

Quadrant II – Glossary

Course Code : COD 118

Module Name : Procedure for Reconciliation of costing profit with financial profit and preparation of Reconciliation Statement

Glossary

Costing Profit: Profit as per Cost Sheet.

Financial profit: Profit as per Profit and Loss account

Memorandum Reconciliation Account: It is an account which shows the amounts of differences in cost and financial accounts. The account is started with profit as per either cost accounts or financial accounts and the amounts of differences are adjusted accordingly.

Over or under absorption of overheads: The overheads are charged more or less in cost accounts as compared to financial accounts.