#### A Practical Approach to Financial Accounting and Controlling using SAP FICO

Training report submitted in partial fulfilment of the requirements for the award of the Degree of

### MASTER OF BUSINESS ADMINISTRATION

of

### BENGALURU CITY UNIVERSITY

****

By

**SUVRANIL SAHA**

Reg. No.: **P18DM22M015135**

Under the guidance of

**Dr. VENKATRAMANA K**

**Associate Professor**

**MBA, Ph. D**

****

### INTERNATIONAL INSTITUTE OF BUSINESS STUDIES

Bengaluru City University

**SANTHOSH KUMAR**

**CAPTOR SOFTWARE TECHNOLOGIES**

**DECLARATION**

I here declare that the work presented in the project on **“A Practical Approach to Financial Accounting and Controlling using SAP FICO”** in partial fulfilment of the requirement for the award of degree of **“MASTER OF BUSINESS ADMINISTRATION” in INTERNATIONAL INSTITUTE OF BUSINESS STUDIES**

from **BENGALURU CENTRAL UNIVERSITY**, is record of my own work.

Further I declare that this is my original work and the analysis and the findings are for academic purpose only.

**Place**: Bangalore **Name**: Suvranil Saha

**Date**: **Reg. No.**: P18DM22M015135

#### GUIDE CERTIFICATE

This is to certify that the (Suvranil Saha and P18DM22M015135) have undergone training from me on **SAP FICO** from **1/2/2025 to 30/3/2025** as a part of the training program from Bengaluru City University, Bengaluru for the award of a Degree of Master of Business Administration.

Place: Bangalore Date:

Signature

**Certificate by Training Institute**



#### Certificate of Originality

#### Acknowledgement

I would like to take this opportunity to thank everyone who are directly or indirectly with this project. Special thanks to my external guide Santhosh Kumar sir for teaching and providing me necessary information for the project, without him the project would be the incomplete. His perspective and expertise have been immensely valuable in conducting and performing unique ideologies, processing the data and generating key insights for the project.

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### DEPARTMENT OF MANAGEMENT

**INTERNATIONAL INSTITUTE OF BUSINESS STUDY(IIBS**), **Bengaluru**

#### Training Program to be undertaken

|  |  |
| --- | --- |
| Name of the Student | **SUVRANIL SAHA** |
| Register Number | **P18DM22M015135** |
| College Name | **INTERNATIONAL INSTITUTE OF BUSINESS STUDIES (IIBS)** |
| Type of the Proposed Training | **SAP in any specialized field** |
| Mode of Training | **Offline** |
| Duration of the Training | **2 MONTHS** |
| Name of the Training | **SAP FICO** |
| Name of the Training Institute | **Captor Software Technologies** |
| Recognition of the Training Institute | **Captor Certified Training** |
| Website of the Training Institute (If available) | **https://captorsoftware.com/** |

Name of the Guide

Signature of the Guide

Name of the Student

Signature of the Student

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**CHAPTER 1**

**INTRODUCTION**

###### 1.1 Introduction to the Training Undergone:

###### 1.1.1 Introduction to ERP

In today’s digital era, businesses are continuously striving to improve efficiency, reduce operational costs, and enhance decision-making. To meet these goals, many organizations rely on Enterprise Resource Planning (ERP) systems—integrated platforms that manage core business processes across departments in a unified environment.

ERP helps streamline and automate various functions such as finance, procurement, production, inventory, human resources, and sales. It ensures that data flows seamlessly across the organization, improving accuracy, productivity, and coordination.

Among the various ERP systems available in the market, SAP (Systems Applications and Products in Data Processing) stands out as a global leader. It offers a wide range of modules tailored for different business functions and industries. One of its most critical and widely used modules is SAP FICO, which stands for Financial Accounting (FI) and Controlling (CO).

###### 1.1.2 Introduction to SAP

###### SAP (Systems, Application and Products in data processing), a German-based software company established in 1972, has grown to become a global leader in enterprise business solutions. With over four decades of innovation and expertise, SAP has consistently remained at the forefront of the ERP (Enterprise Resource Planning) and business software industry.

###### Today, SAP’s solutions are widely used across more than 25 diverse sectors including manufacturing, retail, financial services, human resources, public administration, life sciences, consumer goods, and energy and natural resources, among others. Its versatile software platforms are designed to address the evolving needs of modern industries.

###### To manage the complexities of these industries effectively, SAP ERP integrates various business functions and processes into a single, streamlined system. Some of the core processes it supports include Sales and Distribution, Materials Management, Production Planning, Logistics Execution, and Quality Management. Additionally, SAP covers key financial areas such as Financial Accounting, Management Accounting, and Financial Supply Chain Management. It also supports Human Capital Management modules like Training, Payroll, and e-Recruiting, as well as Corporate Services including Travel Management, Environment, Health and Safety, and Real Estate Management.

###### 1.1.3. Introduction to SAP FICO

SAP FICO is one of the most essential modules within the SAP ERP suite, designed to help organizations manage and monitor their financial transactions and internal cost-related processes in a structured and transparent way. It plays a crucial role in enabling accurate financial reporting and effective decision-making.

The module is divided into two key components:

FI (Financial Accounting) focuses on external financial reporting and accounting. It handles all the core processes such as general ledger, accounts receivable, accounts payable, asset accounting, and financial statements. It ensures that the organization’s financial data is recorded and reported in compliance with global accounting standards.

CO (Controlling), on the other hand, deals with internal cost tracking and control. It supports planning, reporting, and monitoring operations by tracking costs related to internal activities. Key components include cost centers, profit centers, internal orders, and cost element accounting.

SAP FICO seamlessly integrates with other SAP modules like Sales and Distribution (SD), Materials Management (MM), and Human Capital Management (HCM), ensuring that financial data flows consistently across all departments.

Due to its comprehensive functionality and reliability, SAP FICO is widely used by businesses of all sizes and industries to gain real-time insights into their financial health and to maintain regulatory compliance.

**1.1.4 Types of SAP teams:**

In an SAP environment, teams are generally divided into two broad categories: Functional Teams and Technical Teams. Both play critical roles in the successful implementation, customization, and support of SAP ERP systems.

