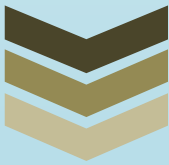


هيئة التعليم التقني
المعهد التقني / نينوى
التخصصات المالية والمحاسبية
قسم المحاسبة
الصف الأول

اسم المادة

قراءات محاسبية- Reading Accounting



إعداد :

هاني جبر محمود السيدية
مدرس المادة

زيد خالد يوسف
م. مترجم

عدد الساعات الأسبوعية				السنة الدراسية الاولى	قراءات محاسبية	اسم المادة
نظري	عملي	المجموع	عدد الوحدات	الانكليزية		لغة التدريس
٢	٢	٤	٨			

أهداف المادة :

الهدف العام : يتمثل الهدف العام لهذه في تعريف الطالب بالمصطلحات الانكليزية في مجال مفردات الخطة الدراسية لقسم المحاسبة ، بالشكل الذي يجعله قادرا على استيعاب المصطلحات المطروحة والتي يتعامل معها في المجالات المختلفة ذات العلاقة بالاختصاص في الجوانب الإدارية والمحاسبية .

الهدف الخاص : ويتمثل الهدف الخاص في جعل الطالب في قسم المحاسبة متمكنا من قراءة المواضيع المتعلقة باختصاصه باللغة الانكليزية ، بما يمنحه فرصة التواصل مع كل ما يستجد في حقل الاختصاص في الكتب والبحوث والمجلات وغيرها.

Subject name	Studying Language	STUDING YEAR	Numbers of hours per year		
			Theoretical	practical	Sum
Readings accounting	ENGLISH	FIRST YEAR	٢	٢	٤

Subject objectives :

The general objectives : the overall objective is to introduce students to English terms of accounting and to be able understood the used terms in accounting and how to deal with them in different areas of accounting and management .

The Specific objective:

The specific objective is to make students of accounting department capable of reading (books, periodicals) subjects related to their field in English language.

المفردات النظرية	
الاسبوع	تفاصيل المفردات
الاول	التعريف بالمصطلحات الاساسية الانكليزية
الثاني	التعرف على المصطلحات الاساسية في التخصصات الادارية
الثالث	التعرف على المصطلحات الاساسية في اختصاص المحاسبة
الرابع	قراءات لمواضيع مختارة في مجال التخصصات الادارية
الخامس	تعريف المحاسبة، فروع المحاسبة
السادس	المحاسبة كمهنة، المنظمات والمعاهد المتخصصة
السابع	قراءة لموضوع حول مفهوم المحاسبة
الثامن	استعراض مصطلحات الاطار الفكري للمحاسبة
التاسع	مصطلحات القروض والمبادي المحاسبية
العاشر	قراءات في نظرية المحاسبة، مداخل ومناهج الفكر المحاسبي
الحادي عشر	قراءات في نظرية المحاسبة ، اشكال ومخططات
الثاني عشر	المعاهد المهنية والجهات الدولية في مجال المحاسبة
الثالث عشر	لجان اعداد معايير المحاسبية
الرابع عشر	قراءات في معايير المحاسبة المالية
الخامس عشر	قراءات في معايير المحاسبة الحكومية
السادس عشر	القيود المحاسبية، نماذج مختلفة
السابع عشر	القيود المحاسبية، قراءات متعددة، الجوانب الشكلية
الثامن عشر	المصطلحات الخاصة بحساب المتاجرة
التاسع عشر	قراءات لمواضيع في حساب المتاجرة
العشرون	المصطلحات الخاصة بالمصاريف
الحادي والعشرون	المصطلحات الخاصة بالإيرادات
الثاني و العشرون	قراءات لمواضيع خاصة بالأرباح والخسائر
الثالث والعشرون	المصطلحات الخاصة بالموجودات
الرابع والعشرون	المصطلحات الخاصة بالمطلوبات وراس المال
الخامس والعشرون	قراءات لمواضيع خاصة بقائمة المركز المالي
السادس والعشرون	المصطلحات الخاصة بالاندثار والمخزون
السابع والعشرون	قراءات لمواضيع خاصة بالاندثار والمخزون
الثامن والعشرون	المصطلحات الخاصة بمحاسبة التكاليف
التاسع والعشرون	قراءات لمواضيع خاصة في محاسبة التكاليف
الثلاثون	المصطلحات الخاصة بالتدقيق والرقابة الداخلية

