|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **BTEC Level 3 Diploma Business Unit13 Cost and Management Accounting Section B: Carry out standard costing and variance analysis statement** | **Road Map** | | | | | |
| In this unit you will investigate business calculations and business performance  **LG1**: Knowledge  **LG2**: Application  **LG3**: Skills | Assessment Grades |  |  | | | |
|  | |  | | | |
|  | |  | | | |
|  | |  | | | |
|  | |  | | | |
|  | |  | | | |
| **Themes** | **Learning Goals/Outcomes/Content** | | |  |  |  |
| **B1 Purpose and stages of standard costing** | **LG1:** Know the definition of standard costing  **LG1**: Know the types of standards: ideal and attainable.  **LG1**: Know the stages in setting up standard costing  **LG1**: Know the advantages and limitations of standard costing  **LG2:** calculate standard cost from given scenarios  **LG2**: explain the benefits to a business of setting standards | | |  |  |  |
| **B2 Type and calculation of variances** | **LG1**: know formula for variances and sub variances  **LG2**: use formula to calculate material and material sub variances (price and usage) from given data  **LG2**: use formula to calculate labour variances and sub variances (rate and efficiency) from given data | | |  |  |  |
| **B3 Variance analysis**  Reasons for variances, including the interrelationships of sub-variances, including sales | **B.M2** Analyse the reasons for the variances in given scenarios.  **A.D1** Make justified recommendations to improve the financial performance of the business in the given scenarios.  **BC.D2** Evaluate the usefulness of costing and budgetary control systems to the business. | | |  |  |  |

**Links:**

In this unit you will develop you knowledge of the role of cost and management accountant. You will learn about standard costing and how it is used by business to help monitor and control costs and measure performance. You will learn about variances and reasons that they occur. This will link with work you will be doing in section 3 where you will learn about budgeting and how this need to be controlled and significant variances identified. There are links as well to unit 1 where you have considered external factors that impact on business performance. It will also help to develop knowledge for unit 3 where you will be carrying out analysis of business performance. Knowledge of factors that cause variances will also help to support topics covered in Unit 6 Management where you will be looking at how business has to respond to change.

This unit is assessed with internally set coursework.