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QUALIFI ASSESSMENT DOCUMENT

Qualification	Qualifi Level 4 Diploma in Accounting and Finance
Qualification No (RQF)	610/0796/1
Unit Name	Management Accounting
Unit Reference	A/650/2374
No of Credits	20 Credits

Introduction

Prior to attempting this coursework assignment, Learners must familiarise themselves with the following policies:

- Centre Specification can be found at <https://qualifi.net/qualifications/>
- Qualifi Quality Assurance Standards
- Qualifi Quality Policy Statement

Plagiarism and Collusion

In submitting the assignment Learner's must complete a statement of authenticity confirming that the work submitted for all tasks is their own. The statement should also include the word count.

Your accredited study centre will direct you to the appropriate software that checks the level of similarity. Qualifi recommends the use of <https://www.turnitin.com> as a part of the assessment.

Plagiarism and collusion are treated very seriously. Plagiarism involves presenting work, excerpts, ideas or passages of another author without appropriate referencing and attribution.

Collusion occurs when two or more learners submit work which is so alike in ideas, content, wording and/or structure that the similarity goes beyond what might have been mere coincidence

Please familiarise yourself on Qualifi's Malpractice and Maladministration policy, where you can find further information

Referencing

A professional approach to work is expected from all learners. Learners must therefore identify and acknowledge ALL sources/methodologies/applications used.

The learner must use an appropriate referencing system to achieve this. Marks are not awarded for the use of English; however, the learner must express ideas clearly and ensure that appropriate terminology is used to convey accuracy in meaning.

Qualifi recommends using Harvard Style of Referencing throughout your work.

Appendices

You may include appendices to support your work, however appendices must only contain additional supporting information, and must be clearly referenced in your assignment.

You may also include tables, graphs, diagrams, Gantt chart and flowcharts that support the main report should be incorporated into the back of the assignment report that is submitted.

Any published secondary information such as annual reports and company literature, should be referenced in the main text of the assignment, in accordance of Harvard Style Referencing, and referenced at the end of the assignment.

Confidentiality

Where a Learner is using organisational information that deals with sensitive material or issues, they must seek the advice and permission from that organisation about its inclusion.

Where confidentiality is an issue, Learners are advised to anonymise their assignment report so that it cannot be attributed to that particular organisation.

Word Count Policy

Learners must comply with the required word count, within a margin of +10%. These rules exclude the index, headings, tables, images, footnotes, appendices and information contained within references and bibliographies.

When an assessment task requires learners to produce presentation slides with supporting notes, the word count applies to the supporting notes only.

Submission of Assignments

All work to be submitted on the due date as per Centre's advice.

All work must be submitted in a single electronic document (.doc file), or via Turnitin, where applicable.

This should go to the tutor and Centre Manager/Programme Director, plus one hard copy posted to the Centre Manager (if required)

Marking and grades

Qualifi uses a standard marking rubric for all assignments, and you can find the details at the end of this document.

Unless stated elsewhere, Learners must answer all questions in this document.

Assignment Question

Task 1 – 100 words

Be able to prepare budgets for an organisation.

1.1 Explain the role of budgeting as a management tool.

- Key Information: The purpose of budgeting is to provide a model of how the business might perform, financially speaking, if certain strategies, events, plans are carried out. In constructing a Business Plan, the manager attempts to forecast Income and Expenditure, and thereby profitability

1.2 Prepare organisational budgets accurately and within agreed timescales.

- Learners may use data from their workplace, or a case study provided by their approved centre.
- Learners should include the title of their work within this space provided in the workbook and attach a copy their work along with copies of the data used, any commercially sensitive or confidential information such as organisational name can be redacted. All documentation submitted with this workbook must be clearly referenced and contain the learner's name and date of birth.
- The Assessor must observe this task.
- The data used should be attached and referenced as an appendix to this workbook.
- Learners must build a detailed budget, from historical data

- Learners should provide a written justification for their budget that demonstrates that they have resisted the urge, to merely increase all amounts by a set percentage but have considered organisational goals and how these goals will affect the sales and expenses of the business.

1.3 Analyse budgets to assess organisational performance.

- Learners should provide a written justified analysis of a budget and its likely impact on organisation performance. Learners may use budgets from their workplace or a case study.
- The data used should be attached and referenced as an appendix to this workbook.
- Key Information: Budgets can be used to evaluate the number of units produced or services rendered and the labor hours and materials it took for each task. The process involves allocating resources to various compartments within the budget, then going back after the work is complete and comparing budgeted resources with actual usage.

Task 2 – 125 words

Be able to use standard costing techniques.

