

**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
A	Costs Associated with Production	45-50	35-45
B	Cost Flow	20-30	20-30
C	Cost Management Planning and Decisions	45-50	30-40
	<b>Total</b>	<b>110-130</b>	<b>100</b>

**Key Examinable Technical Competencies**

Syllabus Ref	Learning Outcomes	Proficiency Level	Testing level
<b>A.</b>	<b>Costs Associated with Production</b>		
<b>a</b>	<b>Production Cost</b>		
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
4	Apply inventory valuation techniques for finished goods inventory in the absorption costing system.	P1	T1
<b>b</b>	<b>Raw Material</b>		
1	Apply inventory valuation and measurement techniques for raw material inventory.	P2	T2
<b>c</b>	<b>Manufacturing Overhead</b>		
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
<b>d</b>	<b>Labour</b>		

**YouTube Channel**

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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
Syllabus Ref	Learning Outcomes	Proficiency Level	Testing level
3	Compute the impact of a learning curve on the productivity of employees.	P2	T1
<b>B.</b>	<b>Cost Flow</b>		
<b>a</b>	<b>Process Costing</b>		
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>b</b>	<b>Target Costing</b>		
1	Apply the target costing tools to given scenarios.	P1	T2
<b>c</b>	<b>Variance Analysis</b>		
1	Compute standard rates of material, labour and factory overhead.	P2	T2
2	Analyze different variances.	P2	T2
<b>C.</b>	<b>Cost Management Planning and Decisions</b>		
<b>a</b>	<b>Cost-Volume-Profit</b>		
1	Analyze cost-volume-profit to support decision making	P2	T2
<b>b</b>	<b>Special Orders</b>		
1	Analyze incremental cost-benefit and contribution margin for a special order.	P2	T2
<b>c</b>	<b>Make or Buy Decisions</b>		
1	Analyze incremental cost-benefit and contribution margin to take product mix, make or buy decision.	P2	T2
<b>d</b>	<b>Further Processing Decisions</b>		

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

## CAF Online Test Session

 **0331 4435703**

- ✓ Tests can be attempted in any sequence and on any time
- ✓ Detailed marking of your tests..
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- ✓ Timely answering your queries..
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Grid	Topics	Chapter No	Marks
A	<ul style="list-style-type: none"><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>	<b>1</b> <b>9</b> <b>6</b> <b>3</b> <b>4</b>	35-45
B	<ul style="list-style-type: none"><li>• Process Costing</li><li>• Cost flow in production</li><li>• Standard Costing and Variance Analysis</li><li>• Variance Analysis</li></ul>	<b>7 &amp; 8</b> <b>5</b> <b>10 &amp; 11</b> <b>12</b>	20-30
C	<ul style="list-style-type: none"><li>• Inventory Management</li><li>• CVP Analysis</li><li>• Relevant Cost</li><li>• Decision Making</li></ul>	<b>2</b> <b>13</b> <b>14</b> <b>15</b>	30-40

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## 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) 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) 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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