

Higher National Unit Specification

General information for centres

Unit title: Printing Industry: Costing

Unit code: F139 34

Unit purpose: This Unit is designed to introduce candidates to various cost control systems for use in the printing industry. It will enable candidates to apply various techniques to assist management in the decision making process. It is primarily intended for candidates who expect to take up a career in the printing industry in an administrative capacity.

On completion of the Unit the candidate should be able to:

- 1 Prepare a job cost statement.
- 2 Apply marginal costing techniques to assist management decision making in the printing industry.
- 3 Use standard costing techniques to analyse variances between standard and actual cost.

Credit points and level: 1 HN Credit at SCQF level 7: (8 SCQF credit points at SCQF level 7*)

**SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from Access 1 to Doctorates.*

Recommended prior knowledge and skills: Access to this Unit is at the discretion of the centre. However, candidates would normally be expected to have competence in Communication and Numeracy at SCQF level 5 or similar qualification or experience. It is recommended that candidates have completed Recording Financial Information DE5D 34.

Core Skills: There are opportunities to develop the Core Skill of Numeracy at SCQF level 5 in this Unit, although there is no automatic certification of Core Skills or Core Skills components.

Context for delivery: If this Unit is delivered as part of a Group Award, it is recommended that it should be taught and assessed within the subject area of the Group Award to which it contributes.

Assessment: This Unit should be assessed using open-book assessments for Outcome 1 and closed-book assessments for Outcomes 2 and 3. Assessments will be under controlled conditions.

Higher National Unit specification: statement of standards

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The sections of the Unit stating the Outcomes, knowledge and/or skills, and Evidence Requirements are mandatory.

Where evidence for Outcomes is assessed on a sample basis, the whole of the content listed in the knowledge and/or skills section must be taught and available for assessment. Candidates should not know in advance the items on which they will be assessed and different items should be sampled on each assessment occasion.

Outcome 1

Prepare a job cost statement

Knowledge and/or skills

- ◆ Prime Cost
- ◆ Overhead costs
- ◆ Mark up and margin
- ◆ Total job cost

Evidence Requirements

Candidates will need to provide evidence to demonstrate their knowledge and skills by showing that they can:

- ◆ accurately complete pro-forma documentation provided
- ◆ correctly identify prime cost from their calculations
- ◆ accurately calculate overhead costs, mark up and margin and total job cost

Evidence should be generated under open-book supervised conditions. Candidates should be provided with pro forma documents for completion. No textbooks are allowed.

A maximum of 3 errors will be allowed in the cost statement.

Assessment guidelines

Candidates could be given financial information which would enable them to calculate prime cost, overhead costs, mark up and margin and the total cost of a given job.

The evidence should be presented in the form of completed pro forma documentation for a single exercise. Candidates could prepare the costs manually and complete pre-prepared pro formas. Adequate time should be allowed to complete the exercise and candidates should not be placed under undue pressure of time to complete the assessment.

Higher National Unit specification: statement of standards (cont)

Unit title: Printing Industry: Costing

Outcome 2

Apply marginal costing techniques to assist management decision making in the printing industry

Knowledge and/or skills

- ◆ Marginal costing statement
- ◆ Break even analysis
- ◆ Contribution analysis

Evidence Requirements

Candidates will need to provide evidence to demonstrate their knowledge and skills by showing that they can:

- ◆ accurately prepare a marginal costing statement
- ◆ correctly apply break even analysis and contribution analysis to assist management decision making within the printing industry

The information should be well presented in a clear and logical manner.

Evidence should be generated under open-book supervised conditions. Candidates may have access to their own previously worked examples. A maximum of three errors should be costing statement.

Assessment guidelines

Candidates could be given financial information that would enable them to accurately prepare a marginal costing statement and correctly apply break-even analysis and contribution analysis of a given job. Candidates should prepare the costs manually.

Adequate time should be allowed to complete the exercise and candidates should not be placed under undue pressure to complete the assessment.

Outcome 3

Use standard costing techniques to analyse variances between standard and actual cost

Knowledge and/or skills

- ◆ Basic variances:
 - Material: price and usage
 - Labour: rate and efficiency
- ◆ Interpretation of variances
- ◆ Overheads — fixed and variable

Higher National Unit specification: statement of standards (cont)

Unit title: Printing Industry: Costing

Evidence Requirements

Candidates will need to provide evidence to demonstrate their knowledge and skills by showing that they can:

- ◆ apply standard costing techniques to analyse variances between standard cost and actual cost of a printed job
- ◆ accurately calculate the following: total cost variance, material price variance, material usage variance, labour rate variance and labour efficiency variance, and give reasons why these variances may occur

Evidence should be generated under open-book supervised conditions. Candidates may have access to their own previously worked examples.