2.1 Explain the purpose of standard costing.

- Key Information: The main purpose of standard cost is to provide management with information on the day-to-day control of operations. Standard costs are predetermined costs that provide a basis for more effectively controlling costs.

2.2 Explain ideal and attainable standards.

- Key Information: Ideal standards represent optimum levels of performance under perfect operating conditions. Normal standards represent efficient levels of performance that are attainable under expected operating conditions.
- Currently attainable standard costs: these are standard costs that should be attainable under efficient operating conditions. These standards incorporate the possibility of machine breakdowns, normal wastage and lost time. Currently attainable standards should be tough but realistic.

2.3 Calculate and interpret variances accurately.

- Learners may use data from their workplace or a case study to undertake these calculations. Learners must provide a written summary interpreting the data they have calculated.
- The data used should be attached and referenced as an appendix to this workbook.

- Key Information: In statistics, variance measures variability from the average or mean. It is calculated by taking the differences between each number in the data set and the mean, then squaring the differences to make them positive, and finally dividing the sum of the squares by the number of values in the data set. A large variance indicates that numbers in the set are far from the mean and far from each other. A small variance, on the other hand, indicates the opposite. A variance value of zero, though, indicates that all values within a set of numbers are identical. Every variance that is not zero is a positive number.

2.4 Explain the advantages and limitations of a standard costing system.

- Key Information: A standard cost system can be valuable for top management in planning and decision making. More reasonable and easier inventory measurements A standard cost system provides easier inventory valuation than an actual cost system. Under an actual cost system, unit costs for batches of identical products may differ widely.
- Standard cost accounting can be a highly beneficial tool for managers who are attempting to plan a more accurate budget. Accurate budgets could lead to a more profitable and efficient business at the end of the day. This is because a standard costing system provides managers with a projected idea of spending costs.
- Three of the disadvantages that result from a business using standard costs are: Controversial materiality limits for variances. Non reporting of certain variances. Low morale for some workers.

Task 3 – 125 words

Be able to use capital expenditure and appraisal techniques.

3.1 Explain key capital expenditure appraisal techniques.

- Key Information: Net Present Value (NPV), Benefit to Cost Ratio, Internal Rate of Return (IRR), Payback Period and Accounting Rate of Return are some prominent capital budgeting techniques widely used in the finance arena.
- Learners must describe the features of each.

3.2 Calculate payback, Accounting Rate of Return (ARR), Net Present Value (NPV) and Internal Rate of Return (IRR) accurately.

- Learners may use data from their workplace, or a case study provided by their approved centre to appraise a capital expenditure using each of the capital expenditure techniques.
- The Assessor must observe this task.
- The data used should be attached and referenced as an appendix to this workbook.

3.3 Evaluate capital expenditure proposals.

- Learners should use the calculations above to produce a written evaluation of the capital expenditure, making a recommendation as to whether, based on the calculations, the capital expenditure should proceed.
- Learners must provide justified recommendations to achieve a pass.

3.4 Evaluate the significance of non-financial factors in the appraisal of financial decisions.

- Learners should appraise the non-financial factors, giving a final recommendation as to whether the non-financial factors influence the financial decision.
- A description without application to a financial decision is not sufficient to award a pass.
- Key Information: By tracking non-financial factors early, executives and managers make better decisions regarding needed adjustments. They can decide to continue for example, whether a customer service seminar is necessary. If the problem is drastic enough, they can even decide who should be let go.
- Financial factors consist of leverage, liquidity, fixed asset intensity, firm size, and firm value. Nonfinancial factors consist of managerial ownership, government ownership, and independent board of commissioners.

Task 4 – 150 words

Understand costing techniques.

4.1 Differentiate between marginal and absorption (total) costing.

- Key Information: Absorption costing uses variable and fixed costs and takes them into consideration.
- While marginal costing only uses variable costs and takes them into consideration. Absorption costing uses the overheads recovery method. But marginal costing calculates each contribution of the unit.

4.2 Explain the features and uses of job, batch and process costing methods.

- Key Information: Batch costing is simply calculating the costs of producing a batch (and from there a cost per unit).
- If the batch went through several processes, then it could involve process costing as well.

4.3 Explain the way in which service costing techniques are used.

- Key Information: Service costing is a type of operation costing which is used in organizations which create and deliver services instead of producing goods. In this method of cost accounting, all the costs incurred in the production of a service are added together. They are then divided by the total number of service units rendered.

4.4 Explain the ways in which organisations may use cost – volume – profit analysis and the reasons for doing so.

- Key Information: Cost-volume-profit (CVP) analysis is a way to find out how changes in variable and fixed costs affect a firm's profit. Companies can use CVP to see how many units they need to sell to break even (cover all costs) or reach a certain minimum profit margin.
- It deals with how operating profit is affected by changes in variable costs, fixed costs, selling price per unit and the sales mix of two or more different products.

