

## METHODOLOGY OF MANAGEMENT OF TRUST AND THE ACTUAL COSTS

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**Key words:** managerial accounting, control, cost, method, system, conception, finance indicator.

The system of target costing accounting, a modern direction of managerial accounting development is being considered. The target costing is determined in spatial and time cut. A new ways of reflection the target and actual costs on the accounts for managerial accounting are presented: using hidden and binary accounts. A problem of reflection the analytical accounting levels of costs had been studied (including involution processes in managerial bookkeeping). The recommendations presented in the article allow the precise determination of the target product prime cost and also: the calculation of the target nonfinancial measurements; employment planning of managerial, engineering, operating and production places of the costs origin on all the stages of the product life cycle; the realization of exact control on each one of this stages.

The advent of modern complex systems of economic entities and dynamic market environment requires the implementation and further improve the methodology of management accounting systems in general and administrative cost accounting in particular.

According to the results of the study was designed integration model accounting, planning and analysis of target and actual costs (see Figure 1). For example, shareholders, on the one hand, affect the rate of return adjusted value of the target cost, on the other hand, are interested in the speedy return of money invested in non-current assets, which involves the use of specific methods for calculating depreciation in managerial accounting. These specific methods can be recommended methods for calculating functional depreciation MNFA  $\pm 50\%$  and MNFA  $\pm 1 / 3$  applied in relation to the active part of fixed assets. The cost of depreciation deductions related to the volume of activity (expressed through the vehicle-hours). Using MNFA  $\pm 50\%$ , in the performance of a specified volume, the rate is set at the standard increased by 50%. In the second half of a given volume rate is set at the standard, reduced by 50%. Using MNFA  $\pm 1 / 3$ , the first 1 / 3 of a given volume multiplied by the standard rate, an increase of 33,3%, the second 1 / 3 at the standard rate, the third 1 / 3 part - at the standard rate, reduced by 33,4%.

As a result of reduced costs incurred during periods of downtime of machinery and equipment for rapid return of invested in machinery and equipment funds, eliminates the impact of

increasing the cost of maintenance of machinery and equipment as they use, easier distribution of indirect costs resulting from the use of accelerated depreciation a problem of inflation.

Shareholders holding companies (group companies), in which the movement of goods and services also are interested in the establishment of certain rules on the allocation of overhead costs of subsidiaries of products sold parent company and the party (other users). To solve these problems we have formulated the concept of Absorbed target corporate costs (the costs attributable to the group of products sold by units within the corporation and on the side) and the proposed method of allocation of overhead costs of subsidiaries and other affiliates. One of the recommended option is an artificial distribution of trust costs (the costs of determining which are the principles of trust management accounts) between groups of products sold by domestic corporations and sold on the side. One of the main conditions - an agreed methodology for cost-sharing parties. It is recommended that you use a grouping of costs "permanent cost of power used - fixed costs for unused power". In particular, the parent company can establish a rule that a subsidiary did not cover fixed costs, coinciding with the unused capacity (which can not only obscheproizvodstvennye costs, but also management) for products or services sold parent company. The application of the proposed method encourages subsidiaries to use their power to the maximum.

Another recommended option involves defining the exact cost of their products to be

