### **CAF-3: COST AND MANAGEMENT ACCOUNTING**

### Competency

Prepare, account for, record and report production cost of goods and services for managerial decision making.

Syllabus Ref	Grid	Teaching Hours	Weightage
А	Costs Associated with Production	45-50	35-45
В	Cost Flow	20-30	20-30
С	Cost Management Planning and Decisions	45-50	30-40
	Total	110-130	100

### **Key Examinable Technical Competencies**

Syllabus Ref	Learning Outcomes	Proficiency Level	Testing level
A.	Costs Associated with Production		
a	Production Cost		
1	Identify elements of cost of product, job or services.	P2	T1
2	Account for elements of cost to accumulate the cost of product, job or services using absorption, marginal and activity-based costing.	P2	T2
3	Account for over or under-absorbed overheads.	P2	T1
45	Apply inventory valuation techniques for finished goods inventory in the absorption costing system.	P1	T1
b	Raw Material		
Ha	Apply inventory valuation and measurement techniques for raw material inventory.	SP2 U	ti0 <sup>T2</sup> 75
С	Manufacturing Overhead		
1	Analyze costs of production and service departments for allocation and apportionment of production costs.	P2	T2
2	Calculate predetermined factory overheads rate.	P2	T2
d	Labour		

#### YouTube Channel

https://www.youtube.com/channel/UCWaV1XbNFaY-WqjsZzymEvw

### Website

https://sce-learning.com/





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1	Discuss productivity and efficiency measurement in relation to controlling labor costs.	P2	T1
2	Explain the concept of remuneration systems, incentive wage plans and types therein.	P2	T1
Syllab us Ref	Learning Outcomes	Proficie ncy Level	Testing level
3	Compute the impact of a learning curve on the productivity of employees.	P2	T1
В.	Cost Flow		
а	Process Costing		
1	Analyze and account for the flow of cost in the process costing system.	P2	T2
2	Analyze and account for normal and abnormal loss, abnormal gain and cost of rework in process costing.	P2	T1
3	Apply inventory valuation techniques on work in process and finished goods in process costing system.	P2	T2
4	Analyze and account for the cost of joint and by-product.	P2	T2
b	Target Costing		
1	Apply the target costing tools to given scenarios.	P1	T2
С	Variance Analysis		
1	Compute standard rates of material, labour and factory overhead.	P2	T2
2	Analyze different variances.	P2	T2
C.	Cost Management Planning and Decisions		
a	Cost-Volume-Profit		
1	Analyze cost-volume-profit to support decision making	P2	T2
b	Special Orders	3010	110175
1	Analyze incremental cost-benefit and contribution margin for a special order.	P2	T2
С	Make or Buy Decisions		
1	Analyze incremental cost-benefit and contribution margin to take product mix, make or buy decision.	P2	T2
d	Further Processing Decisions		

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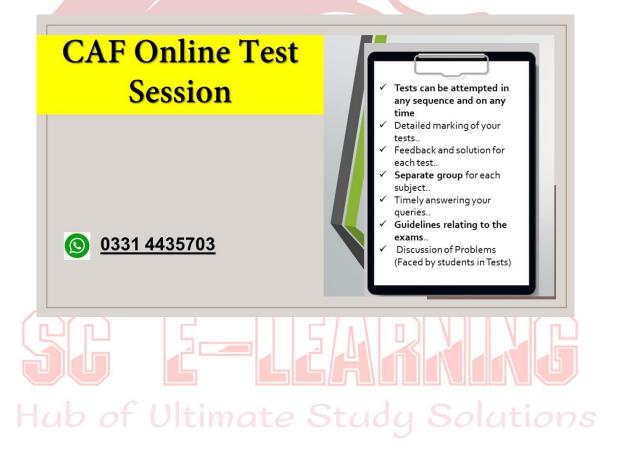
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1	Analyze incremental cost-benefit for further processing decision.	P2	T2
е	Shut Down and Product Discontinuation Decisions		
1	Analyze cost-benefit to take shut down and product continuation or discontinuation decisions.	P2	T2
f	Economic Order Quantity (EOQ)		
1	Calculate EOQ	P2	T2
g	Safety Stock and Re-order level		
1	Calculate safety stock and re-order levels.	P2	T2





Grid	Topics	Chapter No	Marks
А	<ul> <li>Inventory Valuation</li> <li>Marginal, Absorption &amp; ABC Costing</li> <li>Job, Batch and Service costing</li> <li>Overheads</li> <li>Labour</li> </ul>	1 9 6 3 4	35-45
В	<ul> <li>Process Costing</li> <li>Cost flow in production</li> <li>Standard Costing and Variance Analysis</li> <li>Variance Analysis</li> </ul>	7 & 8 5 10 & 11 12	20-30
С	<ul> <li>Inventory Management</li> <li>CVP Analysis</li> <li>Relevant Cost</li> <li>Decision Making</li> </ul>	2 13 14 15	30-40





## **Comprehensive Test Series by SC E-Learning**

## **Schedule for CAF-3 Cost and Management**

### **Accounting**

1	Chapter 3(Overheads)
2	Chapter 1 (Inventory valuation)
3	Chapter 16 (Decision making techniques)
4	Chapter 2 (Inventory management)
5	Chapter 8 (Process costing)
3	Chapter 9 (Joint and by-product costing)
6	Chapter 4(Activity based costing)
7	Chapter 14 (Cost-volume-profit (CVP) analysis)
8	Chapter 6 (Cost flow in production)
9	Chapter 11 (Standard costing)
3	Chapter 12 (Variance analysis)
10	Chapter 5 (Labour costing)
11	Chapter 15 (Relevant costs)
12	Chapter 7 (Job and service costing)
13	Chapter 13 (Target costing)
14	Chapter 10(Marginal costing and absorption costing)
15	Full Book

#### **Key Features:**

- Tests can be attempted in any sequence and on any time.
- Flexible Timing and Schedule

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- Inform your assistant about Test # before 24 hours.
- Suggested answers will be shared within 4 days.
- Discussion of Problems (Faced by students in Tests).