are transaction types that occur during the life of an asset except**  
**A) Acquisition**

- B) Depreciation
- C) Allocation**
- D) Retirement

**13. Tangible assets can include which of the following?**

- A) Computers
- B) Production Machinery
- C) Real Estate
- D) All of the above**

**14. What is true about a business area?**

- A) It is a **internal division of an enterprise**
- B) It helps management monitor performance
- C) It is used for **external reporting**
- D) All of the above**

**15. Which of the following are types of chart of accounts?**

- A) Operative COA
- B) Country specific COA

# General Ledger

=

Company Code

COA

- C) Group COA
- D) All of the above

16. What does the COA data include?

- A) Client segment
- B) Company code segment
- C) A and B
- D) None of the above

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
A	B	A	B	C	B	D	B	A	D	D	C	D	D	D	C

## T O R D

- ✓ 1. Accounting processes are broadly divided into two main categories: Financial accounting and management accounting.
- ✓ 2. Financial accounting (FI) is concerned with recording the financial impacts of business processes as they executed.
- ✗ 3. Management Accounting (CO) is intended primarily for audiences outside the organization.
- ✓ 4. The general ledger is used to record the financial impacts of business process steps.
- ✓ 5. A chart of accounts (COA) is an ordered listing of accounts that comprise a company's general ledger.
- ✓ 6. Accounts payable accounting is concerned with vendors.

✓ 7. Accounts receivable accounting is concerned with customers.

✗ 8. Intangible assets are physical items such as buildings, machinery, and computers.

✗ 9. Tangible assets are non- physical items such as trademarks and patents.

✓ 10. Reporting within financial accounting is divided into two categories: generating financial statements and displaying account information

fi ✗ 11. General ledger accounting, Accounts receivable accounting, Accounts payable accounting and Asset accounting are Key Management Accounting Processes.

✓ 12. The organizational data associated with financial accounting are client, company code, and business area.

✓ 13. Business areas are internal divisions of an enterprise that are used to define areas of responsibility or to meet the external reporting requirements of an enterprise segment.

✓ 14. Financial statements are generated for each business area within the enterprise.

✓ 15. A financial accounting document (FI document) records the impact (financial data) of a transaction step on financial accounting.

✓ 16. Asset Retirement is concerned with the disposal or retirement of an asset after its useful life.

✗ 17. Asset Retirement is always Revenue generating only.

✓ 18. Financial reporting is broadly divided into displaying account information Or generating financial statements.

✓ 19. Account information can be displayed at three levels: Balance, Line item and original FI document.

✓ 20. Asset explorer provides an overview of all activities related to the asset Such as Acquisition of data and planned and posted depreciation .

✗ 21. Financial Statements has two types only, Balance Sheet and Income Statement. Cash flow

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
T	T	F	T	T	T	T	F	F	T	F	T	T	T	T	T	F	T	T	T	F



# Extraaaa Questions

## Sheet CH3

### Choose:

1. .... is used to record the financial impacts of business processes steps:

- A) Bank ledger accounting
- B) Accounts Receivables accounting
- C) Accounts payable accounting
- D) General Ledger**

2. .... Is associated with the fulfillment process and is used to manage money owed to customers.

- A) General Ledger
- B) Accounts Receivables accounting**
- C) Accounts payable accounting
- D) Bank Ledger

3. .... is associated with the procurement process and is used to manage money owed to vendors.

- a. Reconciliation accounts
- b. Accounts receivables accounting
- c. accounts payable accounting**
- d. bank ledger accounting

4. Which of the following is not a key process in financial accounting?

- a. cost center**                      b. accounts payable accounting
- c. bank ledger accounting      d. general ledger



**5. Which of the following is a key process in financial accounting?**

- a. cost center.
- b. Sales order processing.
- c. Credit management.
- d. general ledger.

**6. Asset accounting is a key process in .....**

- a. Management accounting processes.
- b. Project management processes.
- c. financial accounting processes.
- d. Sales order processes.

**7. All of the following are organizational data associated with financial accounting except:**

- a. client      b. company code      c. plant      d. business area

**8. .... is Highest organizational level for financial reporting.**

- a. client      b. company code      c. plant      d. business area

**9. .... Is internal division of an enterprise that are used to define areas of responsibility or to meet the external reporting requirements of an enterprise segment.**

- a. cost center      b. company code      c. plant      d. business area

**10. which term refers to a listing of accounts that comprise a company's general ledger?**

- a. Asset accounting      b. chart of accounts      c. Financial Statements      d. Parallel Accounting

**11. which term refers to an orderly definition of accounts in the general ledger?**

- a. Asset accounting      b. chart of accounts      c. Financial Statements      d. Parallel Accounting

**12. .... contains the operational accounts that are used to record the financial impact of an organization's day to day transactions.**

- a. Group COA      b. Operative COA      c. Management COA      d. Country-specific COA

**13. multiple companies in an enterprise use ..... to merge their financial reporting.**

- a. Group COA      b. Operative COA      c. Management COA      d. Country-specific COA

**14. Data in the general ledger accounts are segmented by:**

a. Chart of account segment.

b. client segment

c. Company code

d. all of the above

e. a and c only.