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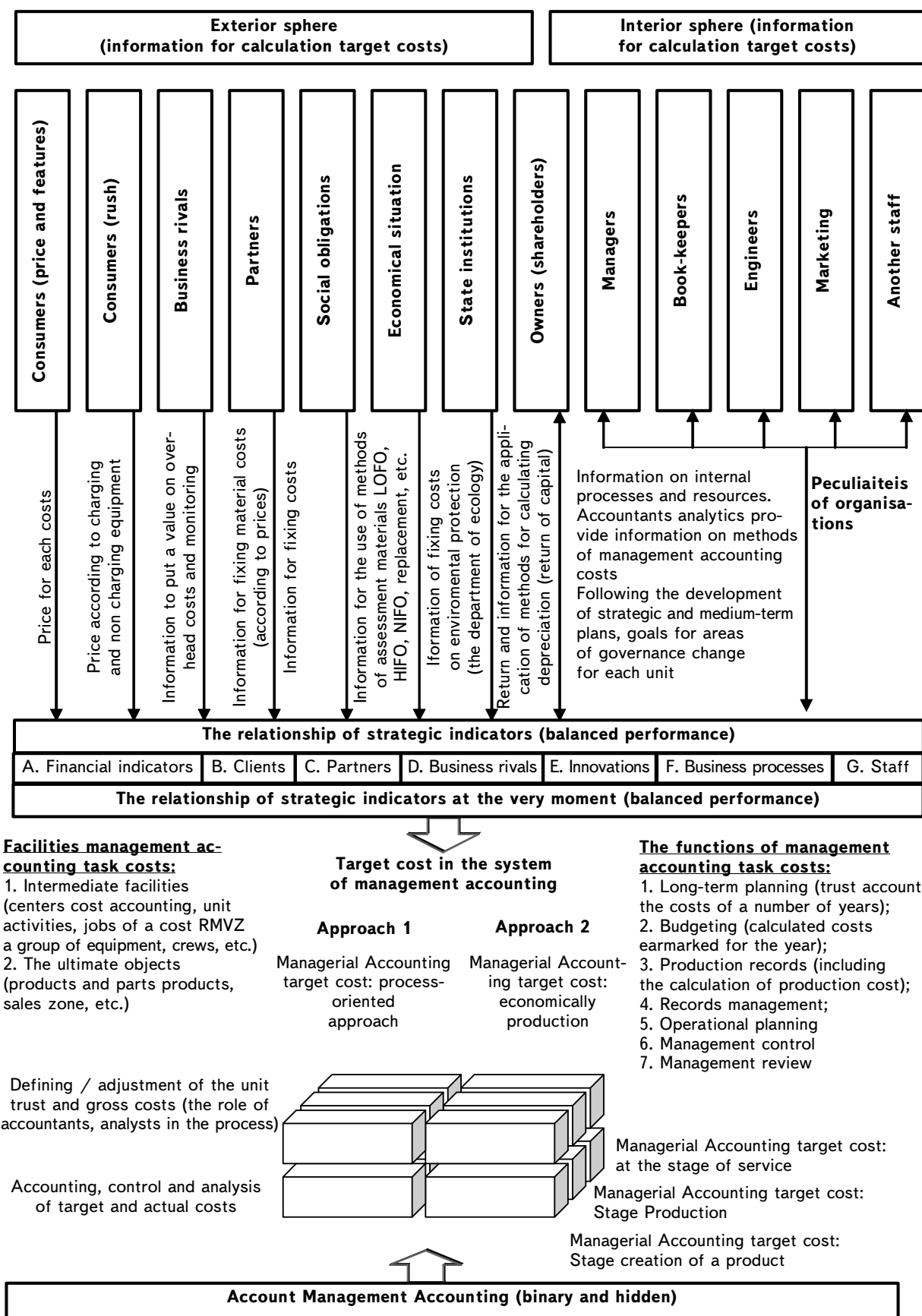


Fig. 1. Model Management Accounting target cost

sold units within the corporation and on the side. In this case, can be used integrated distribution rate of production overhead costs: a bet on a group of equipment, plants, the regulatory target, type of activity, differentiated, etc.

Customers, partners, competitors and internal environment is also influenced by the amount of money. In this regard, the use of interest in the accounting system, monitoring and analysis of target cost factions costs reflected in the standards and regulations on management accounting. Thus, it is advisable to apply either in the process of calculating the target cost, either in the process of accounting and control target cost of production: direct and indirect overhead costs (p. 25 IMA SMA "Accounting for indirect production costs" - (1987 - 2006 g.), the differential cost of the difference in costs resulting from two alternative courses of action (p. 23 IMA SMA "cost of service and management costs" (1985 - 2006 years), short-and long-term fixed costs, etc.

However, new approaches to maintenance management accounting costs require the use of new factions costs. So we are encouraged to apply grouping "artifitsialnye costs". This is an artificially imposed target costs amount to be achieved to gain a competitive advantage. It is necessary to allocate costs artifitsialnye potential partners (for example, the proposed rate of production partners overhead costs of processing products), competitors (the overhead costs of the ruble proceeds) and the cost of plants (plants, RMVZ) holding company, producing the same product (for example, the minimum target rules overhead costs). The provision allows the group to determine the cost value cost be reduced at a time when a man sets out to host the value of such costs (such as overhead costs for the ruble earnings sets are the same as those of competitors).

