# R12.x Oracle Cost Management Fundamentals

**Duration:** 3 Days

## What you will learn

This course will be applicable for customers who have implemented Oracle E-Business Suite Release 12 or Oracle E-Business Suite 12.1.

In this course, students learn how to set up and use Oracle Cost Management in conjunction with Oracle Inventory, Oracle Bills Of Material, and Oracle Work In Process (WIP). Students also learn how to use Oracle Cost Management as a tool for inventory control, valuation, profit analysis, and reporting. Topics also include Subledger Accounting (SLA).

Learn To:

Simulate, analyze, and forecast product costs
Easily update and manage item unit costs
Define the inventory structure and cost controls that are important to your business
View item costs, inventory and work in process values, accounting entries, and gross margins
Automatically transfer inventory and work in process transactions to your general ledger
Value inventory and work in process on a perpetual basis

## Audience

End Users

## Related Training

*Required Prerequisites*

R12 Oracle Inventory Management Fundamentals

R12 Oracle Purchasing Fundamentals

R12 Oracle Bills of Material and Engineering Fundamentals

Basic accounting concepts

*Suggested Prerequisites*

R12 Oracle Advanced Supply Chain Planning Fundamentals

## Course Objectives

Describe costing methods

Analyze transactions for WIP and Inventory costing at (standard and average)

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Establish cost controls

Maintain standard costs on a periodic basis

## Course Topics

**Overview of Oracle Cost Management**
Using Oracle Cost Management
Role of Cost Management
Understanding Costing Methods
Performing Inventory Control and Valuation
Analyzing Profits
Management Reporting
Budgeting and Planning
Oracle Cost Management Integration

**Overview of Setup and Implementation of Oracle Cost Management**
Setting Up in Other Applications
Setting Up in Oracle General Ledger
Setting Up in Oracle Work in Process
Setting Up in Oracle Inventory
Setting Up in Oracle Purchasing
Setting Up in Oracle Bills of Material
Setting Up in Oracle Cost Management

**Setting Up in Oracle Cost Management**
Setting Up Profile Options
Setting Up Cost Types
Copying Costs
Setting Up Activities and Activity Costs
Defining Project Cost Groups
Understanding Cost Elements
Setting Up Subelements
Understanding Landed Cost Management

**Describing Cost Controls**
Describing General Ledger Cost Controls
Inter-organization Transfers with Multiple Set of Books
Describing Organizational Cost Controls
Organization-Level Default and System Accounts
Defining Inter-organization Transfer Information
Describing Financial Cost Controls
Describing WIP Controls for Costing and WIP Parameters
Receiving Options and Controls

**Item Costing**
Selecting an Item-Cost Type Association
Defining Item Costs
Viewing Item Costs
Describing Elemental Costs

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Phantom Costing
Mass Editing Item Accounts and Cost Information
Viewing Material and WIP Transaction Distributions
Resubmitting Transactions for Costing

**Defining Resource and Overhead Costs**
Defining BOM Parameters
Defining Resource Costs and Overheads
Defining Departments and Associating Resources
Associating Overheads With Departments and Resources
Defining Routings
Defining Bills of Material

**Standard Costing**
Overview of Standard Costing
Understanding the WIP Transactions Cost Flow
Setting Up Standard Costing
Setting Up Standard Costing for Manufacturing
Reporting Pending Adjustments
Running a Supply Chain Cost Rollup
Updating Standard Costs
Understanding Standard Cost Transactions

**Average Costing**
Overview of Average Costing
Setting Up Average Costing
Understanding Average Costing Flows
Updating Average Costs
Viewing Item Cost History Information
Understanding Average Cost Variances
Average Cost Transactions

**Analyzing WIP Transactions**
Overview of Analyzing WIP Transactions
Viewing Job and Schedule Values Online
Reporting and Analyzing WIP Values

**Period Close for Inventory Organizations**
Cost Accounting at Period Close Overview
Viewing Pending Transactions
Transfer Options
Closing the Period in Inventory
Posting to the General Ledger
Reconciling Perpetual Inventory to GL
Client Extensions

**Periodic Costing**
Major Features of Periodic Costing
Understanding Periodic Average Costing
Business Value of Periodic Average Costing
Understanding Periodic Incremental LIFO Costing
Business Value of Periodic Incremental LIFO Costing

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Setting Up Periodic Costing
Associating Organization with an Organization Cost Group
Processing and Updating Periodic Costs

**FIFO and LIFO Costing**
Major Features of FIFO / LIFO Costing
Understanding Layer Cost Flows
Updating Layer Costs
Viewing Layer Item Costs
Understanding Layer Cost Variances
Layer Cost Transactions
Layer Cost Transactions in Manufacturing

**Revenue and COGS Matching**
Overview of Revenue / COGS Matching
Setting Up Revenue / COGS Matching
Revenue / COGS Recognition Methodology
COGS Recognition and Concurrent Processes
Supported Business Scenarios

**Subledger Accounting**
Overview of Subledger Accounting (SLA)
Standard Accounting Process
SLA Accounting Process
Subledger Accounting Profile Option
Defining Accounting Derivation Rules
Create Accounting Program-
Viewing Accounting and Accounting Events

**Describing T-Accounts for Inventory Transactions for Standard Costing**
Describing T-Accounts

**Describing T-Accounts for WIP Transactions for Standard Costing**
Describing T Accounts for WIP Transactions

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