1**. Functional Teams**: Functional teams are responsible for understanding business processes and configuring SAP modules according to the organizational needs. These professionals act as a bridge between the business users and the technical team. Functional team consists of 6 teams. They are:

* **FICO (Financial Accounting and controlling):** Theyhandle financial transactions, reporting, asset management, cost center accounting, and internal controls. It ensures accurate financial processing and helps in decision-making.
* **SD (Sales and Distribution):** They manage customer order processing, pricing, shipping, billing, and sales data. It helps streamline the complete sales cycle.
* **MM (Material Management):** They focus on procurement, inventory management, and material planning. It supports smooth operations in the supply chain.
* **HR (Human Resource):** They manage employee records, payroll, benefits, and performance evaluations. It is crucial for human capital management.
* **CRM (Customer Relationship Management):** They help in managing customer interactions, sales campaigns, and after-sales services to improve customer satisfaction and retention.
* **SCM (Supply Chain Management):** They ensure coordination across planning, manufacturing, logistics, and fulfillment processes, improving supply chain efficiency.

**2. Technical Teams:** Technical teams are responsible for system development, maintenance, integration, and security. They provide the backbone of SAP systems through programming, database management, and technical configuration. Technical team consists of:

* **ABAP (Advanced Business Application Programming):**

SAP’s proprietary programming language that is used to develop custom reports, forms, and enhancements in the SAP environment.

* **BASIS:**

They manage the technical aspects of SAP systems like installation, configuration, system monitoring, and performance tuning. They ensure the system runs smoothly.

* **BI/BW (Business Intelligence / Business Warehouse):**

They handle data extraction, transformation, and reporting. These tools support advanced analytics and help decision-makers derive insights from data.

* **PI/XI (Process Integration / Exchange Infrastructure):**

They enable integration between SAP and non-SAP systems. It facilitates data communication across different platforms.

* **Security:**

They ensure that only authorized users have access to the system and that data integrity and confidentiality is maintained. They manage roles, authorizations, and user permissions.

**1.1.5 Types of Projects:**

**1. Implementation Project:**

An Implementation Project refers to the process of setting up SAP software in an organization for the very first time. This involves a complete cycle starting from requirement gathering, system design, blueprint preparation, configuration, data migration, testing, and finally going live. Implementation projects require a dedicated team of functional and technical consultants, along with active involvement from business users. The aim is to customize the SAP system to align with the company’s unique processes and ensure that the software meets all operational and reporting needs.

**2. Testing Project:**

A Testing Project is mainly focused on verifying and validating the system functionalities before it is deployed or after any major changes are made. This includes unit testing, integration testing, system testing, and user acceptance testing (UAT). The goal is to ensure that all SAP modules work seamlessly without errors and that business requirements are met. It helps in identifying bugs, performance issues, and gaps in the process flow so they can be addressed before the system goes live or is updated.

**3. Rollout Project:**

A Rollout Project involves extending an existing SAP solution to new locations, branches, or business units of an organization. It does not require the entire implementation cycle but focuses on replicating the core system while accommodating local requirements such as legal regulations, tax structures, and language preferences. These projects are usually faster than full implementations and require careful planning to ensure consistency across the organization, while also adapting to local operational needs.

**4. Support Project:**

A Support Project begins once the SAP system is live and being used in daily business operations. The main focus here is on maintaining the system, fixing issues, handling user queries, and implementing minor enhancements as needed. Support teams work on tickets raised by users, categorized into levels (L1, L2, L3) based on complexity. A strong support structure ensures smooth business operations, minimizes downtime, and enhances user satisfaction by addressing system-related problems efficiently.

**5. Upgradation Project:**

An Upgradation Project refers to the process of moving from an older version of SAP to a newer one, such as upgrading from SAP ECC to SAP S/4HANA. This type of project aims to enhance system performance, improve the user interface, and leverage new features introduced in the upgraded version. It involves backing up the existing system, updating software, checking compatibility of custom developments, and re-training users on the new version. These projects require meticulous planning and coordination between functional, technical, and BASIS teams.

**1.2 Importance of the Training Undergone:**

Undergoing SAP FICO training has proven to be a valuable step toward building a strong foundation in financial and controlling processes within the ERP domain. The training offers a wide range of benefits, both professionally and technically, as detailed below:

**1.Gaining Knowledge:**

The training has provided in-depth understanding of financial accounting and controlling processes, including real-time business scenarios. It has enhanced conceptual clarity on managing ledgers, cost centers, asset accounting, and financial reporting using SAP.

**2.Job Purpose:**

This training equips candidates with the practical skills required in the finance departments of major organizations, making them job-ready for roles such as SAP FICO Consultant, Financial Analyst, and ERP Support Executive.

**3.Advanced Technology:**

SAP is a cutting-edge enterprise software platform. Getting trained on SAP FICO allows professionals to work with advanced ERP systems that are used by global enterprises, ensuring alignment with current industry standards.

**4.Career Enhancement:**

With this certification and hands-on training, individuals significantly improve their career prospects. It opens doors to promotions, new job roles, and greater responsibilities in the finance and ERP ecosystem.

**5.Skill Development:**

The training helps develop both technical and functional skills, including system configuration, financial data handling, report generation, and business process optimization, which are highly valued in today’s job market.

**6.Higher Earning Potentiality:**

Certified SAP FICO professionals often command higher salaries due to the specialized knowledge they possess. Their ability to manage complex financial systems adds significant value to organizations.

**7.Global Recognition:**

SAP FICO training is recognized across industries worldwide. Being trained and certified in SAP ensures credibility and validation in the global job market, regardless of geographic boundaries.

**8.Increased Job Opportunities:**

As SAP is implemented by a large number of multinational companies, the demand for skilled FICO professionals remains high, increasing opportunities in both IT and core finance roles.

**9.IT Course:**

The SAP FICO module is considered a key IT-functional course, blending information technology with finance, making it ideal for those looking to bridge the gap between business and technology.

**10.Advanced Course in ERP:**

SAP FICO stands out as one of the most advanced and critical modules in the ERP landscape. Mastering it lays a strong foundation for deeper exploration into other SAP modules or enterprise systems.