Theoretical vocabulary	
Weeks	Description
Week 1	Definition of basic English terms
Week 2	Learn basic terms in management
Week 3	Learn basic terms in accounting
Week 4	Reading of selective subjects in management
Week 5	Accounting definition , types of accounting
Week 6	Accounting as position
Week 7	Reading of accounting concepts
Week 8	Terms of accounting theory
Week 9	Terms of accounting principles & hypothesis
Week 10	Reading in accounting theory ,methodologies of accounting
Week 11	Reading in accounting theory ,diagrams ,charts
Week 12	international organizations & associations in accounting
Week 13	Committees responsible of preparing accounting principles
Week 14	Reading in financial accounting principles
Week 15	Reading in public accounting
Week 16	Accounting entries (examples)
Week 17	Accounting entries (formal aspect)
Week 18	Terms of trading account
Week 19	Reading in trading account
Week 20	Terms of expenditures
Week 21	Terms of revenues
Week 22	Reading in profit & loss topics
Week 23	The terms of assets
Week 24	Terms of capital and debits
Week 25	Reading in financial position statements
Week 26	Terms of inventory and description
Week 27	Reading in inventory & depreciation
Week 28	Terms of cost accounting
Week 29	Reading in cost accounting
Week 30	Terms of auditing and internal control

WEEK1: Definition OF Basic English Terms

Definition OF Basic English Terms

نبذة عن قواعد اللغة الانكليزية:

هناك أساسيات وقواعد للغة الانكليزية تختلف كثيرا عن اللغة العربية وللغة الانكليزية لهجات كثيرة تختلف باختلاف الجهات التي نشأت فيها والهدف من القواعد بيان أساسيات تركيب الجملة والعبارات الانكليزية وأحسن طريق لتعلم اللغة الانكليزية هو الاستماع إليها والتحدث بها وتعلم كتابتها وفهم معناها .
تكتب اللغة بحروف لاتينية تشمل ٢٦ حرف لكل منها حرف كبير يستخدم في بداية الجمل وبداية الأسماء وشكل حرف صغير .

Who , What , please , No , Yes , How many ,How much ,
How , Where is

What does this mean ? What does that mean ?

بعض الكلمات المفيدة:

at /on / in / to / from / before /after /With /with out /
through / and /or /nothing /also / now /then

الاختصارات المنتشرة في اللغة الانكليزية :

Company /Co.
Doctor of Medicine / M.D
Street/ ST

Cashier / Closed / Exit / Lift / Pull /Push / No Smoking

مصطلحات أخرى :

Terms / introduction / application / solution

مصطلحات تجارية :

**Company / Business
Export / Import
Manager /Trade
Funds / goods
Services /Business Letter**

Commercial Letters

The main objectives :

- To give information to the reader .**
- To get the desired action from the reader**
- To build up good and good public relation**

The parts of business letters :

the heading

the date

the reference

the inside address

the salutation

the body of the letter

the complimentary

the signature

E NCL

1-The heading

٢-The date / /

٣-Ref No(-)

4-inside address :

5- salutation

6- the body of the letter

7- the complimentary

8-the signature

9- Encl

C.C

N.B

The layout of business letter

WEEK 2 : Learn basic terms in managements :

التعريف على المصطلحات الأساسية في التخصصات الإدارية:

Learn basic terms in managements :

الإدارة : عبارة عن تدبير أو اهتمام حقيقي بشؤون الناس وكنشاط هي عملية توجيه الجهود البشرية لتحقيق أهداف معينة من خلال استغلال الموارد المتاحة استغلالاً امثل على طريق التخطيط والتنظيم والرقابة واتخاذ القرارات.

المصطلحات التجارية:

الكفاءة : ترتبط عبر الاستخدام للموارد المتاحة.

