

Unit Title:	Applying the fundamentals of management accounting
OCR unit number:	C01
Level:	4
Credit value:	10
Guided learning hours:	65
Unit reference number:	L/505/4601

Unit aim and purpose

By completing this unit the learner will understand and be able to apply the fundamental concepts of management accounting and be able to apply techniques for cost management and control.

Learning Outcomes	Assessment Criteria
<p>The Learner will:</p> <p>1 Be able to apply fundamental management accounting techniques</p>	<p>The Learner can:</p> <p>1.1 Explain the purpose of management accounting</p> <p>1.2 Explain the role of:</p> <ul style="list-style-type: none"> • the management accountant • CIMA as a professional body <p>1.3 Apply methods to identify different types of cost</p> <p>1.4 Calculate:</p> <ul style="list-style-type: none"> • direct, variable and full costs of products, services and activities using overhead absorption rates to trace indirect costs to cost units • fixed and variable elements of a semi-variable cost <p>1.5 Explain cost behaviour</p> <p>1.6 Calculate:</p> <ul style="list-style-type: none"> • variances between budget and actual results • standard costs for the material, labour and variable overhead elements of the cost of a product or service • variances for materials, labour, variable overhead, sales prices and sales volumes <p>1.7 Prepare:</p> <ul style="list-style-type: none"> • budgetary control statements • statements of variance analysis • integrated accounts in a costing environment • financial statements for management information

Learning Outcomes	Assessment Criteria
	<p>1.8 Calculate:</p> <ul style="list-style-type: none"> • break-even point, profit target, margin of safety and profit/volume ratio for a single product or service • profit maximising product sales mix using limiting factor analysis • net present value, internal rate of return and payback for an investment <p>1.9 Prepare break-even charts and profit/volume graphs for a single product or service</p> <p>1.10 Explain:</p> <ul style="list-style-type: none"> • the contribution concept and its use in cost-volume-profit (CVP) analysis • relevant costs and cash flows when making decisions • make or buy decisions • the process of valuing long-term investments

Assessment (Updated 2016)

Assessment for this unit is through examinations set by the Chartered Institute of Management Accountants (CIMA).

As of 11 January 2017, CIMA assessments may not directly assess all of the assessment criteria in each unit. There is no impact on this unit.

If a candidate achieves all of the new modules in the CIMA 2017 syllabus they will be able to claim the OCR qualification.

For candidate who have started the 2011 CIMA syllabus:

- OCR will only issue a full award certificate for the Level 4 Diploma in Business Accounting if the student has achieved the 2011 syllabus, **including unit CO3**, Understanding and applying the fundamentals of business mathematics.
- OCR will not accept a waiver in place of CO3.

Candidates can only claim this qualification after they have achieved the Chartered Institute of Management Accountants (CIMA) Certificate in Business Accounting. This is assessed by examination, subject to CIMA conditions.

Evidence requirements

Candidates are required to submit a digital copy of their achievement which will be confirmed by CIMA.

Additional information

For further information regarding administration for this qualification, please refer to the OCR document 'Admin Guide: Vocational Qualifications' (A850) on the OCR website www.ocr.org.uk.