**1.3 Need of Training:**

In today’s competitive and fast-paced business environment, professional training in SAP FICO has become essential for individuals looking to build a strong career in finance and enterprise systems. The need for this training is driven by several important factors:

**1.Company’s Demand:**

Many organizations across the globe are adopting SAP ERP systems to streamline their financial processes. This has created a strong demand for trained SAP FICO professionals who can handle finance and controlling operations efficiently within the system.

**2. Enhanced Skill and Enterprise:**

The training significantly sharpens technical and functional skills related to finance, accounting, and business process management. It builds enterprise-level capabilities that align with the expectations of modern industries.

**3. Career Flexibility:**

With SAP FICO knowledge, professionals can explore diverse career paths—ranging from ERP consultant to financial analyst, auditor, and SAP support roles. It offers the flexibility to switch between technical, functional, and managerial roles within the finance domain.

**4. Real-Time Exposure:**

Training provides practical exposure to live SAP environments and real-time business scenarios, which is crucial for understanding how organizations operate in the real world. It bridges the gap between theoretical knowledge and industry practice.

**5. Better Understanding of Financial System:**

SAP FICO offers a deep insight into how financial transactions are recorded, processed, and reported in an integrated system, improving one’s grasp of financial operations and compliance standards.

**6. Job Opportunities:**

As companies continue to implement or upgrade their ERP systems, especially SAP, trained FICO professionals have access to a wide range of job openings across sectors like banking, manufacturing, retail, and consulting.

**7. Finance and Controlling Exposure:**

SAP FICO covers both financial accounting and management controlling, giving learners a holistic view of how organizations manage both external reporting and internal cost control.

**8. Update on ERP Knowledge:**

The training ensures that professionals stay current with the latest developments in SAP ERP, including features, functionalities, and best practices, keeping them ahead in the field.

**9. Integration with Other Modules:**

One of the biggest strengths of SAP FICO is its ability to integrate with other modules like Materials Management (MM), Sales and Distribution (SD), and Human Resources (HR). The training helps learners understand how these modules work together in a unified system.

###### CHAPTER 2

###### DESCRIPTION OF TRAINING

###### 2.1 Types of training undergone:

###### 1. FICO Configuration:

###### This training focuses on understanding and performing the configuration of SAP FICO modules. It covers setting up company codes, chart of accounts, posting periods, tax configurations, and other financial elements in SAP. Learners gain hands-on experience in configuring both Financial Accounting (FI) and Controlling (CO) modules according to organizational requirements. This forms the foundation for all FICO functionalities.

###### 2. FICO Integration:

###### FICO Integration training deals with how the FICO module interacts with other SAP modules like MM (Materials Management), SD (Sales and Distribution), and HCM (Human Capital Management). Trainees learn to configure and manage inter-module data flow, ensuring smooth and accurate financial postings across departments. This training enhances the understanding of real-time data integration and is crucial for working in cross-functional SAP environments.

###### 3. FICO Support:

###### This training prepares learners for real-time issue resolution in live SAP environments. It includes learning how to handle tickets, resolve end-user problems, conduct root cause analysis, and apply quick fixes or enhancements. The training also involves understanding of SLAs, ticketing tools, and documenting solutions. It builds practical skills to work in support projects where continuous system maintenance is key.

###### 4. FICO Testing:

###### Rollout project training provides knowledge on deploying the existing SAP system to new company locations or business units. It includes training on data mapping, localization (tax laws, language, currency), minor configuration adjustments, and master data migration. This training enhances the understanding of standard global templates and adapting them to suit regional or branch-specific needs.

###### 5. FICO Rollout Projects:

###### Rollout project training provides knowledge on deploying the existing SAP system to new company locations or business units. It includes training on data mapping, localization (tax laws, language, currency), minor configuration adjustments, and master data migration. This training enhances the understanding of standard global templates and adapting them to suit regional or branch-specific needs.

###### 6. FICO Upgradation Project:

###### This training is focused on upgrading from older SAP versions (like ECC) to newer platforms such as SAP S/4HANA. It covers system analysis, understanding the impact of upgrades on FICO functionalities, testing post-upgrade performance, and ensuring compatibility of custom configurations. Trainees also learn how to guide businesses through the transition while preserving data integrity and improving system performance.

###### 2.2 Usefulness of Training Undergone:

###### 1. Practical Knowledge in FICO Configuration

###### Through the configuration training, I gained in-depth knowledge of setting up and customizing financial modules in SAP as per organizational requirements. This has helped me understand how real-world businesses manage financial transactions and internal controls, giving me confidence in handling live business scenarios efficiently.

###### 2. Enhanced Understanding of Module Integration

###### The FICO integration training has enabled me to understand the flow of data between different SAP modules like MM, SD, and HCM. This cross-functional insight is extremely valuable, as it helps ensure that financial data is accurate and synchronized across departments, which is essential for enterprise-wide planning and reporting.

###### 3. Real-time Issue Handling with Support Training

###### The support training equipped me with the skills to troubleshoot real-time issues, manage user tickets, and deliver prompt solutions in a production environment. It prepared me to work in a fast-paced support role, which is crucial for maintaining business continuity and user satisfaction in any SAP-enabled organization.

###### 4. Readiness for Global Rollouts

###### With rollout project training, I learned how to implement existing SAP systems in new locations or company branches. This skill is especially useful in multinational companies where business expansion requires SAP localization, legal compliance, and smooth go-live processes for new units.

###### 5. Exposure to System Upgrade Process

###### The upgradation project training gave me exposure to the process of transitioning SAP systems to advanced versions like SAP S/4HANA. Understanding this process enhances my ability to help organizations modernize their ERP systems, ensuring improved performance, security, and access to newer functionalities.

###### 2.3 Knowledge about Financial Scenarios:

###### 1. ERP Knowledge

###### Understanding Enterprise Resource Planning (ERP) systems is crucial for managing financial scenarios effectively. Through the training, I developed strong ERP knowledge, particularly in SAP FICO, which enabled me to see how financial transactions, accounting processes, and controlling activities are handled in an integrated manner. This knowledge helps in creating seamless workflows across various departments, ensuring that the financial data is accurate, up-to-date, and supports business operations efficiently.

