<table>
<thead>
<tr>
<th>TSC Category</th>
<th>Business Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSC</td>
<td>Cost Management</td>
</tr>
<tr>
<td>TSC Description</td>
<td>Analyse, plan and manage costs for cost efficiency and expense reduction</td>
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</tbody>
</table>

### TSC Proficiency Description

<table>
<thead>
<tr>
<th>TSC</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 4</th>
<th>Level 5</th>
<th>Level 6</th>
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<tbody>
<tr>
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<td>EGS-MAC-3003-1.1</td>
<td>EGS-MAC-4003-1.1</td>
<td>EGS-MAC-5003-1.1</td>
<td>EGS-MAC-6003-1.1-1</td>
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- **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

- Types of cost
- Methods of profit reporting and inventory valuation
- Product and service costing using activity-based costing system
- Types of costs
- Standard costing methods including the reconciliation of budgeted and actual profit margins
- Planning and operational variances
- Material and labour costs
- Variable and fixed overheads
- Sales variances
- Planning and operational variances
- Organisation’s costs locally, regionally and globally
- Variance analysis

#### Abilities

- 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
- Apply standard costing methods including the reconciliation of budgeted and actual profit margins
- Distinguish between planning and operational variances
- 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
- 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