**15. All business transactions related to accounting are recorded in.....**

a. general ledger      b. Accounts receivables      c. accounts payable      d. management  
   accounting     accounting     accounting

**16. .... Is Used to separate accounting for customers, vendors, and assets.**

a. Reconciliation accounts      b. bank ledger      c. general ledger      d. sub ledger

**17. .... Consolidate data from a group of related subledger accounts, such as customers and vendors.**

a. Reconciliation accounts      b. bank ledger      c. general ledger      d. multi-sub ledgers

**18. .... is a Two-digit code that identifies the process that generated the document.**

a. posting key      b. document type      c. header      d. line item

**19. .... Determines the document item is posted as a debit or a credit.**

a. posting key      b. document type      c. header      d. line item

**20. .... Determines document number range and the account type that can be posted to.**

a. posting key      b. document type      c. header      d. line item

**21. When An organization implement multiple ledgers and use each ledger for different purposes, this refers to:**

a. financial accounting      b. Management accounting      c. parallel accounting      d. cost accounting

**22. .... is a type of parallel accounting used to post all transactions for the whole client.**

a. One leading ledger.      b. general ledger.      c. Multiple ledgers.      d. non-leading ledgers.

**23. When each company code implements its own ledgers based on local accounting standards, this is called:**

a. One leading ledger.      b. general ledger.      c. Multiple ledgers.      d. non-leading ledgers.

**24. .... Is a location where costs are incurred.**

- a. cost management      b. cost center      c. cost accounting      d. cost code

**25. Which of the following is a reconciliation accounts Dealing with vendors?**

- a. general ledger      b. Accounts receivables accounting      c. accounts payable accounting      d. asset accounting

**26. Which of the following is a reconciliation accounts Dealing with customers?**

- a. general ledger      b. Accounts receivables accounting      c. sub ledger      d. asset accounting

**27. Asset can be:**

- a. Tangible      b. Intangible      c. Financial      d. all of the above      e. a and c only

**28. tangible assets can be all of the following except:**

- a. fixed assets.      b. leased assets.      c. assets under construction.      d. financial.

**29. Securities, long term notes and mortgages, are examples of:**

- a. Tangible assets      b. Intangible assets      c. financial assets      d. all of the above

**30. When Asset Acquisition is done via production process or project systems, this is .....**

- a. free Acquisition      b. internal Acquisition      c. additional Acquisition      d. external Acquisition

**31. purchasing assets from an established vendor without using the purchasing process is a**

- a. free Acquisition      b. internal Acquisition      c. additional Acquisition      d. external Acquisition

**32. Which term refers to the decrease in the value of an asset over time?**

- a. Asset Acquisition      b. Asset Depreciation      c. Asset Retirement      d. Asset Explorer

**33. every asset has a ....., which specifies how long the company expect using the asset.**

- a. book value.      b. residual value.      c. useful life.      d. None of the above.

**34. .... is the value of the asset after it is depreciated.**

- a. book value.      b. residual value.      c. useful life.      d. None of the above.

**35. Which of the following Concerned with the disposal of an asset after its useful life?**

a.Asset Acquisition      b. Asset Depreciation      c. Asset Retirement      d. Asset Explorer

**36. which of the following used to provide an overview of all activities related to the asset?**

a.Asset Acquisition.      b. Asset Depreciation.      c. Asset Retirement.      d. Asset Explorer.

