

Finance and accounting in the media industry accounting essay

[Business](#), [Industries](#)



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Media and amusement includes a assortment of merchandises that entertains or keeps informed a day-to-day consumer. The industry is segmented into wireless, telecasting, wireless broadcast medium, etc. The competition in the media and amusement infinite is increasing twenty-four hours by twenty-four hours. To be on the top or even to last in this extremely competitory market one has to be really efficient in pull offing the information systems.

Finance and Accounting

Relationship to Accounting: There is really small difference between finance and accounting. Both autumn under the legal power of main fiscal officer who uses a peculiar MIS to function the intent of both.

The difference lies in the sense that in finance the intent is to maximise the net income whereas the intent of accounting is score maintaining so that a base for revenue enhancement payment is prepared.

A fiscal director analyses the natural information (provided by the comptroller about the company 's yesteryear, present and future) as inputs to MIS for doing of import determinations.

Accounting is non concerned with hard currency flows. It is merely based on the recognized grosss when sale occurs. Finance is merely concerned to hard currency flows. The magnitude, timing and hazard of hard currency flows are the focal point of finance director.

Finance involves determination doing under unsure conditions and is concerned with future whereas accounting is concerned with the past records.

Large organisations have a batch of information. This aggregation of informations can non be of any usage if it is non streamlined so that informations can be retrieved easy.

MIS would assist in commanding, tracking and monitoring of informations.

Segregation of informations into faculties would ensue in faster determination devising.

Would assist in traveling paper free.

Use of MIS would guarantee the consequence as per the outlook and analysis of informations would be done easy.

Sap For Finance In Media and Entertainment

Reliance Mediaworks uses SAP for function in its fiscal jobs. SAP for Media provides trim solutions to maintain up with rapid alterations driven by the Internet, on-line publication, and digital broadcast medium.

License acquisition and surpassing royalties - Reports on accurate royalty statements are prepared utilizing SAP.

- Core accounting and coverage capablenesss
- Fiscal supply concatenation direction
- Treasury Management
- Shared services
- Supply Chain Management

Reliance Mediaworks

In 2005 Reliance ventured into this infinite and rapidly adopted the criterions required to last in this market. The twelvemonth 2005 saw the entry of new participants across all sections of the E & A ; M industry. Reliance made its manner into amusement by purchasing out 'Adlabs ' and besides acquired a wireless station known as BIG FM 92. 7 after command for 50 FM wireless Stations across with aggregative commands of over INR 1. 5 billion. In this M & A ; E industry one can non bury the function of finance and accounting in the success way of these companies. Finance and accounting should be really efficient so that there are no statistical errors/delays. The presence of trust mediaworks is felt in Film Services: Motion Picture Processing and DI ;

Visual Effects ; Film Restoration and image sweetening ; Digital Mastering: Studios and Equipment leases with installations located at US and India.

Most companies that fail in this industry have no or hold a weak information system for finance and accounting system. Finance holds the key for company 's success. Reliance Media works adopted a really good MIS every bit shortly as it entered the infinite. It implemented a 'SAP ' made MIS and rapidly got the positive consequences of utilizing it.

- Use of SAP in Reliance Mediaworks
- Used for accounting intents.
- Used for revenue enhancement intents.
- Used for organizing general legers.
- Keeping collectible and receivable histories.
- Besides used for computation of assorted ratios and analyzing them.
- Used for preparation of one-year and quarterly studies.
- Used for puting up a fixed budget.

Accounting

Fiscal accounting consists of: General ledger - Sap helps in pull offing a general leger for the company.

General leger keeps an history of the assets, gross, disbursals and the liabilities of the company. At the bosom of the Financials faculty, the General Ledger constituent automates the integrating of all your fiscal information and poster to your histories - supplying the terminal point for all drumhead information in the system. From the General Ledger all the cardinal direction

studies of your concern ' are generated, including the balance sheet, gross statement, trading history and test balance. Comprehensive bore down capableness and graphical coverage makes job designation and declaration simple in the extreme. The General Ledger shops information on all of your histories, including all minutes - supplying the ability to update work-in advancement, stock values, foreign currency fluctuations, debtors and creditors, so that an accurate representation of the concern ' fiscal state of affairs is ever presented. Flexibility is provided in the set up of your chart of histories, which can be standard of customised to accommodate the alone demands of you concern. Full integrating from the full Prism system ensures the General Ledger presents dependable, accurate and timely direction information.

- Treasury Management of Assets
- Reliance has a separate faculty for the intent of exchequer direction.
- This faculty invariably manages the assets and the investings that have been made by the company.
- Investings

Reliance Mediaworks is invested in many bonds and common finacess. The list of these investings every bit good as such other investings is maintained by SAP. New investings to be made are besides analysed by the MIS. A proviso for decline is made to recognize a diminution, other than impermanent, in the value of long-run investings and is determined individually for each single investing.

Fixed assets and depreciation / amortization

Tangible assets

Assets that can be equated in footings of money are known as touchable assets. Expenses incurred for up maintaining of the assets are taken into history. Depreciation on fixed assets is provided on the consecutive line method, .

Cost of movie rights comprises original purchase monetary value / minimal warrant. Cost is ascertained on specific designation footing where possible. In instance multiple movies / rights are acquired for a amalgamate sum, cost is allocated to each movie / right based on direction 's best estimations.

The single movie prognosis method is used to amortize the cost of movie rights acquired. Under this method, costs are amortised in the proportion that gross gross realised bear to direction 's estimation of the entire gross gross expected to be received. If estimations of the entire gross and other events or alterations in fortunes indicate that the realisable value of a right is less than its unamortised cost, a loss is recognised for the surplus of unamortised cost over the movie right 's realisable value.

