



CAF-5 Management Accounting

ICAP Syllabus Grid

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
	Total	110-130	100

Grid-wise Topics and Marks

Syllabus Ref.	Grid	Topics	Marks
A	Costs Associated with Production	<ul style="list-style-type: none"> • Production Cost • Raw Material • Manufacturing Overhead • Labour • Manufacturing Accounts 	35-45
B	Cost Flow	<ul style="list-style-type: none"> • Process Costing • Target Costing • Variance Analysis 	20-30
C	Cost Management Planning and Decisions	<ul style="list-style-type: none"> • Cost-Volume-Profit • Special Orders • Make or Buy Decisions • Further Processing Decisions • Shut Down and Product Discontinuation Decisions • Economic Order Quantity (EOQ) • Safety Stock and Re-order Level 	30-40

CAF Online Test Session

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- ✓ Tests can be attempted in any sequence and on any time
- ✓ Detailed marking of your tests..
- ✓ Feedback and solution for each test..
- ✓ Separate group for each subject..
- ✓ Timely answering your queries..
- ✓ Guidelines relating to the exams..
- ✓ Discussion of Problems (Faced by students in Tests)





Key Examinable Technical Competencies

Syllabus Ref	No.	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
	4	Apply appropriate technology and inventory valuation techniques for finished goods inventory in the absorption costing system.	P1	T1
	5	Apply appropriate technology and techniques to analyze cost behavior and the drivers of costs	P1	T1
	b	Raw Material		
	1	Apply appropriate technology and inventory valuation and measurement techniques for raw material inventory	P2	T2
	c	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		
	1	Discuss productivity and efficiency measurement in relation to controlling labor costs.	P1	T1
	2	Explain the concept of remuneration systems, incentive wage plans and types therein.	P1	T1
	3	Compute the impact of a learning curve on the productivity of employees.	P1	T1
	e	Manufacturing Accounts		
	1	Prepare manufacturing accounts.	P2	T2
B	Cost Flow			
	a	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 appropriate technology and 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
	c	Variance Analysis		
	1	Compute standard rates of material, labor and factory overhead.	P2	T2
	2	Analyze different variances.	P1	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		
	1	Analyze incremental cost-benefit and contribution margin for a special order.	P2	T2
	c	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		
1	Analyze incremental cost-benefit for further processing decision.	P2	T2
e	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

Key Examinable Professional Skills

1	Evaluate data and information from a variety of sources and perspective through research, collaboration, integration and analysis.
2	Apply critical thinking skills to solve problems, form judgements, make informed decisions and reach well-reasoned conclusions.
3	Communicate clearly and concisely with a range of stakeholders.
4	Analyze data and information to consider alternatives and enable management to make informed decisions.
5	Prepare data and information to support management decision making, including setting metrics and targets, cost management, quality control and comparative analysis by applying appropriate technology.
6	Evaluate the performance of an organization and its business segments, products, and services against metrics and targets.

Key Examinable Professional Values, Ethics and Attitude

1	Apply an inquiring mind when collecting and assessing data and information.
2	Apply critical thinking when identifying and evaluating alternatives to determine an appropriate course of action.

Specific Examinable Knowledge Reference

1	FIFO, weighted average, lower of cost and net realizable value methods of inventory valuation
2	Direct and indirect cost
3	Variable, semi-variable and fixed costs
4	Repeated distribution method of apportionment of service department cost
5	Simultaneous equation method of apportionment of service department cost
6	Learning curve theory
7	Opportunity cost
8	Relevant cost
9	Breakeven analysis and charts
10	Profit/volume charts
11	Economic Order Quantity
12	Direct material total cost, price and usage variances
13	Direct labour total cost, rate, efficiency and idle time variances
14	Variable production overhead total cost, expenditure and efficiency variances
15	Fixed production overhead expenditure, efficiency and capacity variances
16	Material mix and yield variances
17	Sales Variance and Operating statements





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