

# Draft National Unit Specification



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**Unit title:** Management Accounting (Advanced Higher)

**SCQF:** level 7 (12 SCQF credit points)

**Unit code:** to be advised

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## Unit outline

The general aim of this Unit is to develop and enhance skills, knowledge and understanding relating to the provision of internal accounting information, and the ability to use a range of complex accounting techniques. Learners will carry out a range of activities to identify and calculate costs.

Learners will gain an in-depth understanding of the significant impact that management accounting information has on the planning, control and decision making within a business. This will give learners the opportunity to provide solutions which can assist in future business financial planning.

Learners who complete this Unit will be able to:

- 1 Use knowledge and understanding of management accounting information for business planning and control purposes
- 2 Use management accounting techniques to generate information which aids business decision making

This Unit is a mandatory Unit of the Advanced Higher Accounting Course and is also available as a free-standing Unit. The Unit Specification should be read in conjunction with the *Unit Support Notes*, which provide advice and guidance on delivery, assessment approaches and development of skills for learning, skills for life and skills for work. Exemplification of the standards in this Unit is given in the *National Assessment Resource*.

The *Course Assessment Specification* for the Advanced Higher Accounting Course gives further mandatory information on Course coverage for learners taking this Unit as part of the Advanced Higher Accounting Course.

## Recommended entry

Entry to this Unit is at the discretion of the centre. However, learners would normally be expected to have attained the skills, knowledge and understanding required by one or more of the following or equivalent qualifications and/or experience:

- ◆ Higher Accounting Course or relevant component Units

## **Equality and inclusion**

This Unit Specification has been designed to ensure that there are no unnecessary barriers to learning or assessment. The individual needs of learners should be taken into account when planning learning experiences, selecting assessment methods or considering alternative evidence. For further information, please refer to the *Unit Support Notes*.

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# Standards

## Outcomes and assessment standards

### Outcome 1

The learner will:

- 1 Use knowledge and understanding of management accounting information for business planning and control purposes by:**
  - 1.1 Describing the use of costing systems to meet specific business requirements
  - 1.2 Justifying the use of a standard costing technique
  - 1.3 Detailing possible causes of variances

### Outcome 2

The learner will:

- 2 Use management accounting techniques to generate information which aids business decision making by:**
  - 2.1 Applying discounted cash flow to find net present value (NPV)
  - 2.2 Calculating and interpreting variances
  - 2.3 Preparing costing statements

## Evidence Requirements for the Unit

Assessors should use their professional judgement, subject knowledge and experience, and understanding of their learners, to determine the most appropriate ways to generate evidence and the conditions and contexts in which they are used.

Evidence for this Unit may be presented in a written response, as an ICT printout or by electronic means, and must use relevant accounting layouts and concepts.

Assessors should also use their professional judgement when giving learners credit for an appropriate degree of accuracy. This may mean giving credit for solutions which are numerically incorrect, but which show correct application of accounting concepts and methods.

In Assessment Standards 1.1 and 2.3, the costing systems/statements include activity-based costing, contract costing, joint/by-product costing and marginal/absorption costing. A minimum of two different statements must be evidenced.

In Assessment Standard 1.2, standard costing techniques refer to flexible budgeting or variance analysis.

In Assessment Standards 1.3 and 2.2, the range of variances includes material, labour, overhead and sales variances.

Exemplification of assessment is provided in the *National Assessment Resource*. Advice and guidance on possible approaches to assessment is provided in the *Unit Support Notes*.

## Development of skills for learning, skills for life and skills for work

It is expected that learners will develop broad, generic skills through this Unit. The skills that learners will be expected to improve on and develop through the Unit are based on SQA's *Skills Framework: Skills for Learning, Skills for Life and Skills for Work* and drawn from the main skills areas listed below. These must be built into the Unit where there are appropriate opportunities.

### **2 Numeracy**

- 2.1 Number process
- 2.2 Money, time and measurement
- 2.3 Information handling

### **4 Employability, enterprise and citizenship**

- 4.1 Employability
- 4.2 Information and Communications Technology (ICT)

### **5 Thinking skills**

- 5.3 Applying
- 5.4 Analysing and evaluating

Amplification of these is given in SQA's *Skills Framework: Skills for Learning, Skills for Life and Skills for Work*. The level of these skills should be at the same SCQF level as the Unit and be consistent with the SCQF level descriptor. Further information on building in skills for learning, skills for life and skills for work is given in the *Unit Support Notes*.



## Administrative information

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**Published:** October 2012 (draft version 1.0)

**Superclass:** to be advised

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## History of changes

Version	Description of change	Authorised by	Date

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Note: readers are advised to check SQA's website: [www.sqa.org.uk](http://www.sqa.org.uk) to ensure they are using the most up-to-date version of the Unit Specification.