الفعالية : ترتبط بتحقيق الاهداف

Efficiency

Effectiveness

Industry

Manufacture

Goods

Services

Production

Firm

Organization

Leader

Planning
Controlling
Decision making
Data
Information
Business
Organizing
Reporting
Budgeting
Public
Leading
Staffing
Inputs
Processes
Outputs
Technology
Human resources
Hotel management
Public management
Hospital management
Total quality management
Objectives
Strategies
Policies
Training
Leadership
Funds
Private
Structure

القائد: شخص يتم تعيينه او انتخابه ليكون مسؤولا عن اعداد النظام ووسيلة لخدمة المنظمة.

Tables
Price
Distribution
Marketing
Information system
Capital
Principles
Concepts
Elements
Sources
Evaluation

Inventory
Improvements
Machineries
Equipments
Buildings
Lands
Labor
Role
Evolution
Trade
Management schools
Customers

WEEK 3 Learn basic terms in accounting & Week4 Reading of selective subjects in management

Learn basic terms in accounting:

Definition of Accounting : defined as the art of recording classifying and summarizing Economic events in scientific method and terms of money process and events interpreting financial the results there of .

Identify	/ measure	/ communicate
financial statement		/ Accounting process
information system		/ Business Environment
concepts	/ principles	

Objectives of Accounting :

- identify and measure economics events .
- communicate the information financial to show the results of the company .

Accounting concepts

- | | |
|-----------------|-----------------------------|
| - Assets | - Losses |
| - liabilities | - Drawing |
| - owners equity | - income |
| - revenue | - the entity concept |
| - expenses | - money measurement concept |
| - gains | |

////

Accounting principles :

- Historical cost principles
- Revenue recognition principles
- matching principles

Branches of accounting

- financial accounting
- cost accounting
- managerial accounting
- tax accounting
- governmental accounting
- social accounting
- auditing

The users of accounting information :

- Internal users :

Company management / Labors

- External users:

Investors /Banks /creditors / government

Accounting Equation :

Owners equity	+	liabilities	=	Assets	or :
Capital	+	liabilities	=	Assets	

Week 5

Definition of accounting

week 6 : Accounting as position

Definition of accounting : defined as the art of recording classifying and summarizing economics events in scientific method and terms of money process and events interpreting financial the results there of .

Some of accounting terms :

Financial statements

Accounting process

Information system

Business environment

Objectives of accounting :

- 1- identify and measure the economic events .
- 2- communicate the financial information to show the results of the company .

Branches of accounting :

- 1- Financial accounting
- 2- Cost accounting
- 3- Managerial accounting
- 4- Tax accounting
- 5- Governmental accounting
- 6- Social accounting
- 7- Auditing

The users of accounting information :

- 1- Internal users : (company management / Labors)
- 2- External users : (Investors / Banks / Creditors Government)

Week8 Terms of accounting theory

Week9: Terms of accounting principles &hypothesis

- 1- assets
- 2- liabilities
- 3- owners
- 4- revenues
- 5- Expenses
- 6- Gains
- 7- Losses
- 8- Drawing
- 9- Income (Profit /Loss)
- 10- The entity concept.
- 11- Money measurement concept .

Accounting principles :

- 1- Historical cost principle.
- 2- Revenue recognition principle.
- 3- Matching principle .

Accounting Equation:

Owners equity + Liabilities = Assets Or

Capital +Liabilities =Assets

الموجودات : ما يمتلكه المشروع وله قيمة نقدية مثل:

النقدية/المخزون/المباني/ المعدات /الأراضي .

المطلوبات : هو ما يستحق للغير مثل : اوراق الدفع /الدائنون

راس المال : هو حق الملاك في المشروع .

فلو فرضنا ان هناك مشروع تجاري يمتلك أصول قيمتها (١٠٠٠٠٠) دينار

الدائنين بمبلغ (٧٠٠٠٠) كما هو حق الملاك اصحاب المشروع؟

معادلة الميزانية : الموجودات = المطلوبات + رأس المال

$$\begin{aligned} \text{Assets} + \text{Liabilities} &= \text{Capital} \\ \text{Assets} &= \text{Capital} - \text{Liabilities} \end{aligned}$$

Ex: Assets =100000 D

Liabilities= 70000 D

Capital = ?

Found the capital?