###### 2. Financial Process Expertise

###### Beyond basic ERP concepts, the training provided detailed exposure to real-world financial processes within the SAP system. I gained practical knowledge on financial reporting, budget management, asset accounting, taxation, and cost center planning. This has given me a comprehensive understanding of how companies track their revenues, expenses, assets, and liabilities, making me better prepared to contribute to financial management tasks in any organization.

###### 3. Bridging the Gap Between Theoretical and Practical Knowledge

###### One of the biggest advantages of the training was bridging the gap between theoretical knowledge gained in academic studies and the practical application in a corporate environment. While theoretical knowledge explains financial concepts and principles, the training taught me how to actually configure, manage, and troubleshoot financial systems in SAP. Working on real-time scenarios and project simulations helped me develop hands-on experience that is critical in professional roles.

###### 4. Enhanced Decision-Making Ability

###### With a stronger understanding of financial processes and ERP systems, I am now able to analyze business data more effectively and contribute to better decision-making. Having visibility into financial reports, cost structures, and budget performance allows for quicker, more informed decisions that align with organizational goals. The ability to interpret financial information accurately is a key skill that supports strategic planning, operational efficiency, and long-term growth for any business.

###### CHAPTER 3

###### TRAINING OUTCOME

###### 3.1 How to login SAP:

###### Step 1 – Right click on the VMware Work Station.

###### Step 2 – Click on open

###### Step 3 – Click on power on ‘VIRTUAL MACHINE

###### Step 4 – Right click on SAP Management Console

###### Step 5 – Click on open and click on Start button or click on ECC to start

###### Step 6 – Enter Username: sapuser

###### Enter Password: india123

###### Step 7 – Check server – it should be in green color and then minimize the screen

###### Step 8 – Double click on SAP LOGON

###### Enter Username: sapuser

###### Enter Password: india123

###### Step 9 – Click on Enter Main screen will appear and Start

**3.2 How to logout of SAP**

Step 1 – Click on system → Logoff → Yes

Step 2 – Click on Suspend Guest button → Close

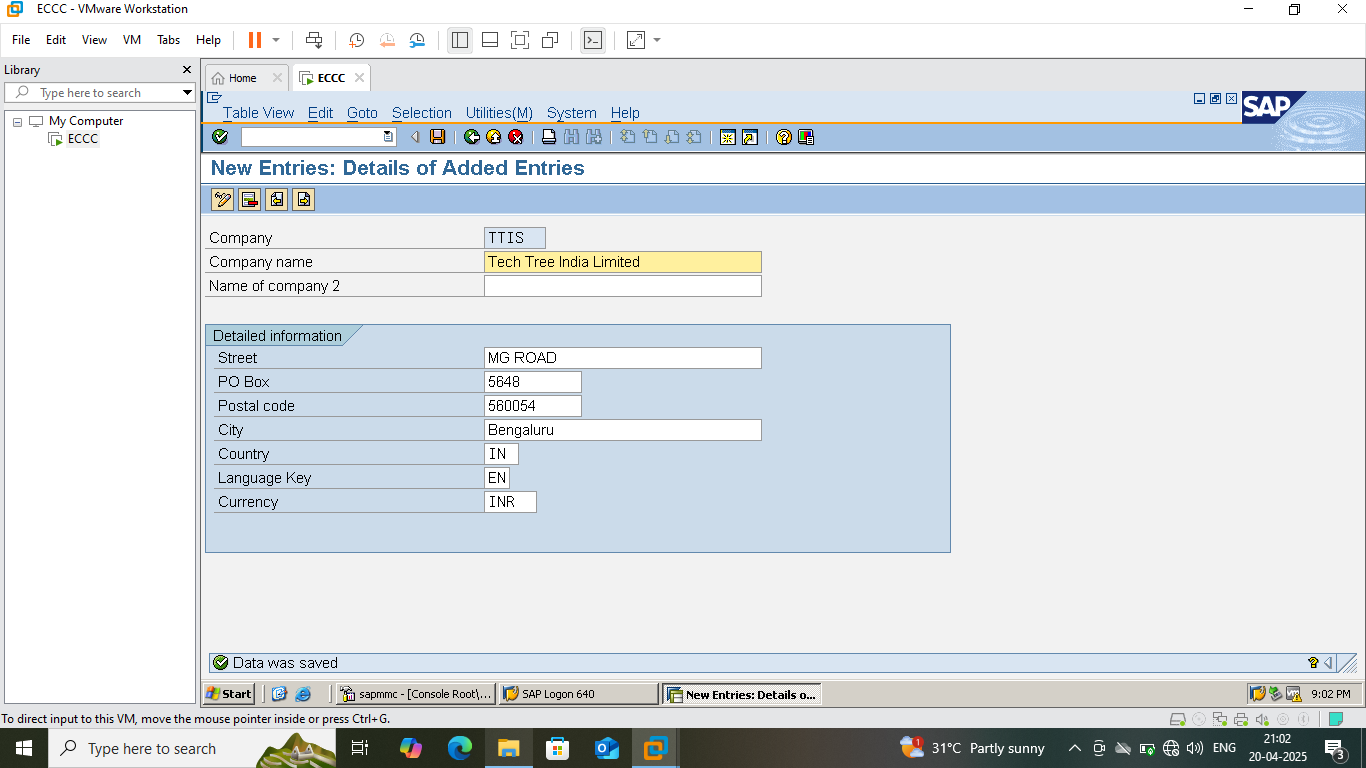
Step 3 – Close VMware Software normally

**SAP FI:**

SAP FI is a core module in SAP that manages a company’s financial transactions and accounting data. It enables accurate financial reporting by recording business processes like accounts payable, receivable, asset accounting, and general ledger. SAP FI ensures compliance with legal and organizational financial requirements through real-time integration and automation.