The information should be well presented in a clear and logical manner. A maximum of three errors should be allowed in calculations.

Assessment guidelines

The assessment may be conducted as a single practical exercise. Candidates may be provided with a completed job cost sheet to identify actual costs of production along with the standard costs of producing the same job.

Candidates may provide their evidence in the form of variance analysis calculations together with appropriate comments.

Adequate time should be allowed to complete the exercise and candidates should not be placed under undue pressure to complete the assessment within set time constraints.

Administrative Information

Unit code: F139 34
Unit title: Printing Industry: Costing
Superclass category: KH
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Version	Description of change	Date

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Higher National Unit specification: support notes

Unit title: Printing Industry: Costing

This part of the Unit specification is offered as guidance. The support notes are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 40 hours.

Guidance on the content and context for this Unit

This Unit is an optional Unit in the HNC/HND Printing Group Awards.

There should be comprehensive notes given to candidates throughout this Unit:

Outcome 1: This Outcome should include information on job cost statements, and comprehensive notes on prime cost, overhead cost, mark-up and margin and total job cost.

Outcome 2: The content of this Outcome should include information and comprehensive notes on marginal costing, break-even analysis and contribution analysis.

Outcome 3: Notes should include information on preparation of total cost variances and the break down to show the specific sub-variances of material price, material usage, labour rate and labour efficiency.

In all cases it would be beneficial to use realistic examples of jobs and costs involved from the printing industry.

Guidance on the delivery and assessment of this Unit

The following notes give some additional information on each Outcome. The delivery will be via lecture and demonstration and/or presentation.

Outcome 1

Comprehensive notes should be provided to candidates along with pro-forma documentation. Candidates should gain practical experience in accurately producing job cost statements and completing documentation. Candidates will require guidance and feedback when undertaking the practical assignments prior to taking the assessment.

Outcome 2

Comprehensive notes should be provided to candidates in order for them to understand the uses of marginal costing, break-even analysis and contribution analysis. Candidates should complete a series of preliminary practical assignments involving the application of marginal costing techniques. Candidates will require guidance when undertaking the preliminary practical assignments and feedback on their completion.

Higher National Unit specification: support notes (cont)

Unit title: Printing Industry: Costing

Outcome 3

Comprehensive notes should be provided to candidates in order for them to apply standard costing techniques to analyse basic variances between standard and actual cost of a printed job.

Candidates should complete a series of preliminary practical assignments involving the application of standard costing techniques to analyse basic variances between standard and actual cost of a printed job.

Candidates will require guidance when undertaking the preliminary practical assignments and feedback on their completion

Opportunities for developing Core Skills

The Core Skill of Numeracy is developed throughout this Unit with candidates being asked to use calculations and a range of formulae that will involve decimals, multiplying, dividing and rounding off figures.

Open learning

This Unit could be delivered by distance learning. However, it would require planning by the centre to ensure the sufficiency and authenticity of candidate evidence for example through oral questioning. Additionally arrangements would have to be made to ensure supervision was available for those sitting assessments as all assessments should be carried out under supervised conditions. Candidates would benefit from having access to computer hardware and word processing software.

Candidates with disabilities and/or additional support needs

The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments or considering alternative Outcomes for Units. For information on these, please refer to the SQA document *Guidance on Alternative Assessment Arrangements for Candidates with Disabilities and/or Additional Support Needs*, which is available on SQA's website: **www.sqa.org.uk**.

General information for candidates

Unit title: Printing Industry: Costing

The Unit is designed to introduce you to various cost control systems as used in the printing industry.

Costing is an important aspect of printing administration and this Unit will be of great value for anyone considering a career in this area.

The studies and assignments undertaken in this Unit should enable you to operate a job costing system, and use both marginal costing and standard costing techniques to interpret information and advise management on appropriate courses of action.

You will gain practical experience in:

- ◆ completing documentation, which would include job cost statements
- ◆ calculating prime cost, overhead cost, mark-up and margin along with total job cost
- ◆ using marginal costing techniques, and how this can assist management in the decision making process
- ◆ calculating total cost variances, material usage variances, material price variances, labour rate variances, labour efficiency variances

The work will be undertaken using manual techniques, which will provide you with a sound understanding of the processes involved. This will provide you with the necessary background knowledge if you then proceed to use a printing industry management information system.

Some of the course work may be undertaken through group discussion followed by individual work activity prior to taking the assessments.

You will also gain experience in using calculations and a range of formulae that will involve decimals, multiplying, dividing and rounding off figures.