

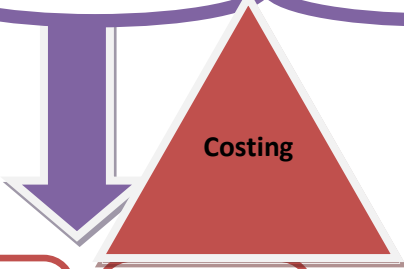
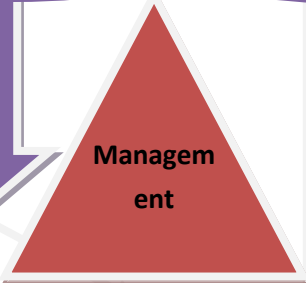
Courses accounting studies in English

Break even point

High – low method

job costing system

Analysis of Variances.



One product MATHIM

Multi product GRAPHIC

Journalize

Cost of goods sold

**Physical unit flow
Equivalent cost**

High activity

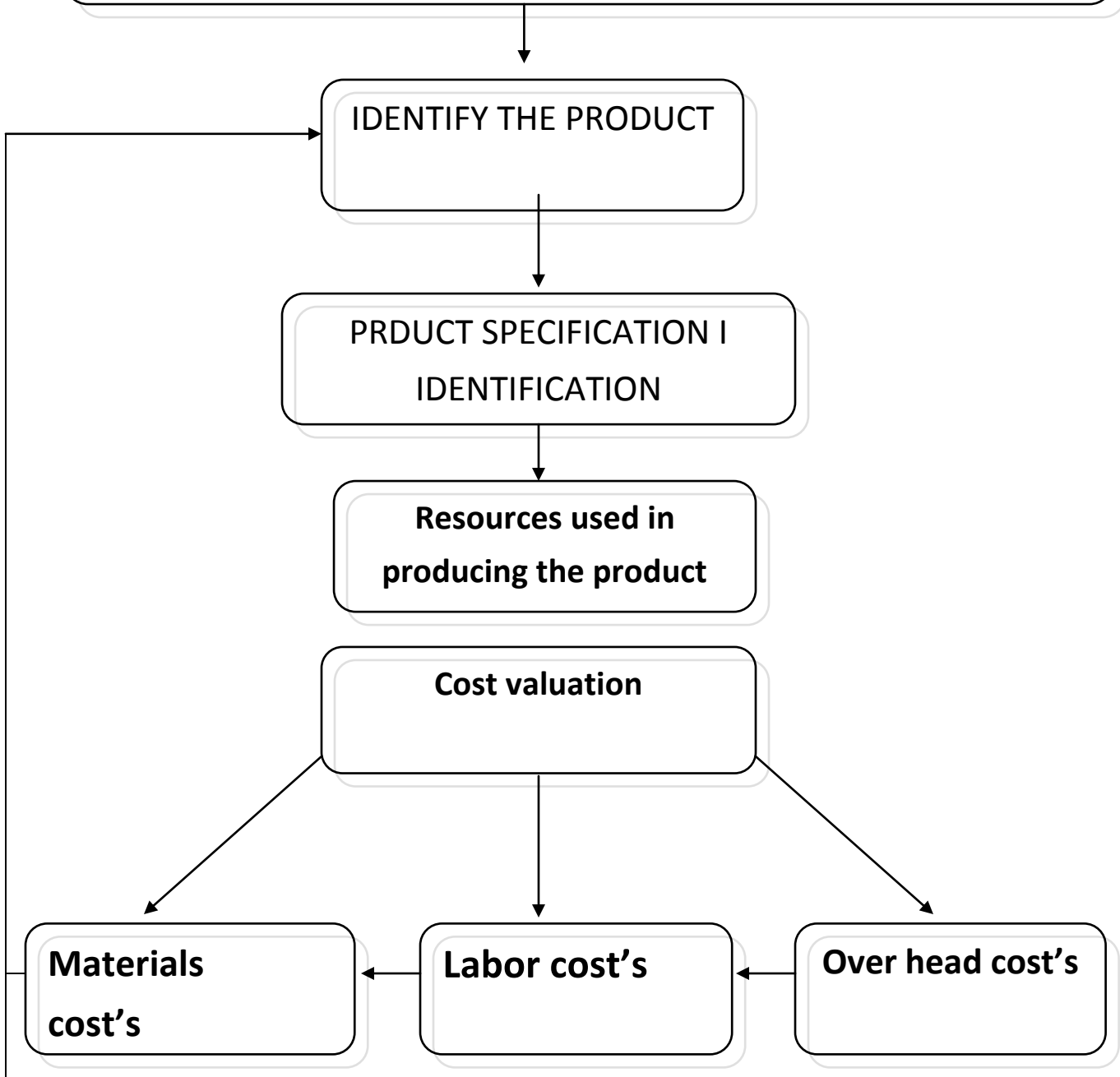
Low activity

Labors

Materials

STORE LEDGER ACCOUNT
1- F.I.F.O
2- F.I.F.O

Cycle of costing product



- **Costs classification by items**

- 1- material cost
- 2- labor costs
- 3- overhead costs

- **Costs classification by functions**

- 1- Manufacturing
- 2- Marketing
- 3- Administrative
- 4- Environmental

- **Costs classification by its relationship to a cost object**