It is also important to determine the target variativnye costs by which means the cost of resources spent on correcting the marriage (or to manufacture products which are regarded as a tough marriage, taking into account the cost), increasing the amount of profits (as a result of the approval of the marriage). The group makes it possible to determine the real cost of losses in the event of marriage or inconsistencies given the requirements of consumers.

Target cost, ie competitive costs are the result of reconciling internal and external envi-

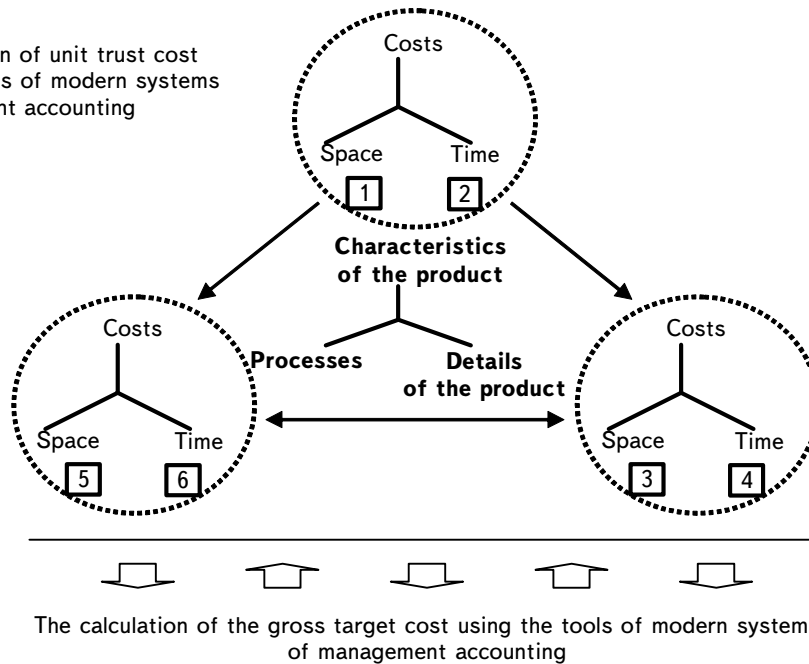
ronment must be considered in the spatial and temporal cuts. The proposed scheme is targeting cost in the spatial and temporal sections presented in fig. 2.

The calculation of unit trust costs are closely linked to the gross target cost. Systematize the activities of various centers of responsibility of the organization in ensuring consistency of objectives will use in conjunction with the management accounting cost items of target balanced system performance. This tool helps to better measuring the use of non-financial accounting within the target cost.

We recommend expansion of the traditional indicators ("Finance", "customers", "business processes", "personnel") for industrial enterprises (see Figure 1). Since the majority of medium and large manufacturing companies are materialoemkimi, and often place orders for the production of some parts of the product side, should be looking "Partners" (providers and enterprises which are placed orders for the production of a product or an entire product). It also recommends that the term "Competitors" and "Innovation" (targets contributing to the adjustment of the organization to achieve the objectives of the prospects "Financial indicators" and "clients"). If a company seeks to increase profits, rather than the value of the company, the targets for each of the prospects should be more closely linked to financial performance.

According to the figure 1 shows that an important component of the integration model of accounting, planning and analysis of target and the actual cost is the system of accounts management accounting. We have proposed to divide the financial and management accounting system using accounts in two ways. The first one provides for separation on the principle: synthetic cost accounting (financial accounting system) - Analysis of cost (the system of management accounting). In other words, the boundary between financial and management accounting in cost can be defined as follows: managerial cost accounting is a system of detailed analytical information on the target and the actual cost of the need for management level (ie, preparation and use of data management reporting cost in terms of units, products, etc.), financial accounting costs - is a summary of the actual cost, which is reflected in the production accounts. This approach requires the development of methodology for ac-

The calculation of unit trust cost using the tools of modern systems of management accounting



