



RECOGNISING ACHIEVEMENT

Introduction

The Scheme of Work provides examples of how to teach this unit and the teaching hours are suggestions only. Some or all of it may be applicable to your teaching.

The Specification is the document on which assessment is based and specifies what content and skills need to be covered in delivering the course. At all times, therefore, this Support Material booklet should be read in conjunction with the Specification. If clarification on a particular point is sought then that clarification should be found in the Specification itself.

Accounting H401: Management Accounting F003

Suggested teaching time	7-9 hours	Topic Area	Budgeting and Budgetary Control	
Topic	Suggested teaching and homework activities	Suggested resources	Points to note	
The Purpose of Budgeting	<ul style="list-style-type: none"> • Explain the purpose of budgeting 	Frank Wood A Level Accounting Izhar and Hontoir Accounting Costing and Management Rob Jones Business Accounting F014 Specimen Jade 2503 Jun 2007 Susan Lee 2503 Jun 2006 Badge 2503 Jun 2003 Bridge	This develops the content covered in unit F012	
The Preparation of Budgets	<ul style="list-style-type: none"> • Explain the stages involved in establishing and maintaining a budgetary control system • Format showing layout for a Cash Budget • Preparation of Cash Budgets • Preparation of budgeted final accounts 		Calculations for receipts and payments may involve the use of discounts	

Accounting H401: Management Accounting F003

Suggested teaching time	7-9 hours	Topic Area	Budgeting and Budgetary Control	
Topic	Suggested teaching and homework activities		Suggested resources	Points to note
Budget Analysis	<ul style="list-style-type: none"> Analyse budgets and explain implications Discuss budgeting as a management tool Discuss behavioural aspects of budgeting Explain the advantages and limitations of a budgetary control system 			

Accounting H401: Management Accounting F003

Suggested teaching time	6-8 hours	Topic Area	Standard Costing and Variance Analysis	
Topic		Suggested teaching and homework activities	Suggested resources	Points to note
The Purpose of Standard Costing		<ul style="list-style-type: none"> Explain the purpose of standard costing 	Izhar and Honitair Accounting, Costing and Management Tony Blackwood Accounting For Business Rob Jones Business Accounting 2503 Jun 2007 Omega 2503 Jun 2006 EC 2503 Jun 2005 Precise 2503 Jun 2004 Benjamin 2503 Jun 2002 Jasper	
The Preparation of standards		<ul style="list-style-type: none"> Explain the stages involved in setting up a standard costing system Discuss types of standards Calculate variances Explain reason for variances Format showing reconciliation statements. Preparation of reconciliation statements Explain the advantages and limitations of a standard costing system 		Calculations should show adverse or favourable Standard costs should be based on actual production Inter-relationships between variances

Accounting H401: Management Accounting F003

Suggested teaching time	6-8 hours	Topic Area	Capital Expenditure Appraisal	
Topic	Suggested teaching and homework activities		Suggested resources	Points to note
Techniques	<ul style="list-style-type: none"> • Explain the methods for capital expenditure appraisal • Explain the treatment of a sunk cost • Calculations under different methods for capital expenditure proposals 		Izhar and Hontoir Accounting, Costing and Management Frank Wood A Level Accounting 2503 Jun 2007 Whitney 2503 Jun 2006 Layla 2503 Jun 2004 Triffid 2503 Jun 2003 Song	Explanation of methods would include advantages and limitations The difference between net cash flow and net profit
Appraisal	<ul style="list-style-type: none"> • Evaluate capital expenditure proposals • Discuss the significance of non-financial factors 			

Accounting H401: Management Accounting F003

Suggested teaching time	3-5 hours	Topic Area	Stock	
Topic	Suggested teaching and homework activities		Suggested resources	Points to note
Valuation of Stock	<ul style="list-style-type: none"> • Explain the methods of stock valuation • Calculate closing stock under different methods of stock valuation • Preparation of Trading Accounts under different methods of stock valuation • Discuss the characteristics of different methods of stock valuation • Apply and explain relevant accounting concepts 		Frank Wood Business Accounting 1 Rob Jones Business Accounting Izhar and Hontoir Accounting, Costing and Management 2501 Jan 2007 J Bells 2501 Jun 2006 Winston Bai 2501 Jun 2005 Simon Khan 2501 Jun 2004 Martin Zucker 2501 Jun 2003 Sophie Scott 2501 Jan 2002 David Manfredini 2501 Jun 2001 Gary Owen	The difference between perpetual and periodic methods The importance of calculations together with a final stock value
Stock Management	<ul style="list-style-type: none"> • Discuss different stock management techniques • Explain the usefulness of ICT in the management of stock 			No computational questions will be set on just in time and economic order quantity

Accounting H401: Management Accounting F003

Suggested teaching time	7-9 hours	Topic Area	Costing and Decision-making: Cost Behaviour and Cost-Volume-Profit-Analysis		
Topic		Suggested teaching and homework activities	Suggested resources		Points to note
Cost Behaviour		<ul style="list-style-type: none"> Explain different types of costs 	Frank Wood A Level Accounting Izhar and Hontoir Accounting, Costing and Management Tony Blackwood Accounting for Business 2504 Jun 2006 Mallet and Meyer 2504 Jun 2005 Calthorpe and Earle 2504 Jun 2004 George England 2500 Jun 2002 S Piper 2500 Jan 2002 Albert Ross 2500 Jun 2001 Claret		

