

APPLY PRINCIPLES OF MANAGEMENT ACCOUNTING

UNIT CODE: BUS/OS/AC/CR/056

UNIT DESCRIPTION

This unit specifies the competencies required to apply principles of management accounting. It involves gathering costing data, performing cost classification, analyzing costing data, managing accounting costs, consolidating financial and cost accounting systems, applying costing methods, preparing marginal and absorption costing and managing budgets and budgetary controls.

ELEMENTS AND PERFORMANCE CRITERIA

ELEMENT These describe the key outcomes which make up workplace function .	PERFORMANCE CRITERIA These are assessable statements which specify the required level of performance for each of the elements. <i>Bold and italicized terms are elaborated in the range.</i>
1. Gather costing data	1.1 Operating costs, administration and finance cost data are established as per the work place procedures. 1.2 Costing data is collected as per work place procedures.
2. Perform Cost classification	2.1 Costing data is coded and classified. 2.2 Costing data is reviewed as per the organizational policy. 2.3 Cost classification methods are identified and selected as per the organization policy.
3. Analyze costing data	3.1 Cost estimation methods are selected and applied. 3.2 Data is reconciled as per the organizational procedures. 3.3 Cost data is analyzed as per the work place procedures. 3.4 Costs data is interpreted as per organizational performance objectives. 3.5 Cost pricing is determined as per work place procedures.
4. Manage accounting costs	4.1 Elements of cost are identified as per the organizational objectives. 4.2 Costing procedures are developed as per the organizational requirements. 4.3 Cost element valuation methods are selected as per

	<p>the organizational requirements.</p> <p>4.4 Cost records are maintained as per the organizational requirement.</p> <p>4.5 Cost control procedures are developed as per the organizational requirement.</p>
5. Consolidate financial and cost accounting systems	<p>5.1 Financial transactions are analyzed as per specific accounts.</p> <p>5.2 Journal entries are recorded based on the double entry concept.</p> <p>5.3 Entries are adjusted at the end of each accounting period.</p> <p>5.4 Ledger systems are integrated and interlocked as per the accounting period.</p>
6. Apply costing methods	<p>6.1 Costing methods are selected.</p> <p>6.2 Input cost data is recorded based on the selected method.</p> <p>6.3 Cost data is analyzed as per the selected method.</p> <p>6.4 Cost per unit is determined.</p>
7. Prepare marginal and absorption costing	<p>7.1. Costing techniques are selected.</p> <p>7.2. Marginal and absorption statements are prepared.</p> <p>7.3. Marginal and absorption profits/losses are reconciled.</p> <p>7.4. Costs, sales and profits are analyzed.</p> <p>7.5. Planning decision is determined.</p>
8. Manage budgets and budgetary controls	<p>8.1. Budgets are prepared as per the SOPs.</p> <p>8.2. Budget estimates are forecasted as per the SOPs.</p> <p>8.3. Budgets are documented as per the SOPs.</p> <p>8.4. Budget estimates are implemented as per the SOPs</p> <p>8.5. Budget outcomes are monitored as per the SOPs.</p> <p>8.6. Budget outcomes evaluated as per the SOPs.</p>

RANGE

This section provides work environments and conditions to which the performance criteria apply. It allows for different work environment and situations that will affect performance.

Variable	Range
<ul style="list-style-type: none">Costing methods includes but not limited:	<ul style="list-style-type: none">Job order costingBatchingProcess costingService costingUnit costing
<ul style="list-style-type: none">Costing techniques includes but not limited:	<ul style="list-style-type: none">MarginalAbsorption

REQUIRED KNOWLEDGE AND UNDERSTANDING

The individual needs to demonstrate knowledge of:

- Mathematics
- Economics
- Financial accounting
- Law
- Statistics

SKILLS

The individual needs to demonstrate the following skills:

- Critical thinking
- Communication
- Analytical.
- Report writing.
- Problem solving
- Innovative
- Creativity

EVIDENCE GUIDE

This provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge and range.

1. Critical Aspects of Competency	<p>Assessment requires evidence that the candidate:</p> <ul style="list-style-type: none"> 1.1 Gathered costing data 1.2 Performed Cost classification 1.3 Analyzed costing data 1.4 Managed accounting costs 1.5 Consolidated financial and cost accounting systems 1.6 Applied costing methods 1.7 Prepared marginal and absorption statements 1.8 Managed budgets and budgetary controls
2. Resource Implications	<p>The following resources must be provided:</p> <ul style="list-style-type: none"> 2.1 Quotations
3. Methods of Assessment	<p>Competency may be accessed through:</p> <ul style="list-style-type: none"> 3.1 Written tests 3.2 Oral questioning 3.3 Third party reports 3.4 Observation
4. Context of Assessment	<p>Competency may be assessed:</p> <ul style="list-style-type: none"> 4.1 On the job 4.2 Off the job 4.3 In work placement (attachment) Off the job assessment must be undertaken in a closely simulated workplace environment
5. Guidance information for assessment	<p>Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended.</p>