1	The definition of unit trust costs (calculated on the processes and operations), during the design and adjustment calculations in subsequent stages (the production and testing of serial production)
2	The calculation of the preliminary (eventual) unit trust costs during the design and use of recourse approach in subsequent periods
3	Determination of share units in the calculation of unit trust in terms of cost of product (the cost of the structure of the product): design bureau, department chief technologist, department of management accounting, valuation department, department chief engineer, etc.
4	The definition of unit trust in terms of cost of product at the stage of product design and adjustment calculations in subsequent stages
5	The calculation of preliminary unit cost target to meet the requirements of consumers in different regions (Wednesday and space: the place shopping, social groups, attitudes, etc.)
6	The definition of unit trust costs (calculated on the processes and operations) in terms of MVZ, groups of equipment, etc. (movement of the product)

Fig. 2. Target cost of spatial and temporal cuts

counting of trust and actual costs, using hidden analytical accounts. In an application targeted approach to management accounting cost us a flexible system is proposed to reflect the actual costs and trust account management accounting. The group accounts management and financial accounting is presented in Fig. 3.

The second approach is the use of binary accounts. Progressive (staged) the use of two types of accounting records (simple and double) on synthetic accounts, in our view, should be referred to as binary (double, two-) approach to reflect the cost of the system of management accounting. In turn, synthetic account management accounting, which uses both simple and double record, it should be referred to as binary counting. The main task of binary accounts is a division of accounting subsystems, for example, financial and management accounting.

In doing so, the number of subsystems indefinitely. The proposed group accounts for the accounting of costs within the application binary approach (see Fig. 4).

It is important to study involutorial processes in the analytical accounting of trust and actual costs. The drawdown (involution) cost of analytical accounting system - a procedure used in the management accounting, to show previously recorded on the analytical accounts of detailed information on the movement of costs in more aggregate.

Consequently, involutorial costs - so the aggregate cost of analytical accounting system, arising or resulting from the distribution and redistribution of costs, either by passing information from the system of management accounting in financial accounting. Involutorial may be actual and targeted spending. Study involution-

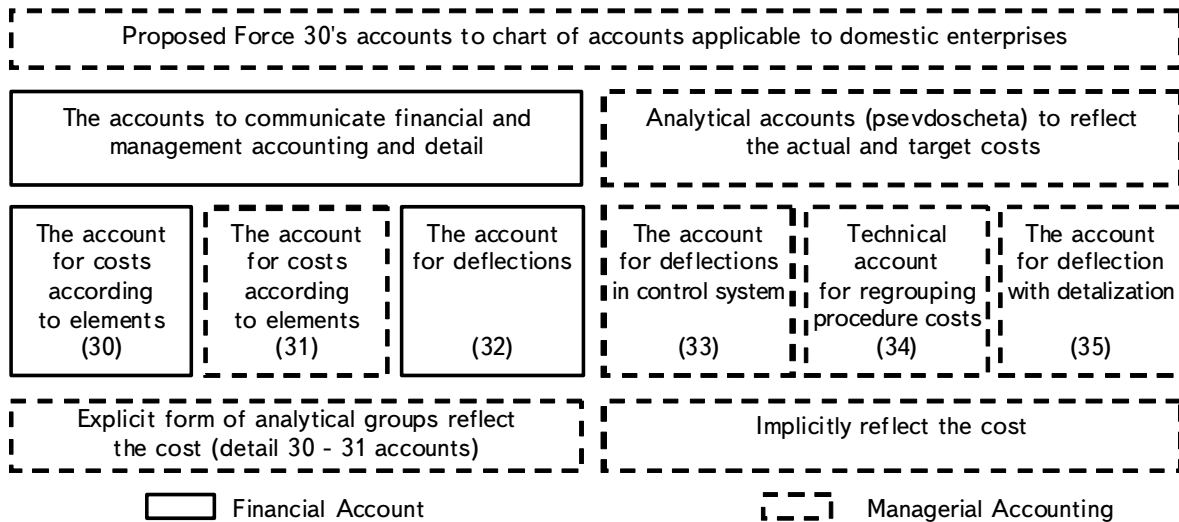


Fig. 3. Accounts of financial and management accounting (approach 1)

al processes, the use of binary hidden accounts and expands the theory account management accounting (see fig. 5). In the system management accounts appear-distributional collectively account as detailed, and from closing the analytic structure of costs.

