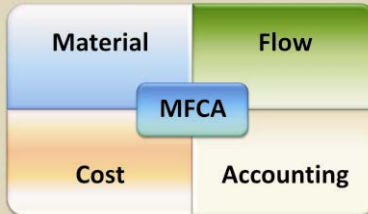




National Productivity Council

(Under Ministry of Commerce & Industry, Government of India)

E-5, GIDC ELECTRONIC ESTATE, GANDHINAGAR-382028, GUJARAT



ISO 14051:2011

- Establishes a management information system approach called MFCA



ISO 14051:2011

- Assists organizations to better understand the environmental and financial consequences of their material and energy use practices so that identify opportunities of improvement



ISO 14051:2011

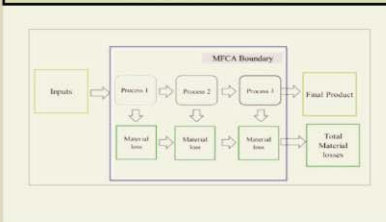
- It was developed by ISO technical committee ISO/TC 207, Environmental Management



Table 1. Difference between MFCA and Conventional Accounting

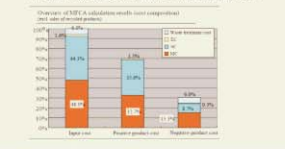
MFCA		Conventional Accounting	
Sales	15,000,000	Sales	15,000,000
Product Cost	3,000,000	Product Cost	4,500,000
Material Loss Cost	1,500,000	N/A	N/A
Gross Profit	10,500,000	Gross Profit	10,500,000
Selling, General and Administration expenses	8,000,000	Selling, General and Administration expenses	8,000,000
Operating Profit	2,500,000	Operating Profit	2,500,000

Material Flow Model



	Material cost	Energy cost	System cost	Waste treatment cost	Total
Conforming products (Positive products)	16,000	600	13,100	-	30,700
Material loss	3,000	100	4,600	-	8,700
Waste recycled products (Negative products)	15,300	6,300	8,700	-	30,300
Waste recycled products	-	-	-	2,000	2,000
Subtotal	24,000	6,700	26,400	2,000	59,100
	60.0%	1.8%	69.6%	5.2%	100.0%

Table 2. Material Flow Matrix representing the data of material flow diagram as represented in figure 3



A chart combining positive and negative product costs throughout all processes based on above flow chart including calculation data is called a "MATERIAL FLOW COST MATRIX"