**37. All of the Following are financial statements except:**

a.Balance Sheet      b. general ledger      c. Income Statement      d. Statement of cash flows

**38. All of the following are transaction types that occur during the life of an asset except**

a.Acquisition      b. Depreciation      c. Allocation      d. Retirement

**39. Which type of asset has a physical form?**

a.Master asset      b. Tangible asset      c. Informal asset      d. Intangible asset

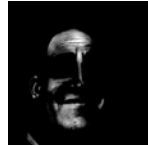
**40. Which type of asset has a non- physical form?**

a.Intangible asset      b. Master asset      c. Tangible asset      d. Informal asset

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C	A	D	B	C	B	D	D	C	B	D	B	C	A	C	D	B	C	B	A

### TRUE AND FALSE:



1. Reporting within financial accounting is divided into two categories: generating financial statements and displaying account information
2. General ledger accounting, Accounts receivable accounting, Accounts payable accounting and Asset accounting are Key Management Accounting Processes.
3. Accounting processes are broadly divided into two main categories: Financial accounting and management accounting.
4. Financial reporting is broadly divided into displaying account information or generating financial statements.
5. Financial accounting (FI) is concerned with recording the financial impacts of business processes as they executed.
6. Asset explorer provides an overview of all activities related to the asset Such as Acquisition.
7. Bank ledger accounting is used to record the financial impacts of business process steps.
8. Accounts payable accounting is associated with the fulfillment process.
9. Financial Statements has two types only, Balance Sheet and Income Statement.
10. Accounts receivables accounting is concerned with recording data associated with bank transactions.
11. Asset accounting is used to record data related to the purchase, use, and disposal of assets.
12. Asset Retirement is concerned with the disposal or retirement of an asset after its useful life.
13. Accounts receivable accounting is concerned with customers.
14. computers, machinery, and building are Tangible assets.
15. Assets are assigned to company code and business area.

16. Bank ledger accounting is a key process in management accounting.
17. Business area is the Highest organizational level for financial reporting.
18. Computer Center at the Faculty of Commerce is considered a business area , so it can prepare its own financial reports.
19. Financial statements are generally prepared at the company code level.
20. A business area can be product line or geographic division cross company codes.
21. There are five types of charts of accounts.
22. Intangible assets are physical items such as buildings, machinery, and computers.
23. Tangible assets are non- physical items such as trademarks and patents.
24. Depreciation can be planned or unplanned.
25. Straight-line and Double-declining balance are Depreciation methods.
26. A company must use at least one chart of account.
27. A company Can't use more than one chart of account to create alternate ledgers.
28. All enterprises must maintain an operative COA, while group and country-specific COAs are optional.
29. General ledger accounts are master data.
30. sub-ledgers Are part of the general ledger.
31. Reconciliation accounts Are part of general ledger.
32. Financial accounting content is defined by management needs.
33. Management accounting content is defined by laws and regulations.
34. Financial data Can be posted directly to The Reconciliation accounts.
35. Reconciliation accounts are used to separate accounting for customers, vendors, and assets.

36. Document Type Determines the document item is posted as a debit or a credit.
37. Posting Keys Determines the document number range and the account type that can be posted to.
38. An organization can implement multiple ledgers in parallel and use each ledger for different purposes.
39. Within parallel accounting, one leading ledger mean each company implement its own ledgers.
40. Most of the data used in management accounting are derived from financial accounting.
41. a key function of financial accounting is to manage and allocate costs.
42. Cost center can be considered as a container or bucket that accumulates costs.
43. Cost centers can be associated with departments such as marketing also can be associated with individuals.
44. Business areas are internal divisions of an enterprise that are used to define areas of responsibility or to meet the external reporting requirements of an enterprise segment.
45. Accounts Payable Accounting Dealing with customers.
46. Trademarks is an example of Tangible Assets.
47. The organizational data associated with financial accounting are client, company code, and business area.
48. Tangible assets have a nonphysical form.
49. The general ledger is used to record the financial impacts of business process steps.
50. Intangible assets have nonphysical form.
51. Asset Acquisition must be via external processes.
52. Asset Acquisition can be via internal or external processes.

53. To acquire assets, organization can purchase from a onetime vendor, or a vendor for whom master data are not maintained.
54. Asset retirement always generate revenue.
55. Accounts payable accounting is concerned with vendors.
56. A chart of accounts (COA) is an ordered listing of accounts that comprise a company' s general ledger.
57. General ledger accounting, Accounts receivable accounting, Accounts payable accounting and Asset accounting are Key Management Accounting Processes.
58. Management Accounting (CO) is intended primarily for audiences outside the organization.
59. Financial Statements has two types only, Balance Sheet and Income Statement.
60. Reporting within financial accounting is divided into two categories: generating financial statements and balance sheet is a type of financial statements.
61. Balance sheet is a type of financial statements. **T**

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41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60
<b>F</b>	<b>T</b>	<b>T</b>	<b>T</b>	<b>F</b>	<b>F</b>	<b>T</b>	<b>F</b>	<b>T</b>	<b>T</b>	<b>F</b>	<b>T</b>	<b>T</b>	<b>F</b>	<b>T</b>	<b>T</b>	<b>F</b>	<b>F</b>	<b>F</b>	<b>T</b>