Assets =Liabilities +capital

100000 =70000+capital

Capital =100000-70000=30000 D

Ex: Mr Ali begins business investing cash equipment valued at the bank amount (2000000D) found accounting equation:

Solution:

Assets =Liabilities +capital

Week 10 Reading in accounting theory ,methodologies of accounting

Week11 Reading in accounting theory ,diagrams ,charts

week12 international organizations &associations in accounting

week13 Committees responsible of preparing accounting principles

week14 Reading in financial accounting principles

week15 Reading in public accounting

week 16 Accounting transaction and recording :

Week 17 Accounting entries (formal aspect):

Q: Where accounting transaction record ?

Solution: Journal records

Ledger records

Q :What are the source of the accounting ?

Solution :Documents from the economic events .

Accounting terms :

The accountant
Account types
Accounting period
Account payable
Account receivable
Adjusting entry
Bad debts
Balance sheet
Book value
Capital account
Cash
Current assets
Depreciation
Fixed assets
Good will
Gross profit
Income statement
Inventory
Investments
Notes payable
Notes receivable
Equipments
Preparation
Purchases
Revenues
Sales
Sales Allowances
Sales discount
Sales returns
Trial balance
Accounting cycles
Lands
Debit
Credit
Amount
Balance
Bank statement

Blanks
Buildings
Cash basis
Compute
Each
General journal
General ledger
Net income
Post
Table

The need to develop standards :

هناك عدد من المنظمات الفاعلة في عملية وضع المعايير المحاسبية في الولايات المتحدة الامريكية اهمها:

١- مجلس معايير المحاسبة المالية (FASB) financial accounting standards board

وتتضمن ثلاثة منظمات مهمتها تحسين معايير المحاسبة المالية والتقرير المالي ومفاهيم المحاسبة المالية والتعرف على مشاكل المحاسبة ومعالجتها

٢- مجلس معايير المحاسبة الحكومية: Governmental accounting standards

(GASB)board

تهتم بقضايا التقرير المالي في الحكومات المركزية والمحلية وهو مجلس استشاري للتعرف على مشاكل المحاسبة الحكومية ومعالجتها .

Accounting transaction recording system:

There are two systems for recording transaction :

A- Single entry system

B- Double entry system

The three basic rules about recording transaction are :

1-debit the receiver and credit the giver

2-debit what the comes in and credit what goes out.

3- debit all expenses (losses)and credit all incomes(gains)

Note: one may put this in a different manners , noting that every account has a "T" shape account . the left side of account is called the debt side ,and the right side is called the credit side.

Name of the account

Debit side	Credit side
-------------------	--------------------

المدين

الدائن

The rules for writing up accounts (Debit and Credit) of various types are as follows :

All assets accounts

Debit increase	Credit Decrease
-------------------	--------------------

Liabilities accounts

Debit Decrease	Credit Increase
-------------------	--------------------

Capital accounts

Debit Decrease	Credit Increase
-------------------	--------------------

All expenses or losses accounts

debit increases	Credit decreases
--------------------	---------------------

All (revenues or incomes)(gains)accounts

Debit
Decreases

Credit
Increases

Note :Assets are listed on the left side of balance sheet as follows:

<u>Balance sheet</u>	
Assets	

Liabilities and capital are listed on the right side of the balance sheet as follows :

<u>Balance sheet</u>	
	liabilities
	+
	Capital

Week 18 Terms of trading account

week 19 Reading in trading account , usage of trading account

1-Final accounts for trade companies include:

A-trading account

B- Profit and loss account

Final accounts for industrial companies include :

A-manufacturing account

B-Trading account

C-profit and loss account

Final account for trade companies :

Trading account: define as a statement of gross profit or gross loss showing match [cost of goods sold]and[net sales]at the end of the accounting period .

Trade account for the year ended in 31/12/2012

-Beginning inventory	xxx	Sales	Xxx
-Purchases	xxx	Purchases discounts	Xxx
-Sales discounts	xxx	Purchases return & allowances	Xxx
-Sales returns &allowances	xxx	Ending inventory	Xxx
-Purchases expenses &foreign transportation	xxx		Xxx
-The balance /gross profit	xxx	The balance /gross loss	Xxx

The layout of trading account

Notes / trading account :closing the balancing trading account (gross profit)or (gross loss)in profit and loss account.