The reflection of the costs of accounts (Fig. 5 a, c, f) helps a consistent method of differential accounting and distribution of the target and actual costs collected poelementnom breakdown. The essence of the methodology is as follows: the system of management accounting (or using pseudoschetov, either in the application of synthetic M-B-accounts or accounts) elements of costs consistently reflected in the accounts and "trace" until "Sales". If the process appears involutional costs (curtailment occurs analysts, for example, the cancellation

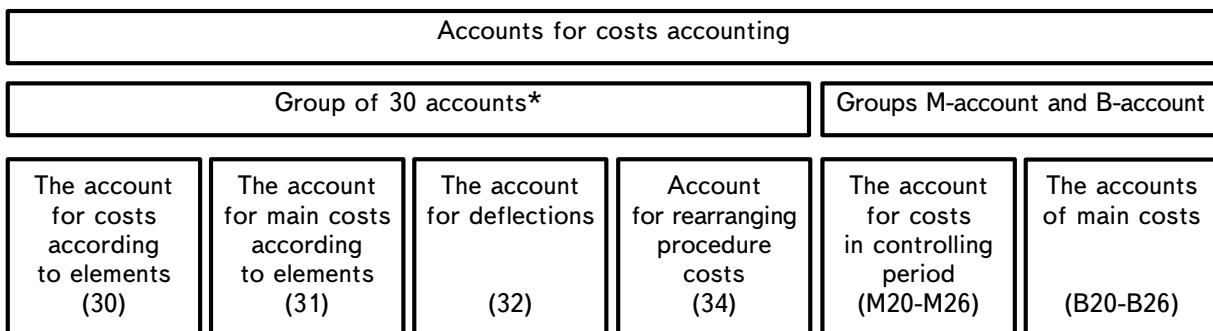
of the indirect costs of production or the apportionment of support industries), the debit accounts "The main production", "Finished goods" and "Sales" cost of items already reflected will not.

Consider the calculation of cost-sharing on the elements if the distribution subject to the actual costs:

Step 1. On account "The main production" determine balances at the end of (total) and turnover on the loan (total), for example, using the formula:

$$C_{credit} = \frac{C_{balance(i)} + C_{debet}}{q_{balance(i)} + q_{debet}} \times q_{credit}$$

$$C_{balance(e)} = \frac{C_{balance(i)} + C_{debet}}{q_{balance(i)} + q_{debet}} \times q_{balance(e)};$$



\* Account 33 - code free account. However, within the framework of the approach this matter can be used to reflect the cost of components in the system of management accounting (where the business differently assesses the various resources in the financial and management accounting in the cancellation of their production, such as using different methods of evaluating materials, Charges for depreciation, etc., or use a grouping of costs set by the rules of the owner).

\*\* Account 34 - is used if necessary

Fig. 4. Recommended group accounts for the accounting of costs (approach 2)

