

Contents

Preface	»	VII
----------------	---	-----

Part one – Fundamentals

1 From financial to managerial accounting	»	3
1.1 The activity of accounting	»	3
1.2 The aggregate values reported in financial statements	»	4
1.3 The accounting-based measures for assessing corporate performance	»	6
1.4 The relationships between performance measures	»	10
1.5 The systemic interpretation of dynamics and relationships	»	13
1.6 Applications	»	14
1.7 From financial to managerial accounting	»	20
2 Profitability analysis	»	23
2.1 The segmentation of results	»	23
2.2 Cost classification criteria used for profitability analysis	»	27
2.3 Segmented income statement structures and intermediate levels of performance	»	32
2.4 The correlation analysis between volumes, costs and results	»	34
2.5 Applications	»	39
3 Cost measurement systems	»	47
3.1 The purposes of cost measurement systems	»	47
3.2 The cost allocation process	»	50
3.3 Methodologies and prevalent architectures in cost measurement systems	»	59
3.4 Application of the fundamental methodologies	»	68
3.5 Granularity of intermediate cost aggregates, cost measurement and cost management	»	79
3.6 Costs flow and the genesis of cost of goods sold	»	80
3.7 The graphical representation of the cost measurement & profitability analysis system	»	83

4	Managerial accounting and decentralized decision-making government	»	87
4.1	Organizational responsibilities and responsibility accounting	»	88
4.2	The controllability principle and the responsibility centers	»	89
4.3	Strategy execution and integrated performance measurement systems	»	94
4.4	Budgeting and goal setting	»	98
4.5	Budget, interactivity, and dynamic contexts	»	103
4.6	Applications	»	105
5	Measuring the performance of cost centers	»	115
5.1	The input-transformation-output model: efficiency control vs. effectiveness control	»	115
5.2	Cost measurement systems and budgetary parameters	»	116
5.3	Variable costs: sizing and control	»	118
5.4	Fixed costs: sizing and control	»	125
5.5	Applications	»	135
5.6	Cost variances and cost flow (brief overview and referral)	»	142
6	Measuring the performance of profit centers	»	143
6.1	Absorption costing or variable costing?	»	143
6.2	Segmented Income Statement Structure	»	148
6.3	Competitive Effectiveness Variances	»	149
6.4	Applications	»	153

Part two – Integrations and implementations

7	Still on cost allocation and responsibility accounting	»	165
7.1	Select the driver level	»	165
7.2	The allocation of service centers	»	167
7.3	Management accounting and organizational evolution of the enterprise	»	183
8	ERP systems and integrated accounting models	»	187
8.1	Information richness and multidimensionality	»	188
8.2	Decentralization of accounting input	»	188
8.3	Expansion and integration of accounting models	»	191
8.4	Convergence of multiple accounting models	»	194
8.5	Implementation of standard cost flow systems	»	197
8.6	Applications	»	199
	Bibliography	»	225