REPUBLIC OF KENYA

COMPETENCY-BASED MODULAR CURRICULUM

FOR

ACCOUNTANCY

KNQF LEVEL 6

(CYCLE 3)

PROGRAM CODE: 0411 551A

TVET CDACC
P.O. BOX 15745-00100
NAIROBI

MANAGEMENT ACCOUNTING

UNIT CODE: 0411 551 14A

TVET CDACC UNIT CODE: BUS/CU/AC/CR/07/6/MA

Duration of Unit: 130 hours

Relationship to Occupational Standards

This unit addresses the unit of competency: Conduct Management Accounting

Unit Description

This unit specifies the competencies required to conduct management accounting. It involves gathering costing data, performing cost classification, analysing costing data, managing accounting costs, consolidating financial and cost accounting systems, applying costing methods, preparing marginal and absorption costing and managing budgets and budgetary controls.

Summary of Learning Outcomes

S/NO	ELEMENTS	DURATION (HOURS)
1	Gather costing data	**16**
2	Perform Cost classification	**16**
3	Analyse costing data	**16**
4	Manage accounting costs	**16**
5	Consolidate financial and cost accounting systems	**16**
6	Apply costing methods	**16**
7	Prepare marginal and absorption costing	**17**
8	Manage budgets and budgetary controls	**17**
		TOTAL 130 HOURS

Learning Outcomes, Content and Suggested Assessment Methods

Learning Outcome	Content	Suggested Assessment Methods
1. Gather costing data	1.1 The nature of cost accounting and costing terms 1.2 The role of cost accounting in management 1.3 The purposes of cost accounting information 1.4 Scope of cost accounting 1.5 Meaning of management accounting, scope, limitations, applications 1.6 Relationship between cost, financial and management accounting 1.7 Selection of an ideal cost accounting system	• Practical assessment • Project • Portfolio of evidence • Third party reports • Written tests • Oral questions
2 Perform cost classification	2.1 Meaning of terms 2.2 Purpose of cost classification 2.3 Methods of cost classification: 2.3.1 Functional classification 2.3.2 Behavioural classification 2.3.3 Controllability 2.3.4 Time 2.3.5 Financial accounting	• Practical assessment • Project • Portfolio of evidence • Third party reports • Written tests • Oral questions
3 Analyse costing data	3.1 Meaning of cost estimation 3.2 Methods of estimating cost; 3.2.1 Non-mathematical methods like engineering method	• Practical assessment • Project • Portfolio of evidence

	3.2.2 accounts analysis method 3.2.3 high-low method 3.2.4 mathematical methods like scatter graph method 3.2.5 OLS regression method (simple linear regression only)	• Third party reports • Written tests • Oral questions

4 Manage accounting costs	4.1 Accounting for materials and inventory;
	    4.1.1 Material cost records,
	    4.1.2 Purchasing procedures
	    4.1.3 receipt and issues of material
	    4.1.4 Methods of valuing material issues
	    4.1.5 Stock control procedures
	4.2 Accounting for labour:
	    4.2.1 Methods of labour remuneration
	    4.2.2 Labour control procedures
	    4.2.3 Maintenance of labour records
	4.3 Accounting for overheads:
	    4.3.1 Types of overheads
	    4.3.2 Manufacturing, distribution and administration
	    4.3.3 Departmental cost allocation and apportionment
	    4.3.4 Overheads analysis
		• Practical assessment
		• Project
		• Portfolio of evidence
		• Third party reports
		• Written tests
		• Oral questions

		4.3.5 Overhead absorption rates	
		4.3.6 Over or under absorption	
5	Consolidate financial and cost accounting systems	5.1 The flow of costs in a business enterprise 5.2 Cost bookkeeping- interlocking and integrated ledger systems	- Practical assessment - Project - Portfolio of evidence - Third party reports - Written tests - Oral questions
6	Apply costing methods	6.1 Contract costing 6.2 Job order costing 6.3 Batch costing 6.4 Process costing 6.5 Service costing 6.6 Unit costing	- Practical assessment - Project - Portfolio of evidence - Third party reports - Written tests - Oral questions
7	Prepare marginal and absorption costing	7.1 Distinction between marginal and absorption costing, valuation of products under marginal and absorption costing 7.2 Preparation of marginal and absorption statements; cost of production and profit determination 7.3 Reconciliation of marginal profits and absorption profits 7.3.1 Application of marginal	- Practical assessment - Project - Portfolio of evidence - Third party reports - Written tests - Oral questions

		costing	
		7.3.2 break-even analysis and charts (single product)	
		7.3.3 Simplified decision problems; accept or reject,	
		7.3.4 Special order,	
		7.3.5 Dropping a product,	
		7.3.6 Make or buy and choice of a product	

8 Manage budgets and budgetary controls	8.1 Nature and purposes of budgets
	8.2 Preparation of budgets
	   8.2.1 Master budgets
	   8.2.2 Functional (department budgets,
	   8.2.3 Cash budgets)
	   8.2.4 Proforma financial reports
	8.3 Purpose of budgetary control
	   8.3.1 Operation of a budgetary control system,
	8.4 Organisation and coordination of the budgeting function
	8.5 Emerging issues and trends
			• Practical assessment
			• Project
			• Portfolio of evidence
			• Third party reports
			• Written tests
			• Oral questions

Suggested Delivery Methods

- Demonstration

- Practical work by trainee

- Fieldwork and benchmarking

- Group discussions

List of Recommended Resources for 30 trainees

S/No.	Category/Item	Description/ Specifications	Quantity	Recommended Ratio (Item: Trainee)
A	**Learning Materials**			
1.	Charts	• Flip Charts	5	1:6
B	**Learning Facilities & Infrastructure**			
2.	Lecture/Theory Room	(9* 8 sq. metres)	1	1:30
3.	Internet Connection	WI-FI, Dial-Up, Cable, Fixed-wireless,	1	1:30
C	**Consumable Materials**			
4.	Markers	whiteboard markers and permanent markers	5	1:6
5.	Stationery	Printing Papers, Foolscaps	5 reams	1:6
6.	Files / folders		30	1:1
7.	Flash disks		5	1:6
D	**Tools And Equipment**			
8.	Computers/Laptops	Any model	30	1:1
9.	Projector	LED.LCD, Laser	1	1:30
10.	Whiteboard	Glass, melamine, porcelain	1	1:30
11.	Staplers		2	1:15
12.	Paper punch		2	1:15
13.	Metallic cabinet		1	1:30
14.	Scanner		2	1:15
15.	Printer		1	1:30

16.	Print toners		2	1:15
17.	Shredding machine		1	1:30