Liabilityess illustrations of liability histories include histories collectible and long term debt.

Gross

Gross is recognised to the extent that it is likely that the economic benefits will flux to the Company and the gross can be faithfully measured.

Advertisement/ sponsorship gross

Reliance generates its gross from advertisements and sponsorships that it offers to assorted companies. Large Frequency modulation every bit good as some other subordinates of 'Reliance Mediaworks ' like the 'Adlabs ' generates gross through advertisement offerings.

Film production and related income

The twenty-four hours the movie rights are sold, the income/revenue from movie production is registered in the book of histories.

Income from movie distribution activity

Distribution rights for a movie produced by Reliance Mediaworks, abroad rights, picture, music or other rights are sold and the gross are registered by SAP.

Film production services

Gross from treating / printing of cinematographic movies is recognised upon completion of the related processing / printing.

Theatrical exhibition and related income

Gross are besides generated by the sale of tickets at Big Cinemas. The amusement revenue enhancement is exempted from the gross.

Interest income / income from movie funding

Gross may besides be generated from financing a peculiar movie and so finally purchasing the movie.

Foreign currency minutes

Due to operations in assorted states, Reliance has the gross in assorted currencies which is converted into rupees at the terminal of the twelvemonth. The difference in exchange rates may do extra gross for the company.

Expense/Cost

Expense or cost can specify as escapes from the company.

Personal costs

Wages, rewards, fillips, PPF, staff public assistance disbursals

Operational costs

Advertisement, bank charges, rent, insurance, labor charges, loss on sale, bad debts, printing and communicating, other assorted disbursals.

Other costs include involvement payment on the loans, fiscal charges etc.

Receivable accounts- : Pull offing a list of receivable histories can be really boring if done manually. This job is solved utilizing SAP which records and manages such histories. The Accounts Receivable constituent of the Prism Financials faculty reveals a 360A° position of gross revenues public presentation - the footing for accurate and effectual decision-making.

Histories Receivable shops all client information, footings, minutess and balances, streamlining dayto- twenty-four hours disposal. It provides direction with full and accurate graphical analysis, projections of gross revenues, grosss and hard currency flow. Credit control installations with comprehensive diary notes and gross revenues history facilitate easy client direction. Full integrating is provided from Histories Receivable to the General Ledger and Cash Book constituents of the Financials faculty, every bit good as the Job Costing and Inventory faculties on a existent clip footing.

Collectible accounts- : Merely as we have receivable histories to enter the income so besides a record should be maintained for the outgoing payments that are to be made.

With the Histories Collectible constituent of the Prism Financials faculty you 'll accomplish efficiencies throughout your bill and payment procedure. By hive awaying all your provider information, minutes and balances, and supplying elaborate analysis of your purchases, Accounts Payable will turn out an priceless tool within your histories section. Staff can automatically make payment tallies and print computerised cheques and remittals, in addition to letting multiple currencies by creditor. Extensive graphical coverage on all disburseals incurred provides direction with critical determination doing information.

Taxation: Calculation of revenue enhancements (gross revenues and purchases) and coverage of the same is easy done utilizing SAP.

Income-tax disbursal comprises current revenue enhancement disbursal computed in conformity with the relevant commissariats of the Income revenue enhancement Act, 1961 and deferred revenue enhancement charge or recognition.

Deferred revenue enhancement charge or recognition and the corresponding deferred revenue enhancement liability or plus is recognised for clocking differences between the net incomes / losings offered for income revenue enhancements and net incomes / losings as per the fiscal statements.

Deferred revenue enhancement assets and liabilities are measured utilizing the revenue enhancement rates and revenue enhancement Torahs that have been enacted or substantively enacted at the balance sheet day of the month.

Entertainment revenue enhancement is besides levied as a signifier of revenue enhancement.

Accrual accounting-: Accrual means entering gross or cost every bit shortly as they are earned and non wait for the clip when they would be settled. SAP helps in pull offing collectible and receivable histories harmonizing to accrual accounting.

Benefits to Reliance Mediaworks

The operating costs have reduced and the efficiency has been increased thereby increasing the entrance royalties.

The dealing and communicating charges have gone down drastically thereby increasing the net income borders for the company.

The cost of integrating with finance and accounting direction has cut downing and has resulted in incremental gross for the company.

Replacing manual accounting with the new system has improved the transparency and simpleness of pull offing histories.

Editions: SAP Crystal Reports comes in a individual edition that is the feature equivalent of the old Developer Edition. SAP Crystal Reports Dashboard Design bundle is a soft package of SAP Crystal Reports and SAP Crystal Dashboard Desing (once known as Xcelsius Engage) .

Datas beginnings: Native, ODBC, OLE DB, and JDBC connectivity to relational, OLAP, web services, XML, and enterprise informations beginnings, and new salesforce. com driver.

License theoretical account: Licensed per named user

Languages: English, Gallic, German, Italian, Spanish, Portuguese (Brazilian) , Dutch, Swedish, Russian, Simplified Chinese, Traditional Chinese, Japanese, Korean, Polish, Norwegian, Thai, Czech, and Finnish

System Requirements

1. Disk infinite: 300 MB available difficult thrust infinite, 600 MB

recommended with SAP Crystal Reports, version for Ocular Studio. NET

2. Operating systems: Microsoft Windows 7, Windows Vista, Windows XP with Service Pack (SP) 2, Windows Server 2003 with SP1, or subsequently
3. Integrated development environments: SAP Crystal Reports, version for Ocular Studio 2008, 2005, and 2003
4. Brassy Support: Embedded Flash objects can be viewed with the. NET Winform spectator, . Net Webform spectator, Java DHTML spectator, SAP Crystal Reports spectator, and exported PDF files.