**North East School Division**

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

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| **Unpacking the Outcome** | | |
| Investigate --> calculating  Investigate --> controlling  Investigate --> 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 Accounting  Manufacturing costs  Direct labour  Direct materials  Direct expense  Indirect expense  Overhead  Sunk 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 |
| **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? | | |