-gross profit = Net sales_ cost of goods sold

Or gross loss = Net sales _ cost of goods sold

Gross profit → Net sales > Cost of goods sold

Gross loss → Cost of goods sold > net sales

B-Profit and loss account :

Define as statement of (net profit) or (net loss) showing match (expenses)and (revenues)at the end of accounting period.

Profit &loss account for year in 31/12/2012

-Gross loss	xxx	Gross profit	Xxx
-Selling expenses	xxx	Other revenues &gains	Xxx
-Advertising expenses	xxx	Interest revenues	Xxx
-Depreciation of sales equipment's	xxx	Rental revenues	Xxx
-Telephone &telegraph expenses	xxx		
-Administrative expenses	xxx		
-Insurance expense	xxx		
-Depreciation of buildings	xxx		
-Other expenses &loss	xxx		
-Bank expenses	xxx		
The balance/net profit	xxx	The balance /net loss	Xxx

The layout of profit &loss account

Week 20 Terms of expenditures

Week 21 Terms of revenues

Notes :

Net profit = revenues - expenses

Or net loss= revenues - expenses

Profit &loss account : closing the balance profit and loss account (profit net)or (loss net)in capital account.

Final accounts for industrial companies :

A-Manufacturing account :this account prepared before trading account showing the cost of goods manufactured during the year is called manufacturing account this account prepared addition to the trading account .

Manufacturing account for the year ended 31/12/2012

Direct materials	xxx	Raw materials inventory31/12	Xxx
Direct labor	xxx	Work in process inventory31/12	Xxx
Manufacturing overhead or factory overhead	xxx	The balance /cost of goods manufactured	Xxx
Raw materials inventory 1/1	xxx		Xxx
Work in process inventory1/1	xxx		

The layout of manufacturing account

Notes :

There are three elements of production cost :

1-direct material

2-direct labor

3-manufacturing overhead or factory overhead

-manufacturing overhead examples:

Indirect materials /indirect labor/ depreciation of factory

/depreciation of equipment /insurance of factory.

Inventory including three accounts :

1-raw materials inventory (1/1)(31/12)

2-work in process inventory(1/1)(31/12)

٣- Finished goods inventory(1/1)(31/12)

حساب المتاجرة: Trade account

يغلق رصيد كلفة البضاعة المنتجة في حساب المتاجرة للتوصل الى كلفة البضاعة المباعة ومقابلتها بصافي المبيعات لتحديد مجمل الربح او الخسارة المتحققة.

حساب الربح والخسارة : Profit &loss account

لا يختلف في الشركات الصناعية عنه في الشركات التجارية الذي يعد بيان صافي النتيجة النهائية من ربح او خسارة متحققة خلال الفترة المالية.

Week 22 Reading in profit & loss topics

Week 23 The terms of assets

week 24 Terms of capital and debits

The balance sheet

Definition and the usefulness of the balance sheet

Definition :the balance sheet shows the financial condition of enterprise at the end of financial period.

Usefulness of the balance sheet :

The balance sheet provides information about the nature and amounts of investments in enterprise resources ,obligations to creditors and the owner's equity in net resources.

There are three elements of the balance sheet :

1-Assets :in accounting something owned by a person or company and which represents an economic benefit to them assets are classed as fixed and current assets .

2-liabelities :various forms of debt or obligations owned the gain types of liability exist-current and secured.

enterprise which is provided by its owners, in balance sheet terms it has been equal in total to the assets less the liabilities the equity is the ownership interest.

Classification in the balance sheet :

The elements of the balance sheet divide in to several sub-classification , so the general format of the balance sheet as presentation below .

Balance sheet of December 31/12/2012

Assets		Liabilities & owners' equity	
Current assets	xxx	Current liabilities	Xxx
Long – term investments	xxx	Long – term debt	Xxx
Property ,plant & equipment	xxx	Owners' equity	Xxx
Intangible assets	xxx	Capital stock	Xxx
Other assets	xxx	Additional paid in capital	Xxx
		Retained earnings	Xxx
	xxx		Xxx

Assets other examples :

Short- term investments

Inventories

Buildings

Good will

Trade mark

Notes receivable

Liabilities other examples :

Notes payable

Account payable

Week 25

Exercises 1

The trial balance of the Ali Company at the end of its fiscal year 31/12/1996 includes the following accounts :

