

Solutions



Unit: Additional Financial Topics

Topic: Fixed Assets

1-1 Define a fixed assets master data record.

Choose *Financials* → *Fixed Assets*. Open the *Asset Master Data* window.

Choose *Data* → *Add*.

Field Name or Data Type	Values
<i>Item No.</i>	<any, for example: F00094 >
<i>Description</i>	<any, for example: Truck >

In the *Fixed Assets* tab, under the *Overview* sub-tab, in the *Asset Class* field, choose the **Motor Vehicles** asset class.

Review the *Depreciation Parameters* area.

Note that the *Depreciation Areas*, the *Useful Life* and the *Depreciation Types* defined for the **Motor Vehicles** asset class apply to the truck asset master data record.

Choose *Add*.

1-2 Activate the fixed asset.

Choose *Purchasing - A/P* → *A/P Invoice*.

Field Name or Data Type	Values
<i>Vendor</i>	<any>
<i>Item No.</i>	Choose the truck asset master data record.
<i>Posting Date</i>	1st of January this year
<i>Unit Price</i>	<any, for example: 6000 >
<i>Tax Code</i>	Choose the exempt tax group

Choose *Add*.

Go to *Financials* → *Fixed Assets* → *Capitalization*.

Browse to the last record. Review the *Capitalization* document that was automatically created.

Choose the *Contents* tab and choose the linking arrow in the *Asset No.* field. In the asset master data window choose the *Fixed Assets* Tab. Under the *Overview* sub-tab focus on the *Status* Field. The *Asset Master Data* is activated.

1-3 Execute the Depreciation Run

Choose *Financials* → *Fixed Assets* → *Depreciation Run*.

Field Name or Data Type	Values
<i>Depreciation Area</i>	GAAP
<i>Depreciate To</i>	<the current period>

Choose the *Preview* button.

Review the data and then choose the *Execute* button.

Confirm the system message.

Choose the linking arrow in the *Journal Entry* column and review the journal entry created by the depreciation run. Close the *Journal Entry* window.

Choose the linking arrow of the **Truck** asset. In the Asset Master Data window choose the *Fixed Assets* tab and then the *Depreciation* sub-tab.

Field Name or Data Type	Values
<i>Depreciation Area</i>	GAAP
<i>Fiscal Year</i>	<the current year>

Review the numbers according to this selection.

1-4 Retire the fixed asset.

Choose *Financials* → *Fixed Assets*. Open the *Asset Master Data* window.

Browse to the **Truck** asset and check the *Sales Item* box. Choose *Update* and *OK*.

Choose *Sales – A/R* → *A/R Invoice*.

Field Name or Data Type	Values
<i>Customer</i>	<any>
<i>Item No.</i>	Choose the truck asset master data record.
<i>Posting Date</i>	Today's date
<i>Unit Price</i>	<any, for example: 1000 >
<i>Tax Code</i>	Choose the exempt tax group

Choose *Add*.

Browse back to the invoice. Under the *Accounting* tab choose the linking arrow in the *Journal Remark* field.

Close the *Journal Entry* window.

Go to *Financials* → *Fixed Assets* → *Retirement*.

Browse to the last retirement document. Review the retirement document that was automatically generated by the A/R Invoice.

Under the *Contents* tab choose the linking arrow in the *Asset No.* field. In the *Asset Master Data* window choose the *Fixed Assets* tab, choose the *Values* sub-tab and focus on the *Net Book Value* column. The net book value of the asset master data record is set to zero.

Under the *Overview* sub-tab focus on the *Status* Field. The asset status is set to *Inactive*.