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| TSC Category | Business Finance | | | | | |
| TSC | Cost Management | | | | | |
| TSC Description | Analyse, plan and manage costs for cost efficiency and expense reduction | | | | | |
| TSC Proficiency Description | Level 1 | Level 2 | Level 3 | Level 4 | Level 5 | Level 6 |
| | | | EGS-MAC-3003-1.1 | EGS-MAC-4003-1.1 | EGS-MAC-5003-1.1 | EGS-MAC-6003-1.1-1 |
| | | | Apply cost accounting and techniques to analyse and manage cost | Determine cost and profit variances using costing methods | Analyse variances through application of costing methods | Drive cost efficiency and expense reduction |
| Knowledge | | | <ul style="list-style-type: none"> Types of cost Methods of profit reporting and inventory valuation Product and service costing using activity-based costing system | <ul style="list-style-type: none"> Types of costs Standard costing methods including the reconciliation of budgeted and actual profit margins Planning and operational variances | <ul style="list-style-type: none"> Material and labour costs Variable and fixed overheads Sales variances Planning and operational variances Organisation's costs locally, regionally and globally Variance analysis | <ul style="list-style-type: none"> Standard costing and its use in the contemporary business environment Impact of new processes and/or technologies on cost accounting, quality costing and environmental costing Organisation's costs locally, regionally and globally |
| Abilities | | | <ul style="list-style-type: none"> Apply marginal and absorption costing methods in respect of profit reporting and inventory valuation Compare and contrast activity based costing with traditional marginal and absorption costing methods | <ul style="list-style-type: none"> Apply standard costing methods including the reconciliation of budgeted and actual profit margins Distinguish between planning and operational variances | <ul style="list-style-type: none"> Conduct variance analysis for direct material costs Conduct variance analysis for labour costs Conduct variance analysis for variable and fixed overheads Interpret variances and understand the interrelationship between variances | <ul style="list-style-type: none"> Articulate the advantages and disadvantages of standard costing in various sectors and its appropriateness in the contemporary business environment Explain the impact of new processes and/or technologies on cost accounting and performance measurement systems Discuss the role of quality costing as a part of quality system management Explain the role of environmental costing as part of environmental management system Guide teams to identify areas for cost and expense reduction |