

Area of study: Accounting and Finance

## Cost Management (Level 1) (ACC01)

### Introduction

This module provides an introduction to the nature and scope of management accounting information, and introduces the concepts of cost, cost behaviour and cost classification. It is designed to add value by supporting the strategic, management and operational decisions of the organisation. Traditionally financial in orientation, cost management is strategic in focus and includes external information about competitors and customers. Understanding general concepts of cost, cost behaviour and cost classification is critical in management accounting.

#### Target Audience

- Business owners
- Directors and business managers
- Executives who are keen to gain insights into cost management

#### Benefits

Upon completion of this module, you will be able to

- outline the differences between external financial reporting information and information used in management decision-making
- analyse different types of costs and their relevance in different decision contexts
- explain the purpose of the activity-based costing (ABC) classification
- analyse a project or business to determine the level of sales to break even or to produce a desired profit

#### Topics

**Management Accounting versus Financial Accounting** provides an introduction to the value creation potential of management accounting information. It analyses how this information differs from financial reporting information and how the specific decision type and the nature of the organisation drives the information required.

**Cost Concepts** reviews basic cost concepts and the underlying nature of costs. It explores the differences between costs which provide productive capacity and costs which are flexible in nature and why these classifications matter.

**Classifying Costs – Traditional and Modern** reviews a range of ways to classify costs, using both traditional and modern ABC systems, to develop a deeper understanding of cost behaviour and relevance.

**Cost-Volume-Profit Analysis** utilises an understanding of cost behaviour to illustrate how to estimate profit at different levels of sales via a basic cost-volume-profit analysis.

#### Duration

Approximately 9 hours over 3 weeks

#### Course Progression

Core module for Certificate in Financial Management

#### Certificate

Completion certificate awarded by U21Global with the crests of the affiliated universities