**North East School Division**

**Unpacking Outcomes**
**Module 21: Cost Accounting (Core)**

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| **Unpacking the Outcome**  |
| Investigate --> calculatingInvestigate --> controllingInvestigate --> reporting |
| **Outcome**(circle the verb and underline the qualifiers)  |
| Investigate calculating, controlling and reporting costs of doing business.  |
| **KNOW**  | **UNDERSTAND**  | **BE ABLE TO DO**  |
| Vocabulary:Cost AccountingManufacturing costsDirect labourDirect materialsDirect expenseIndirect expenseOverheadSunk costs | That A manufacturing business buys materials and by using labor and machines, changes the form into a finished product.A merchandising business needs to know the cost of goods sold where as a manufacturing business needs to know the cost of producing the product sold.Calculating the cost of the product includes things like: direct materials, direct labor, and overhead. | 1. Define cost accounting and explain how it relates to management accounting and financial accounting.
2. Differentiate cost into two categories (i.e., manufacturing costs and non-manufacturing costs) to be used in management analysis.
3. Classify direct labour, direct materials and manufacturing overhead as manufacturing costs.
4. Classify marketing/selling costs and administration costs as non-manufacturing costs.
5. Debate the importance of labour costs to management accounting.
6. Assess and describe how opportunity costs and sunk costs become part of the management decision-making process.
7. Prepare the manufacturing statement, the schedule of cost of goods manufactured statement and the income statement for a merchandising business and manufacturing business and the examine the purpose of each
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| **ESSENTIAL QUESTIONS**  |
|  How do you find and/or calculate the information needed for accurate financial statements for a manufacturing business?On which statement are the calculations shown to determine the manufacturing costs? |