- 1- Direct costs
- 2- Variable
- 3- indirect costs
- 4- Fixed

Break even point



MATHIMATIC

Terminology

على الطالب معرفة المصطلحات التالية

c.m contribution margin
v.c variable cost
f.c fixed cost
t.p target profit
c.m.r contribution margin ratio
s.p.u sales price unit
b.e.p.u brek even point unit
b.e.p.p brek even point pound

Break even point= total cost= total revenues

GRAPHICE

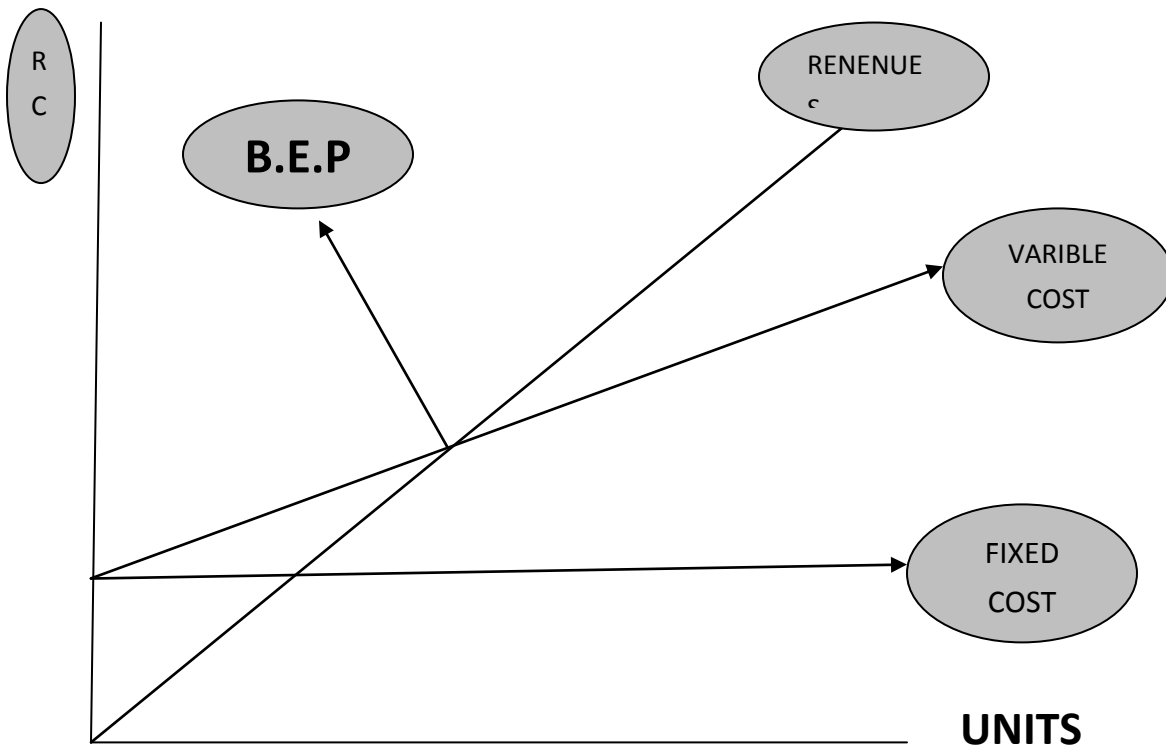
$v.c = s.\text{number of units} \times \text{cost per unit}$

Total cost= $f.c \pm v.c$

Revenues= $(n) \text{ number of units} \times \text{price unit}$

Break even point= total cost= total revenues

GRAPHICE



MATHIMATIC

$$\text{Break even sales} = \frac{\text{total fixed cost}}{\text{Contribution margin}}$$