Accounting H401: Management Accounting F003

Suggested teaching time	7-9 hours	Topic Area	Costing and Decision-making: Cost Behaviour and Cost-Volume-Profit-Analysis		
Topic		Suggested teaching and homework activities	Suggested resources		Points to note
Cost-Volume-Profit-Analysis		<ul style="list-style-type: none"> • Explain the concept of contribution • Explain break-even, contribution to sales and margin of safety • Prepare graphs for break-even and contribution to sales • Explain the contribution concept for the calculation of profit • Calculations for break-even, contribution to sales, margin of safety and profit • Evaluation of cost-volume-profit data • Discuss the advantages and limitations of cost-volume-profit analysis • Discuss the significance of non-financial factors 			<p>The calculation of contribution per unit</p> <p>The preparation of the graph stated in questions</p> <p>Margin of safety may be expressed in units, sales value or percentage</p>

Accounting H401: Management Accounting F003

Suggested teaching time	11-12 hours	Topic Area	Costing and Decision-making: Marginal Costing and Accounting for Decision-making	
Topic	Suggested teaching and homework activities		Suggested resources	Points to note
Marginal Costing	<ul style="list-style-type: none"> • Explain the purpose and uses of marginal costing for decision making • Prepare marginal cost statements • Evaluation of marginal cost statements • Discuss the limitations of marginal costing for decision making • Discuss the significance of non-financial factors 		Frank Wood A Level Accounting Tony Blackwood Accounting for Business F014 Specimen Sandstone 2504 Jun 2007 Fairymead 2504 Jun 2006 Mallet and Meyer 2504 Jun 003 Mumbles	This topic is a natural progression from break-even The application of contribution when there is a limiting factor

Accounting H401: Management Accounting F003

Suggested teaching time	11-12 hours	Topic Area	Costing and Decision-making: Absorption (Total) Costing	
Topic	Suggested teaching and homework activities		Suggested resources	Points to note
Cost Classification	<ul style="list-style-type: none"> Explain different types of costs and overheads 		Izhar and Hontoir Accounting, Costing and Management F014 Specimen Monarch 2504 Jun 2007 Imisfail 2504 Jun 2006 Garratt 2504 Jun 2005 Manifold 2504 Jun 2004 Spooner 2504 Jun 2003 Sker 2504 Jun 2002 Margam	

Accounting H401: Management Accounting F003

Suggested teaching time	11-12 hours	Topic Area	Costing and Decision-making: Absorption (Total) Costing	
Allocation and Apportionment	<ul style="list-style-type: none"> • Explain methods to absorb overheads • Explain allocation and apportionment • Calculation of overhead absorption rates using different methods • Re-apportion of overheads between service and production departments • Calculation of overhead absorption rates following re-apportionment • Calculations to account for under and over absorption of overheads • Calculations of job costs using overhead absorption rates • Discuss the usefulness of absorption costing 		<p>The application of appropriate methods to absorb overheads</p> <p>The use of appropriate basis to apportion overheads</p>	
Costing Applications: Job and Batch Costing	<ul style="list-style-type: none"> • Explanation of job and batch costing • Calculations for costing statements 		This may be included as part of an overhead absorption question	

Accounting H401: Management Accounting F003

Suggested teaching time	1 hour	Topic	Costing and Decision-making: Activity-based Costing	
Topic	Suggested teaching and homework activities		Suggested resources	Points to note
Activity Based Costing	<ul style="list-style-type: none"> • Explain the principles of activity based costing • Discuss the limitations of activity based costing 		Frank Wood A Level Accounting 2504 Jun 2007 Innisfail 2504 Jun 2004 Spooner	This topic is a natural progression from absorption costing. It is usually assessed as a section within a question

Accounting H401: Management Accounting F003

Suggested teaching time	3-4 hours	Topic	Costing and Decision-making: Comparison of Costing Methods	
Topic	Suggested teaching and homework activities		Suggested resources	Points to note
Closing stock valuation and profit	<ul style="list-style-type: none"> Explain the impact on closing stock valuation and profit using marginal costing and absorption costing Preparation of profit statements using marginal costing and absorption costing Discuss the use of marginal costing and absorption costing when preparing final accounts 		Frank Wood A Level Accounting Izhar and Hontoir Accounting, Costing and Management 2504 Jun 2007 Moreton 2504 Jun 2002 Tollgate	Calculations of closing stock in units Calculations are under the FIFO method

Accounting H401: Management Accounting F003

Suggested teaching time	3-5 hours	Topic	Costing Applications: Contract Costing	
Topic outline	Suggested teaching and homework activities		Suggested resources	Points to note
Contract Costing	<ul style="list-style-type: none"> • Explain the characteristics of contract costing • Format showing layout for contract accounts • Preparation of contract accounts • Apply and explain the concepts of prudence and realisation • Discuss the significance of non-financial factors 		Frank Wood A Level Accounting Izhar and Hontoir Accounting, Costing and Management F014 Specimen Clearwater 2504 Jun 2007 Heisler 2504 Jun 2005 Waterhouses 2504 Jun 2004 Fairlie 2504 Jun 2002 Loyal	The attributable profit formula is given in questions Question may require balances brought down for the next financial year to be shown

Accounting H401: Management Accounting F003

Suggested teaching time	1 hour	Topic	Social Responsibility: The Social implications of Decision-making	
Topic outline	Suggested teaching and homework activities		Suggested resources	Points to note
Social Accounting	<ul style="list-style-type: none"> Recap of content covered in previous topics 		Frank Wood A Level Accounting Izhar and Hontoir Accounting, Costing and Management 2503 Jun 2006 Layla 2504 Jun 2005 Waterhouses 2503 Jun 2004 Triffid	This topic is a common theme throughout the unit It is usually assessed as a section within a question