

Preparing Management Accounting Information

SCQF: level 5 (6 SCQF credit points)

Unit code: H1YR 75

Unit outline

The aim of this Unit is to allow learners to develop the knowledge and understanding of internal accounting information and the ability to prepare such information, using a range of basic accounting techniques. The information produced will be used by management in making decisions about the future planning and control of the business.

Learners who complete this Unit will be able to:

- 1 Describe management accounting concepts
- 2 Prepare management accounting statements

This Unit is 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 *Unit Assessment Support*

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:

- ◆ National 4 Business Course
- ◆ National 4 Mathematics Course

Examples of other such relevant prior learning and experiences would include the development of logical and analytical thinking skills and the ability to use ICT, particularly spreadsheets

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*.

Standards

Outcomes and assessment standards

Outcome 1

The learner will:

1 Describe management accounting concepts by:

- 1.1 Describing direct and indirect costs and classifying the elements of these costs
- 1.2 Describing fixed and variable costs and classifying them in order to aid break-even analysis
- 1.3 Defining a cash budget and outlining why it is prepared

Outcome 2

The learner will:

2 Prepare management accounting statements by:

- 2.1 Preparing accounting statements from a given range
- 2.2 Calculating break-even information
- 2.3 Preparing a cash budget from given data for a specified accounting period

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 Outcome 1, the principal elements of costs are labour, materials and overheads.

In Outcome 2, the range of management accounting statements includes 'First in First Out', 'Last in First Out', overhead analysis statements and job cost statements and the break-even information may be ascertained by using formulae or charts.

Evidence may be presented for individual Outcomes or it may be gathered for the Unit as a whole through combining assessment in one single activity. If the latter approach is used, it must be clear how the evidence covers each Outcome.

Exemplification of assessment is provided in *Unit Assessment Support*. 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 processes
- 2.2 Money, time and measurement
- 2.3 Information handling

4 Employability, enterprise and citizenship

- 4.1 Employability
- 4.2 Information and communication technology (ICT)

5 Thinking skills

- 5.2 Understanding
- 5.3 Applying

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 of 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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Superclass: AK

History of changes to National Unit Specification

Version	Description of change	Authorised by	Date

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