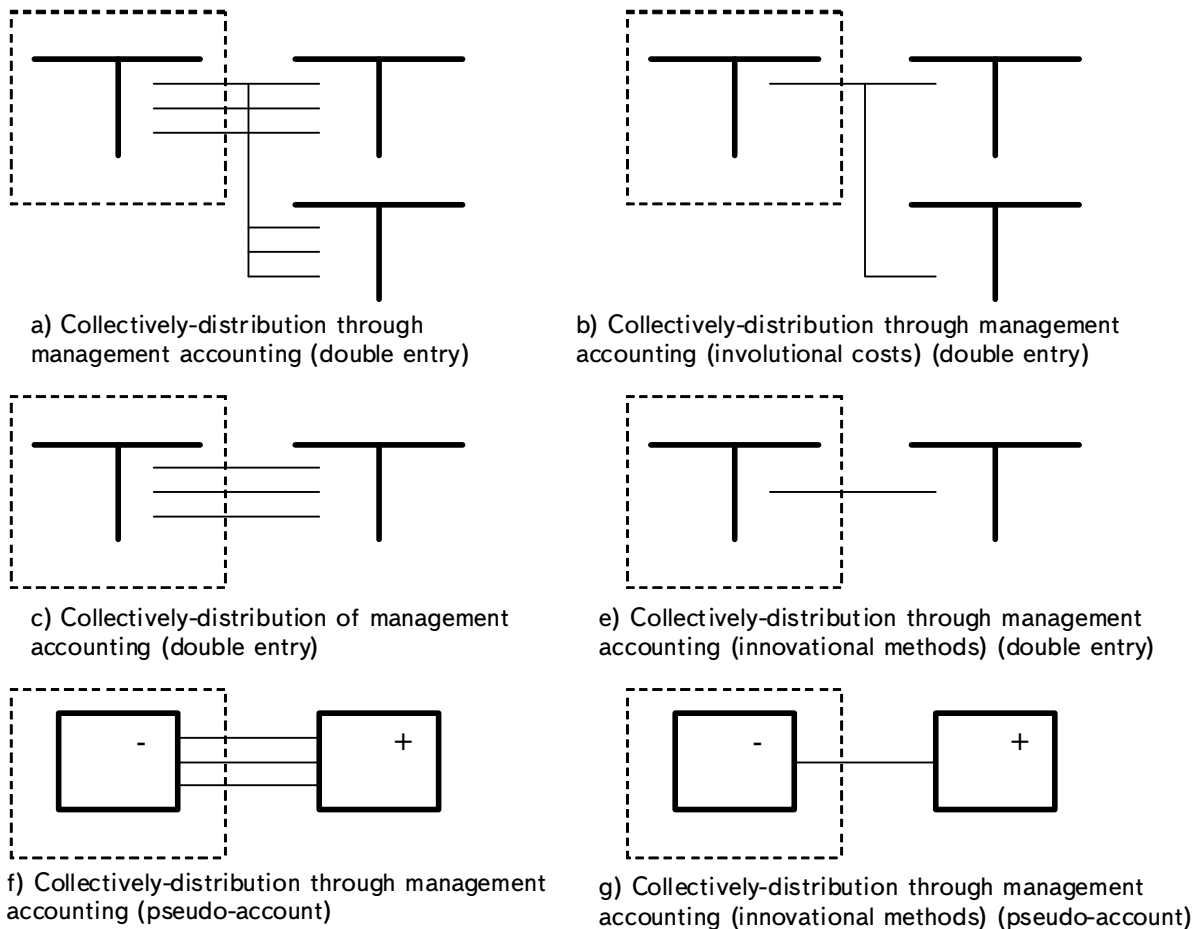


Fig. 5. Account Management Accounting

where  $C_{debit}$  - debit the account turnover "main production", monetary units;  $C_{credit}$  - credit turnover of the account "The main production", monetary units;  $C_{balance(i)}$  - balance at the beginning of the period, monetary units;  $C_{balance(e)}$  - balance at the end of the period, monetary units;  $q_{balance(i)}$  - the volume of work at the beginning of the period, unit;  $q_{balance(e)}$  - the volume of work at the end of the period, unit;  $q_{debit}$  - production, production of which started during the reporting period, units;  $q_{credit}$  - the volume of finished products unit.

Step 2. Allocate costs among the elements of finished products and remnants of work:

$$e_{credit} = \frac{e_{balance(i)} + e_{debit}}{C_{balance(e)} + C_{credit}} \times C_{credit},$$

$$e_{balance(e)} = \frac{e_{balance(i)} + e_{debit}}{C_{balance(e)} + C_{credit}} \times C_{balance(e)},$$

where  $e_{debit}$  - specific element in the cost charged to the "main production", monetary units;  $e_{credit}$  - specific element in the cost credited to the "main production", monetary units;  $e_{balance(i)}$  - specific element of the cost of opening balances of the account "The main production", monetary units;  $e_{balance(e)}$  - specific element of cost in the balance at the end of the account "The main production", monetary units.

Similar elements are shared costs account "Finished goods" and determined the cost of products sold in poelementnom breakdown.

All considered approaches to improve the system of information on costs in the management accounting.

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