**3.3 Basic Settings for General Ledger:**

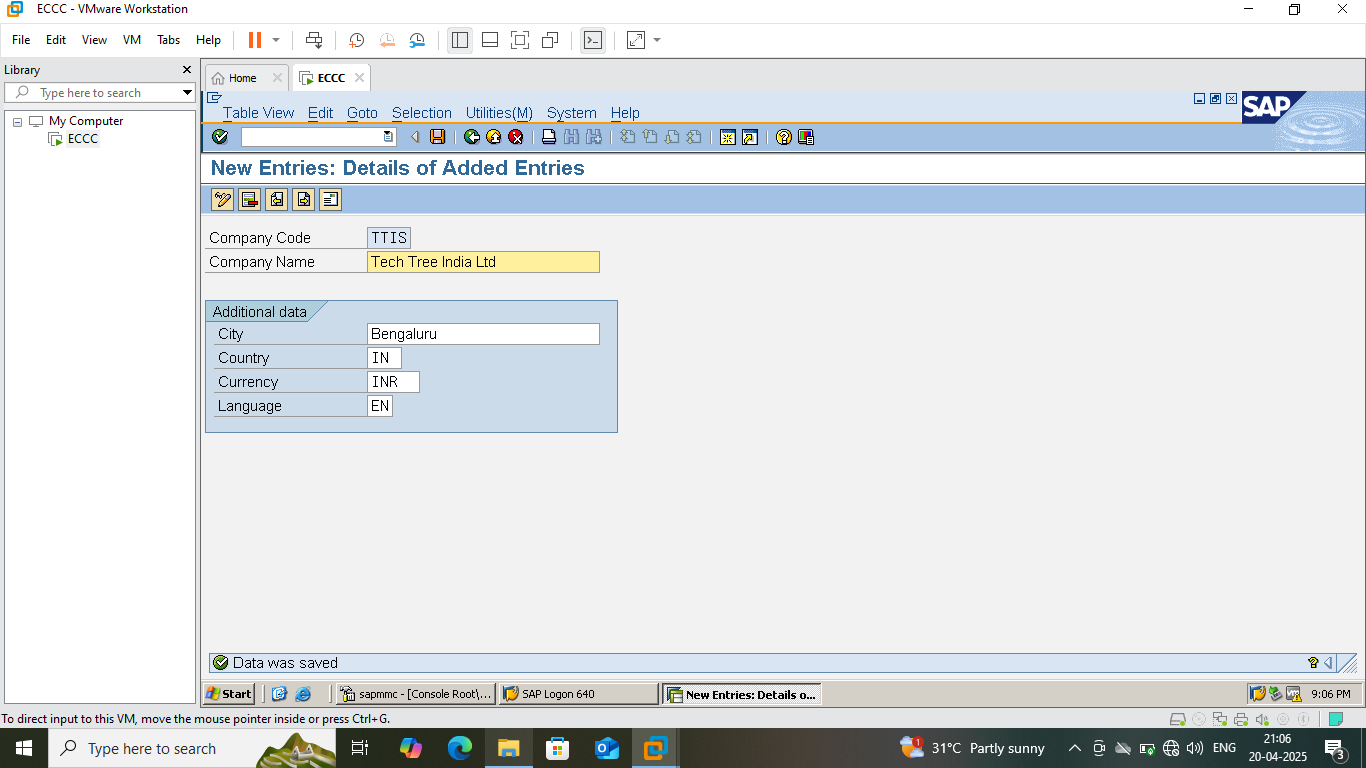
**Define a Company: (TCODE-OX15)**

****

**Fig 1: Company**

**Define Company Code: (TCODE- OX02)**

It is a legal entity to set up separate business organization entity or unit.



**Fig 2: Company Code**

**Define Business Area: (TCODE- OX03)**

These are the area or branches. These are used to differentiate transactions that come from different lines of business in a company.

###### 

###### Fig 3: Business Area

###### Define Credit Control Area: (TCODE- OB45)

###### Credit Control is used to check the credit limit for the customer and it can use 0n or more code. It provides credit limit to the customers.

###### Define Chart of Account (CoA): (TCODE- OB13)

###### It represents the list of general ledger accounts that are used to meet the daily needs and operating company’s legal requirements in a company.

###### There are 3 types of charts of account

###### 1. Operating Charts of Accounts: It is used for day-to-day business transaction posting.

###### 2. Country Charts of Accounts: It is used for country specific purpose or legal purpose

###### 3. Group Charts of Accounts: It is used when they are following different charts of account. It is used for consolidation purpose. Here direct posting is not possible.

###### 

###### Fig 4: Charts of Account

###### Define Account Groups: (TCODE- OBD4)

###### It controls master data as well as general ledger. There are 4 options of to control the fields 1. Suppress 2. Display 3. Required 4. Optional

###### 1. Suppress: By using this option, particular field will be hidden or removed from the screen.

###### 2. Display: By using this option, particular field will be displayed but we can’t edit.

###### 3. Required: By using this option, particular field will be mandatory fields.

###### 4. Optional: If you may or may not enter, particular field will be saved in a screen.

###### 

###### Fig 5: Account Group

###### Retained Earnings: (T CODE: OB53)

###### Retained earnings account is used to carry forward the balance from one fiscal year to next fiscal year.

###### 

###### Fig 6: Retained Earnings

###### Fiscal Year Variant: (T CODE: OB29)

###### It is a pre-defined statistic. It contains the number of posting periods in a fiscal year and the number of special periods. It contains 12 normal periods & 4 special periods. If we want to maintain more than 12 normal periods it is possible. We can maintain up to 365 periods. But in case of special periods, we cannot maintain more than 4 special periods, it is not possible.

###### 

###### Fig 7: Fiscal year variant

###### Posting Period Variant: (T CODE: OBBO)

###### It is a fiscal year variant which contains open posting period and close posting period.

###### 

###### Fig 8: Posting Period Variant

###### Field Status Variant (T CODE: OBC4)

###### It controls field status group. Field status group controls transactions fields. There are 4 options to control the field- 1. Suppress 2. Display 3. Required 4. Option.

###### 

###### Fig 9: Field status variant

###### Sales Tax Procedure (T CODE: OBBG)

###### If any purchases and sales happen outside the country; tax will be applied.

###### Tolerance Group: (T CODE: OBA0)

###### A **tolerance group** is used to define **limits or boundaries** for users or user groups regarding the amount of money they can post or approve in financial transactions. It helps control and restrict what users are authorized to do, especially when dealing with payments, invoices, or journal entries.

