

Abc model of cost accounting case study assignment

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The company piloted BBC implementation in one of its main production divisions in December 2001, when BBC concepts were at a theoretical level in China (Lieu and Pan, 2007). Two more attempts to extend the use Of BBC in one Of its subsidiaries and sales functions took place in 2005 and 2008. Furthermore, Major events took place during the latter research endeavor, including two major acquisitions - first by a pension fund and later by the national grid and recent session to implement an enterprise resource planning (ERP) system.

These events provided a unique opportunity to unveil factors pertinent to organizational decisions towards information system implementation, to extract ' real-life' interactions between personnel at various organizational hierarchies; and to evaluate complex relationships between changes, organizational and individual learning. Chinese management styles rely more on managing people and relationships - Chinese management ethos - than on technological systems and management tools. The level of office and accounting computerizing and IT-enabled business solutions is not as advanced as those in the west.

Xx J started from a very basic level, building financial accounting systems and office computerizing before implementing the BBC system, which captured direct costs and variable manufacturing overheads before processing. The main achievements of Xx Jig's ten years BBC endeavor are that BBC radically changed the SEE, turned Ply's traditional costing systems and induced standardization in their working practices and recesses. BBC also acts as a catalyst to Xx Jig's IT developments -?? first accounting and office computerizing and later the ERP implementation.

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One distinctive feature of Xx Jig's BBC experience is the 'top-down' instigation and enthusiasm of trying out innovative ideas and inducing corporate-wide learning. While such a top-down' approach is not so popular in the west, it is fairly common amongst Goes, particularly in the northern part of China. This approach worked well in Xx J, allowing them to move quickly from imitating stern ideas to developing their own - independently developed Relays BBC system - and make informed decisions using sales activity analysis.

In addition, Xx Jig's observed BBC Systems were unremarkable, in that they only tackled direct costs and variable manufacturing overheads. Given their traditional costing system was not even able to directly match direct labor costs to products, the BBC implementations have made marked improvement and allowed them to obtain some accurate product cost information. The sales activity analysis was a good attempt, in that the BBC information enabled Xx J top management to understand sales activities better.

This attempt also marked the beginning of BBC being used as a management tool to enable top management to exercise more informed control over sales expenses and sales companies. BBC implementation has provided a unique opportunity to accelerate learning throughout Xx J like a tool for learning throughout Xx J. It has changed accountants' perception of accounting. The experienced accountants had previously only performed monthly financial reporting and book keeping.

Operations managers from engineering backgrounds accepted the new system quicker than the accountants. They fully embraced the initial BBC implementation and adapted BBC concepts to improve their operations. The concept of non-value added activities and process mapping were conveyed and led operations managers to look into ways to identify waste in their processes. For example, reorganization of assembly line layout to reduce the moving time and consciously incorporation of standardized components at product designs.