4.5 Calculate break-even points accurately.

- Learners may use data from their workplace, or a case study provided by their approved centre to appraise a capital expenditure using each of the capital expenditure techniques.
- The data used should be attached and referenced as an appendix to this workbook.

Assessment Criteria

1.1 Explain the role of budgeting as a management tool.

1.2 Prepare organisational budgets accurately and within agreed timescales.

1.3 Analyse budgets to assess organisational performance.

2.1 Explain the purpose of standard costing.

2.2 Explain ideal and attainable standards.

2.3 Calculate and interpret variances accurately.

2.4 Explain the advantages and limitations of a standard costing system.

3.1 Explain key capital expenditure appraisal techniques.

3.2 Calculate payback, Accounting Rate of Return (ARR), Net Present Value (NPV) and Internal Rate of Return (IRR) accurately.

3.3 Evaluate capital expenditure proposals.

3.4 Evaluate the significance of non-financial factors in the appraisal of financial decisions.

4.1 Differentiate between marginal and absorption (total) costing.

4.2 Explain the features and uses of job, batch and process costing methods.

4.3 Explain the way in which service costing techniques are used.

4.4 Explain the ways in which organisations may use cost – volume – profit analysis and the reasons for doing so.

4.5 Calculate break-even points accurately.

	Distinguished	Excellent	Good	Proficient	Basic	Marginal	Unacceptable
Criteria	80+	70	60	50	40	30	0
Content (alignment with assessment criteria)	Extensive evaluation and synthesis of ideas; includes substantial original thinking	Comprehensive critical evaluation and synthesis of ideas; includes coherent original thinking	Adequate evaluation and synthesis of key ideas beyond basic descriptions; includes original thinking	Describes main ideas with evidence of evaluation; includes some original thinking	Describes some of the main ideas but omits some concepts; limited evidence of evaluation; confused original thinking	Largely incomplete description of main issues; misses key concepts; no original thinking	Inadequate information or containing information not relevant to the topic
Application of Theory and Literature	In-depth, detailed and relevant application of theory; expertly integrates literature to support ideas and concept	Clear and relevant application of theory; fully integrates literature to support ideas and concepts	Appropriate application of theory; integrates literature to support ideas and concepts	Adequate application of theory; uses literature to support ideas and concepts	Limited application of theory; refers to literature but may not use it consistently	Confused application of theory; does not use literature for support	Little or no evidence of application of theory and relevant literature
Knowledge and Understanding	Extensive depth of understanding and exploration beyond key principles and concepts	Comprehensive knowledge and depth of understanding key principles and concepts	Sound understanding of principles and concepts	Basic Knowledge and understanding of key concepts and principles	Limited and superficial knowledge and understanding of key concepts and principles	Confused or inadequate knowledge and understanding of key concepts and principles	Little or no evidence of knowledge or understanding of key concepts and principles
Presentation and Writing Skills	Logical, coherent and polished presentation exceeding expectations at this level; free from errors in mechanics and syntax	Logical, coherent presentation demonstrating mastery; free from errors in mechanics and syntax	Logical structure to presentation; makes few errors in mechanics and syntax which do not prohibit meaning	Orderly presentation; minor errors in mechanics and syntax	Somewhat weak presentation; errors in mechanics and syntax may interfere with meaning	Confused presentation; errors in mechanics and syntax often interfere with meaning	Illogical presentation lacking cohesion; contains significant errors that interfere with meaning
Referencing	Advanced use of in-text citation and references	Mastery of in-text citation and referencing	Appropriate use of in-text citation and referencing	Adequate use of in-text citation and referencing	Limited use of in-text citation and referencing	Inadequate use of citation and referencing	Little or no evidence of appropriate referencing or use of sources

Instructor's Comments

Directions:

1. For each of the criteria listed in the first column, circle one box in the corresponding column to the right which best reflects the student's work on this particular assessment activity (e.g., project, presentation, essay).
2. Provide specific feedback to a student about each of the criteria scores he/she earned by writing comments and suggestions for improvement in the last row titled "Instructor's comments."
3. To arrive at a mark, total the boxes and divide by 5 to arrive at final mark.

Example:

	Distinguished	Excellent	Good	Proficient	Basic	Marginal	Unacceptable
Range	80-100	70-79	60-69	50-59	40-49	35-39	0-34

Criteria	Score
Content	50
Application of Theory and Literature	40
Knowledge and Understanding	50
Presentation/Writing Skills	40
Referencing	40
Total Score	220/5 = 44, Basic



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