Beginning inventory 17500 , purchases 142400, sales 190000, sales returns and allowances 4000, foreign transportation 5000, Purchases returns and allowances 2000, ending inventory 25000, rental revenues 17230, bank expenses 1860, insurance expenses 9070,

Required : prepare trade and profit & loss account for the year ending 31/12/1996

The solution:

Trade account for the year ended 31/12/1996

Beginning inventory	١٧٥٠٠	Sales	١٩٠٠٠
Purchases	١٤٢٤٠٠	Purchases return & allowances	٢٠٠٠
sales returns & allowances	٤٠٠٠	Ending inventory	٢٥٠٠٠
Foreign transportation	٥٠٠٠		
The balance gross profit	٤٨١٠٠		
			٢١٧٠٠٠

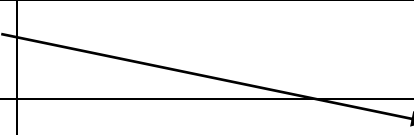
The entries closing

Dr: trade account :48100

Cr: profit & loss account 48100

Profit & loss account for year ended 31/12/1996

Bank expenses	١٨٦٠	Gross profit	٤٨١٠٠
Insurance expenses	٩٠٧٠	Rental revenues	١٧٢٣٠
The balance /net profit	٥٤٤٠٠		٦٥٣٣٠
	١٠٩٣٠		٦٥٣٣٠



The entries closing :

Dr: profit & loss account :54400

Cr: capital 54400

Exercise /2

Ahmed company manufacture the product x had the following inventory balances at the beginning and the end of 1999:

Inventory	January 1/1/1999	December 31/12/1999
Raw materials	٦٠٠٠٠	٧٠٠٠٠
Work in process	١٢٠٠٠٠	١١٥٠٠٠
Finished goods	١٥٠٠٠٠	١٦٥٠٠٠

During 1999 the company purchased 250000 of raw material, Direct materials 300000, direct labor 100000, manufacture overhead costs were as follows :

Indirect materials 10000, indirect labor 25000, other manufacturing 145000, sales revenues 1105000 for the year, selling expenses 110000, insurance expenses 50000, depreciation of building 20000.

Required :prepare a- manufacturing account b- trade account c- profit & loss account .

The solution:

A-manufacturing account for the year ended 31/12/1999

Raw materials 1/1	٦٠٠٠٠	Raw materials 31/12	٧٠٠٠٠
Work in process 1/1	١٢٠٠٠٠	Work in process 31/12	١١٥٠٠٠
Purchased	٢٥٠٠٠		١٨٥٠٠٠
Direct materials	٣٠٠٠٠		
Direct labor	١٠٠٠٠٠		
M.O.C indirect materials	١٠٠٠٠		
M.O.C indirect labor	٢٥٠٠٠		
Other manufacturing	١٤٥٠٠٠	The balance :cost of goods manufactured	
	١٠١٠٠٠٠		٨٢٥٠٠٠
Cost of goods manufactured	٨٢٥٠٠٠		١٠١٠٠٠٠

			١٨٥٠٠٠
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B- trade account for the year ended 31/12/1999

Finished goods 1/1	٥٠٠٠٠	Finished goods 31/12	١٦٥٠٠٠
Cost of goods manufactured	٨٢٥٠٠٠	Sales revenues	١١٠٥٠٠٠
The balance / gross profit	٢٩٥٠٠٠		١٢٧٠٠٠٠
			٢٩٥٠٠٠
	٩٧٥٠٠٠		

C-Profit & loss account for the year ended 31/12/1999

Selling expenses	١١٠٠٠٠	Gross profit	٢٩٥٠٠٠
Insurance expenses	٥٠٠٠٠		
Depreciation of building	٢٠٠٠٠		
The balance /profit net	١١٥٠٠٠		
	٢٩٥٠٠٠		٢٩٥٠٠٠
			١١٥٠٠٠

Week 26 Terms of inventory and description

Week 27 Reading in inventory & depreciation

Depreciation of fixed assets :

Depreciation define as the accounting process of allocating the cost of fixed assets to expenses to those periods expected to benefit from the use of the assets .