###### 

###### Fig 10: Tolerance group for general ledger and employees

###### Document types and Number Ranges: (T CODE: OBA7 and FBN1)

###### It controls two alphabetic digits and also known as voucher containing details. It controls both debit and credit. Documents are controlled by number ranges. There are 2 types of number ranges 1. Internal no. ranges 2. External no. ranges

###### 1. Internal no. ranges: By using this option, documents are saved automatically or sequential order or serial wise.

###### 2. External no. ranges: By using this option, systems will ask what document no. range will be given to save the documents manually.

###### 

###### Fig 11: Document types and number ranges

###### Enter Global Parameter: (T CODE: OBY6)

###### If any assignments are missed in previous steps, those will be assigned here and also, we are going to update PAN no., TAN no., GIR no. etc.

###### Posting Keys (T CODE: OB41)

###### It contains two numeric digits which controls both credit and debit. For example, in case of G/L accounts Debit-40, Credit-50

###### 

###### Fig 12: Posting keys for debit and credit

###### GENERAL LEDGER (GL):

###### A general ledger contains all the transaction details of a company. It acts as the primary record to maintain all accounting details. It is used to create financial statements (Profit and Loss account and Balance Sheet). T-Code for general ledger is FS00. There are two types of segments in general ledger:

###### 1. Chart of Account Segments: It controls the type or description of controls the types or description of the general ledger

###### 2. Company code Segments: It controls control data and create bank interest.

###### Creation of 3 G/L masters:

###### 1. Share Capital: Share Capital is the funds raised by a company through issuing shares to investors. It represents the ownership interest in the company and is a key component of equity on the balance sheet.

###### Types of Share Capital:

###### Authorized Share Capital: The maximum capital a company can issue, as stated in its memorandum.

###### Issued Share Capital: The part of authorized capital that has been issued to shareholders.

###### Subscribed Share Capital: The portion of issued capital that investors have agreed to buy.

###### Paid-up Share Capital: The actual amount paid by the shareholders.

###### For Example:

###### If a company issues 10,000 equity shares of ₹10 each, the issued share capital = ₹1,00,000.

###### SAP FICO Context:

###### In SAP, share capital is managed through G/L accounts under the liability side of the balance sheet. It can be monitored using reports in SAP Financial Accounting (FI) using T-code:

###### FS10N – Balance display

###### FBL3N – G/L account line-item display

###### 2. Reserves and Surplus: This is the accumulated profit retained in the business instead of being distributed as dividends. It helps strengthen the financial position and supports future growth.

###### Types of Reserves:

###### Capital Reserve: Created from capital profits (e.g., premium on share issue). Example: Profit from selling a building.

###### Revenue Reserve: Comes from operational profits (e.g., General Reserve, Dividend Reserve).

###### Surplus:

###### The retained earnings left in the Profit and Loss Account after deducting expenses, taxes, and dividends. Example:

###### Net profit after tax = ₹50,000

###### Dividend paid = ₹20,000

###### Surplus = ₹30,000

###### SAP FICO Context:

###### In SAP, reserve accounts are maintained under equity liabilities. Reports can be generated through:

###### S\_ALR\_87012284 – Balance Sheet/P&L Statement

###### 3. Cash: Cash includes physical money and balances in bank accounts. It's the most liquid current asset and crucial for day-to-day operations.

###### Types:

###### Cash in Hand

###### Cash at Bank

###### Cash Equivalents (like treasury bills)

###### Example:

###### Cash in hand: ₹5,000

###### Bank Balance: ₹95,000

###### Total Cash = ₹1,00,000

###### SAP FICO Context:

###### In SAP, cash is managed via cash/bank G/L accounts. You can view or manage cash using:

###### FF67 – Manual Bank Statement

###### FBCJ – Cash Journal

###### FS10N or FBL3N – For cash account details

###### Documents in General Ledger:

###### There are 4 types of documents under ledger.

###### 1. Hold Documents: It is a temporary document. It is used for adjustment purpose. If any information is missing in a document in debit and credit in such case, we are holding a document.

###### 2. Park Documents: It is used for approval from higher authority Here senior person can change date and amount.

###### 3. Sample document: It is a template. It is used when regular transactions are common. Here we can change date and amount. Example: salary and rent

###### 4. Recurring document: It is a template. It is used for common expenses. Example: Bank loan repayment and insurance premium.

###### Foreign Currency Transaction:

###### If any purchases and sales happen outside the country from customers and vendors, we called it as foreign currency transaction.

###### Types of exchange rates:

###### G type/ Bank buying rate

###### B type/ Bank selling rate

###### M type/ Average rate

###### ACCOUNT PAYABLE (AP):

###### Account payable is used to manage and record accounting data for all the vendors. It handles the company's obligations to pay off short-term debts to its vendors or suppliers. The AP process begins when a purchase is made on credit and ends when the payment is made to the vendor. In SAP, the entire process—from invoice entry to payment execution—is streamlined and integrated with other modules like MM (Materials Management) for procurement and Treasury for cash management.

###### Basic Settings for account payable:

###### 1. Define Vendor accounts group (T code OBD3) with FI and MM vendors

###### There are 3 types of Vendors. They are

###### Domestic Vendor

###### Foreign Vendor

###### One time Vendor

###### 2. Creation of no. ranges for vendor accounts (T Code XKN1)

###### 3. Assign no. ranges to vendor accounts (T Code OBAS)

###### 4. Define tolerance group for vendors (T Code OBA3)

###### 5. Creation of 2 G/L masters

###### Inventory raw material a/c

###### Sundry Creditors

###### 6. Creation of vendor master (T Code XK01)

###### 7. Define document types (T Code OBA7) and Number Ranges (T Code FBA1)

###### KR- Vendor invoice

###### KZ- Vendor payment

###### KA- Vendor document for reversal (negative permit posting) or transfer

###### 8. Posting Keys (T Code: OB41)

###### Debit- 25 (vendor payment)

###### Credit- 31 (vendor invoice)

###### Vendor Master Data:

###### At the heart of the AP process in SAP is the Vendor Master Record, which contains essential information like the vendor's name, address, bank details, payment terms, and reconciliation account. The master data is divided into three views:

###### General Data (shared across company codes)

###### Company Code Data (specific to financial accounting)

###### Purchasing Data (used in procurement processes)

###### Accurate creation and maintenance of vendor master data ensure smooth transaction processing, timely payments, and proper financial reporting.

