

Contents

	Part 3 Reporting Techniques in Support of Managerial Decision Making	6
1	Variable Versus Absorption Costing	7
1.1	Absorption Costing	7
1.2	Variable Costing	7
1.3	Variable Costing in Action	9
1.4	A Double-Edge Sword	10
1.5	Avoiding a Downward Spiral	10
1.6	Confused?	11
1.7	An In-Depth Comparison of Variable Costing and Absorption Costing Income Statements	12
1.8	The Impact of Inventory Fluctuations	13

www.sylvania.com

We do not reinvent
the wheel we reinvent
light.

Fascinating lighting offers an infinite spectrum of possibilities: Innovative technologies and new markets provide both opportunities and challenges. An environment in which your expertise is in high demand. Enjoy the supportive working atmosphere within our global group and benefit from international career paths. Implement sustainable ideas in close cooperation with other specialists and contribute to influencing our future. Come and join us in reinventing light every day.

Light is OSRAM

**OSRAM
SYLVANIA**

2	Segment Reporting	16
2.1	Internal Reporting of Segment Data	16
2.2	The Problem of Segment Income Measurement	16
2.3	Contribution Income Statement Format	17
2.4	External Reporting of Segment Data	19
3	Measures of Residual Income	22
3.1	Keeping Residual Income in Perspective	23
4	Concepts in Allocating Service Department Costs	24
4.1	The Direct Method of Allocating Service Department Cost	24
4.2	The Step Method of Allocating Service Department Cost	25
4.3	Multiple Steps and Simultaneous Allocations	26
5	Leveraging the Power of Modern Information Systems	27
5.1	Line Item VS. Object of Expenditure	28
5.2	Business Dashboard	29
	Appendix	31



360°
thinking.

Deloitte.

Discover the truth at www.deloitte.ca/careers

© Deloitte & Touche LLP and affiliated entities.