(Sales price unit – variable cost unit)

$$\text{Break even point pound} = \text{Break even point unit's} \times \text{sales price unit}$$

Profit Target + Total fixed cost

$$\text{TARGET PROFIT} = \frac{\text{Profit Target} + \text{Total fixed cost}}{\text{Contribution margin}}$$

$$\text{Margin safety} = \text{sales total} - \text{break even sales Volume}$$

EXAMPEL

COMPUTE BEP (NUMBER OF UNITS (NOT BE LOSSOF PROFIT)

f.c 60000 L.E

V.C P.U 4 L.E

PRICE PER UNIT 8 L.E

SOLUTION

MATHIMATIC

$$\text{B.E.P} = \frac{\text{F.C}}{\text{P-VC}}$$

$$\text{B.E.P} = \frac{60000}{8-4} \quad 15000. \text{ U}$$

GRAPHICE

$$R = c$$

(n) number of units sales \times price unit - f.C \pm V.C (n) number of units \times v.c.u

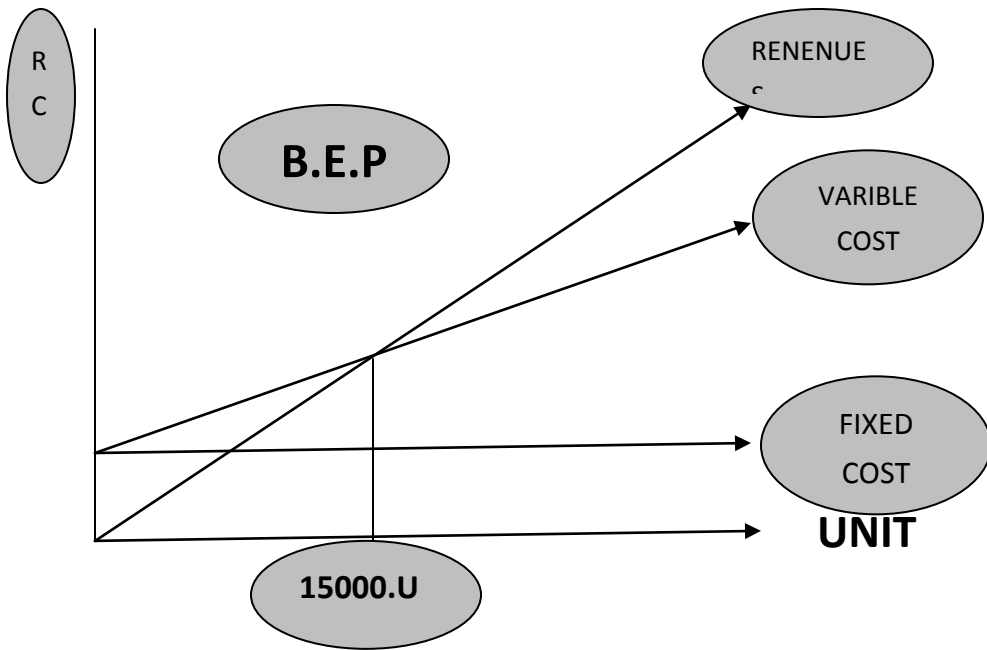
$$N \times p = f.c \pm (n \times v.c.u)$$

$$N \times 8 = 60000 + (n \times 4)$$

$$8n = 60000 + 4n$$

$$60000 = 8n - 4n$$

$$N = \frac{60000}{4} \quad 15000. U$$



High – low method

هناك خطوات لاثبات ان التكاليف الثابتة لا تتغير مهما تغير حجم الانتاج
لابد ان نحصل على تكلفة الوحدة المتغيرة اولا

Variable cost per unit =

$$\frac{\text{Change in cost}}{\text{Change in activity}}$$

فرق التكاليف
فرق المستويين

High activity level

$$X=Y+bc$$

Low activity level

$$X=Y+bc$$

cost	Hours
24700	6450
23600	6050

Required
Using high- low method

$$\begin{aligned} \text{Variable cost pre unit} &= \frac{\text{change in cost}}{\text{Change in activity}} \\ &= \frac{24700-23600}{6450-6050} \\ &= \frac{1100}{400} \end{aligned}$$

$$2.75$$

High activity level

$$X=Y+bc$$

$$24700 = y + (2.75 \times 6450)$$

$$24700 = y + (17737.5)$$

$$6962.5$$

Low activity level

$$X=Y+bc$$

$$23600 = y + (2.75 \times 6050)$$

$$6962.5$$

$$23600 = y + (16637.5)$$