Types of assets &(terms) :

Cash

Bank

Receivable

Lands

Building

Equipment

Types of liabilities:

Account payable

Notes payable

Accrued expenses.

System of inventory control:

1-perpetual system

2-peroidic system

Methods of inventory valuation :

1-First – in ,first – out(FIFO)

2-Last – in, first – out (LIFO

3-Lower of cost or market ceiling and floor.

Methods of cost apportionment (depreciation):

1-activity methods

2-straight – line methods

3-units of production method

4-declining balance method

5-sum-of the years digits

Stock level include :

1-maximum level or higher

2-reorder level

3-minimum level

The times include :

Actual hours

Actual times

Rat per hour

West time

Normal west time

Up normal west time

Over time

Premium over time

Week 28 Terms of cost accounting

Week 29 Reading in cost accounting

Cost account

Cost accounting:

Is the application of costing and cost accounting principles , methods and techniques to the science , art and practice of the cost control and decision making.

Cost accounting includes :

1-measurement

2-control

3-decision making

Objectives of the cost accounting:

1-to ascertain of the cost

2-to control cost

3-to provide information for decision making

4-to determine selling price

5-to ascertain of cost profit

Types of the cost:

Product costs

Period cost

Variable cost

Fixed cost

Full cost

Organization cost

Historical cost

Terms of cost accounting:

Material cost

Labor cost

Services cost

Prime cost

Conversion cost

Cost center

Cost elements

Cost unit

Cost sheet

Full costs

Cost centers types :

1-production cost centers

2-services cost centers

3-marketing cost centers

4-administrative cost centers

Prime cost and manufacture cost :

Prime cost = direct material + direct labor

manufacture cost = prime cost + (F.O.H)

Cost accounting system include :

1-job costing system

2-process costing system

Cost accounting theory include:

1-full costing theory

2-direct cost theory

3-variable cost theory

4-cost exploitation theory

Direct and indirect cost :

There are three cost elements :

1-direct materials

2-direct labor

3-factory overhead(F.O.H)

Allocation method (F.O.H) Include:

- 1-total allocation method
- 2-single allocation method
- 3-reduction allocation method

Exercise /1

Indicate whether each of the following items represent direct or indirect cost ?

- 1-fire of insurance on equipment .
- 2-machine operation labor.
- 3-cost accountant salary.
- 4-machine repairs .
- 5-raw materials .

The solution

- 1-F.O.H
- 2-Direct labor
- 3-F.O.H
- 4-F.O.H
- 5-Direct material

Exercise/2

Indicate whether each of the following items represents a fixed or variable cost ?

- 1-rent
- 2-Property tax
- 3-factory power
- 4-cost accountant salaries
- 5-machines repair
- 6-factory manager salary

The solution :

- 1-fixed
- 2-fixed
- 3-variable
- 4-fixed
- 5-variable
- 6-fixed

Notes:

Total cost = manufacture cost + commercial cost + administrative cost

Sales revenues = sales units * sales price per unit

Production cost = production units * total unit cost

Notes for variable theory :

Contribution margin = sales revenues – variable cost of the goods sold .

Income statement :

The layout of income statement

Income statement for the year ended 31/12/2010

Sales revenues	Xxx
Cost of goods sold	Xxx
<u>Gross profit</u>	<u>Xxx</u>
Marketing cost	Xxx
Administrative cost	Xxx
<u>Net profit</u>	<u>Xxx</u>

Break- even- point (B.E.P)

NOTES

Sales = variable cost + fixed cost + profit

B.E.P= $\frac{\text{fixed costs}}{\text{Contribution margin}}$

Contribution margin = sales price per unit – variable cost per unit .

Example : using the following data to determine the B.E.P?

Sales price per unit =10D

Fixed costs= 200000D

Contribution margin =50%of sales

Solution:

Contribution margin =10*50%=5D

B.E.P= $\frac{200000}{5}$ =400000 units

Week30 Terms of auditing and internal control

Types of audit and terms

Auditor's

Sampling

Cost of benefit analysis

Standard on auditing

Investigation on events on fraud

The auditor's report on financial statements .

The elements of the report auditor's

1-title and auditor's address

2-date of report

3-addresse

4-subject

5-opinion paragraph (notes)

6-auditor's signature