###### Reporting and Integration:

###### SAP provides comprehensive reports for managing and analyzing vendor balances and payment performance. Common reports include:

###### FBL1N – Vendor Line-Item Display

###### S\_ALR\_87012082 – Vendor Balance in Local Currency

###### FK10N – Vendor Account Balance

###### Accounts Payable is tightly integrated with other modules like MM, enabling a seamless Procure-to-Pay (P2P) process. This integration ensures that any goods receipt (GR) and invoice verification (IV) are properly linked, minimizing errors and manual reconciliation.

###### House-bank:

###### In SAP, a House Bank refers to the internal representation of the company’s bank account. It acts as the bridge between SAP’s accounting system and the actual financial institution used for transactions. Each house bank can have multiple bank accounts assigned to it (e.g., checking, savings, foreign currency). These are maintained under the Bank Master Data, and each account is associated with a GL account for accounting purposes. This is done through T-Code- FI12

###### House Banks are crucial for automating payment processes like vendor payments, payroll, and customer refunds. When processing payments via transaction F110 (Automatic Payment Program), SAP selects the house bank and corresponding account from which funds will be debited. This ensures transparency, control, and easy reconciliation of bank transactions within the financial system.

###### Check-Lots:

###### Check Lots are used in SAP when the payment method involves issuing physical checks to vendors. A check lot is essentially a range of pre-printed check numbers assigned to a specific House Bank and account. This range is maintained in SAP to ensure that each check issued has a unique and trackable number, preventing duplication or fraud. This is done through T-Code- FCHI

###### Advance to Vendors or Down-payment:

###### Before buying goods, customers make some advance for the goods and the remaining amount will be paid once goods are received. Sometimes companies need to pay vendors in advance before goods or services are received. This is managed through **Down Payments** or **Advance Payments** in SAP. This process ensures proper tracking of these prepayments without directly affecting the vendor's open item balances prematurely.

###### Terms of Payments (Cash discount):

###### Terms of payment is used for both customers and vendors. Here we are maintaining how much discount is given for 10 days, 20 days and 30 days. Based on terms of payment customers does payment to vendors.

###### ACCOUNT RECEIVABLE (AR):

###### Accounts Receivable (AR) is a sub-module within the Financial Accounting (FI) module of SAP FICO. It is responsible for managing all transactions related to customer invoicing and incoming payments. The AR process ensures that the organization can track how much money is owed by customers, when payments are due, and helps maintain accurate financial records. It is closely integrated with other modules such as Sales and Distribution (SD), allowing for end-to-end automation from order to cash.

###### Basic settings for accounts receivable:

###### 1. Define customer account groups (T Code: OBD2)

###### FI Customers

###### SD Customers

###### 2. Creation of number ranges for customer account (T Code: FBN1)

###### 3. Assign number ranges to customer accounts (T Code: OBAR)

###### 4. Define tolerance for customers (T Code: OBA3)

###### 5. Creation of 2 G/L master (T Code: FS00)

###### Sundry debtors

###### Sales

###### 6. Creation of customer master (T Code: XD01)

###### 7. Define document types (T Code: OBA7) and number ranges (T Code: FBN1)

###### DR- Customer invoice

###### DZ- Customer payment

###### DA- Customer document for reversal (negative permit posting) or transfer

###### 8. Define posting keys (T Code: OB41)

###### Debit – 01 (customer invoice)

###### Credit – 15 (customer payment)

###### Reporting and Reconciliation:

###### SAP provides various reports and tools to track receivables, outstanding balances, and payment behaviour. Common reports include:

###### FBL5N – Customer Line-Item Display

###### FD10N – Customer Balance Display

###### S\_ALR\_87012168 – Aging report for overdue receivables

###### Reconciliation accounts are used to ensure that sub-ledger entries (customer-wise) automatically update the general ledger. This integration helps maintain real-time financial statements and simplifies period-end closing.

###### Dunning:

###### It is a remainder to the customer. If customer does not make the payment after terms of payment, vendor will issue dunning letter to the customer. Some basic settings for dunning are:

###### Define dunning area (T Code: OB61)

###### Define dunning procedure (T Code FBMP)

###### Assign dunning procedure to the customer master (T Code XD02)

###### Dunning run (T Code F150)

###### Advance from customer/ down-payment:

###### Creation of G/L master (advance from customers) (T Code FS00)

###### Link between sundry debtors and advance from customers (T Code OBXR)

###### Advance received from customer (T Code F-29)

###### Check customer line items (T Code FBL5N)

###### Sales invoice posting (F-22)

###### Check customer line items (FBL5N)

###### Transfer of advance from special G/L to normal by cleaning special G/L item (F-39)

###### Check customer line items (FBL5N)

###### Clearing of balance amount (F-28)

###### Check customer line items (FBL5N)

###### 

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###### CHAPTER 4

###### PLACEMENT OPPORTUNITIES

###### Opportunities in India:

###### SAP FICO has become a highly sought-after skill in India, especially as more companies are adopting ERP systems to streamline their financial processes. Major Indian IT companies such as TCS, Infosys, Wipro, HCL, Capgemini, and Tech Mahindra frequently hire SAP FICO consultants for implementation, support, and rollout projects. Additionally, top companies in sectors like manufacturing, telecom, retail, finance, pharmaceuticals, and logistics also recruit FICO professionals for internal ERP teams.

###### Job roles in India include:

###### SAP FICO End-user

###### SAP FICO Consultant (Support/Implementation)

###### SAP FICO Functional Analyst

###### SAP Finance Lead

###### ERP Finance Business Analyst

###### Global Placement Opportunities:

###### Internationally, SAP FICO professionals are in demand across regions like North America (USA, Canada), Europe (Germany, UK, Netherlands), Middle East (UAE, Qatar, Saudi Arabia), and Asia-Pacific (Singapore, Australia, Japan). Companies across industries rely on SAP for managing complex financial data in real-time, leading to steady demand for trained consultants.

###### Different job roles in abroad include:

###### SAP FICO Functional Consultant

###### SAP Finance Business Partner

###### Global SAP Rollout Specialist

###### Finance Systems Analyst

###### SAP Solution Architect

###### CHAPTER 5

###### LEARNING OUTCOME

###### New Skill Learning:

###### Undergoing SAP FICO training has been a transformative learning journey, helping me gain hands-on knowledge of financial accounting and controlling processes in an ERP environment. One of the most valuable aspects of this training was acquiring new technical and functional skills—especially in areas like General Ledger (GL) configuration, Accounts Payable (AP) and Receivable (AR), Cost Center Accounting, and Asset Accounting. I also learned how different modules integrate with FICO, such as FI-MM and FI-SD, which gave me a broader understanding of business process flow across departments.

###### Challenge:

###### However, the training also came with its set of challenges. Initially, grasping the complex system navigation and understanding the configuration settings was overwhelming. Concepts like customizing document types, creating company codes, or mapping tax procedures required consistent practice and patience. The transition from theoretical knowledge to real-time scenarios demanded a shift in mindset—where logical thinking and business acumen had to work together. But with guided support, hands-on practice, and project-based learning, I was able to overcome these hurdles and build confidence in using the SAP system effectively.

###### Overall, the experience not only strengthened my domain knowledge but also enhanced my problem-solving skills, adaptability, and attention to detail—qualities that are essential for a successful career in ERP and finance.

###### Conclusion:

###### SAP FICO plays a crucial role in helping organizations manage their financial operations efficiently and transparently. By integrating core processes like Financial Accounting (FI) and Controlling (CO), it ensures accurate tracking, reporting, and control of business finances. With its strong configuration flexibility, real-time data handling, and global compliance capabilities, SAP FICO has become a preferred solution for businesses aiming for streamlined financial management and strategic decision-making. Learning SAP FICO not only boosts career prospects but also prepares professionals to meet the evolving demands of the finance and ERP landscape.

###### REFERENCES:

SAP FICO Module – Guru99 <https://www.guru99.com/sap-fico-training-tutorials.html>

SAP FICO – Tutorials Point <https://www.tutorialspoint.com/sap_fico>

SAP FICO Training Videos **–** YouTube <https://www.youtube.com/watch?v=iQhTbG5Xl3c&list=PL0avVLYg8Hmz90UcuI2SlCz8kBtc1Mbg0>

###### SAP FICO Basic to Advanced – <https://www.youtube.com/watch?v=Ywx_rF82qyE>

###### APPENDIX

###### PLAGARISM REPORT: (CHECKED BY TURNITIN)

###### 

###### CONDUCT CERTIFICATE

This is to certify that **SUVRANIL SAHA (REG NO. P18DM23M015135)** has undergone training on **SAP FICO** from **1/2/2025** to **30/3/2025** as a part of training program from Bengaluru City University, Bengaluru for the award of Degree of Master of Business Administration.

During the period of training his/her conduct was excellent/satisfactory/not satisfactory.

Place: Bangalore

Date: Signature

**Training Project Work**

**Day-wise Training Report**

|  |  |  |
| --- | --- | --- |
| **Day** | **Date** | **Work Done** |
| Day 1 | 01/02/25 | Introduction to SAP |
| Day 2 | 03/02/25 | Implementation phase/ ASAP methodology |
| Day 3 | 04/02/25 | Types of projects |
| Day 4 | 05/02/25 | Basic settings for general ledger |
| Day 5 | 06/02/25 | Company, company code, business area |
| Day 6 | 07/02/25 | Credit control area, charts of accounts and account groups |
| Day 7 | 10/02/25 | Retained earnings and posting period variants |
| Day 8 | 11/02/25 | Fiscal year variant and field status variant |
| Day 9 | 14/02/25 | Sales tax procedure and tolerance group |
| Day 10 | 17/02/25 | Document types and number ranges |
| Day 11 | 18/02/25 | Enter global parameters and posting keys |
| Day 12 | 24/02/25 | Explanation about general ledger |
| Day 13 | 25/02/25 | Creation of G/L master |
| Day 14 | 27/02/25 | Display documents, change documents and account display |
| Day 15 | 28/02/25 | Types of documents |
| Day 16 | 03/03/25 | Foreign currency transaction |
| Day 17 | 04/03/35 | Introduction to accounts payable |
| Day 18 | 05/03/25 | Basic settings for accounts payable |
| Day 19 | 07/03/25 | Posting of purchase invoices and outgoing payments |
| Day 20 | 10/03/25 | Define house banks |
| Day 21 | 11/03/25 | Advance to vendors/ down-payment |
| Day 22 | 17/03/25 | Terms of payment |
| Day 23 | 18/03/25 | Automatic payment program |
| Day 24 | 19/03/25 | Introduction to accounting receivable |
| Day 25 | 21/03/25 | Baic settings for accounting receivable |
| Day 26 | 24/03/25 | Posting of sales invoice/ incoming payment |
| Day 27 | 25/03/25 | Advance from customers or down-payment |
| Day 28 | 27/03/25 | Dunning |
| Day 29 | 29/03/25 | Understanding about open items, close items and all items |
| Day 30 | 30/03/25 | Understanding about main and sub ledger |

**Signature of the Student Signature of the Guide**

**Training Project Work**

**PROGRESS REPORT**

|  |  |  |
| --- | --- | --- |
| **Sl. No.** | **Particulars** |  |
| 1 | Name of the Student | SUVRANIL SAHA |
| 2 | Registration Number | P18DM23M015135 |
| 3 | Name of College Guide | VENKATRAMANA K |
| 4 | Name and contact no of the Co- Guide/External Guide (Corporate) | SANTOSH KUMAR  9844089772 |
| 5 | Name and Address of the Company/Organization where Training Project undertaken with start date | Captor Software Technology  326, PGR Building, near Uma Maheswari temple, Dodda Banaswadi Bangalore – 560043 (Opp. Amara Vidhya Nikethan School) |
| 6 | Progress report: A brief note reflecting, Number of meetings with Guides, places visited, libraries visited, books referred, meeting with persons, activities taken up, etc.,) |  |

Date:

Signature of the Candidate Signature of the College Guide