
Overview

This unit is about gathering, analysing and reporting information about income and expenditure to support decision making, planning and control by managers. It involves:

- 1 recording and analysing data about costs and revenues
- 2 recording and analysing data about overheads
- 3 working consistently and analysing information on an ongoing basis either routinely or for a specific purpose
- 4 presenting data in a variety of formats

You need to be aware of the relationship between financial and management accounting.

**Performance
criteria**

You must be able to:

- P1 identify, record and analyse direct and overhead costs in accordance with the organisation's costing procedures
- P2 analyse cost information for materials, labour, expenses and stock
- P3 attribute overhead costs to production and service cost centres in accordance with agreed bases of allocation and apportionment
- P4 calculate overhead absorption rates in accordance with agreed bases of absorption
- P5 make adjustments for under and over recovered overhead costs in accordance with established procedures
- P6 review methods of allocation, apportionment and absorption at regular intervals with senior staff and implement agreed changes to methods
- P7 consult staff working in operational departments to resolve any queries in overhead cost data
- P8 compare budgeted income/costs with actual income/costs and note any variances
- P9 analyse variances and prepare relevant reports for management
- P10 inform budget holders and other managers of any significant variances to help them take remedial action
- P11 prepare estimates of future income and costs for decision making
- P12 prepare reports in the appropriate form and present them to stakeholders within the required timescales

Knowledge and understanding
The business environment

You need to know and understand:

- K1 costs and cost classification
- K2 types of overhead
- K3 types of responsibility centres, (e.g. cost centres, profit centres and investment centres) and how to identify them
- K4 the nature and purpose of internal reporting and management information
- K5 ways of presenting information

Accounting techniques, principles and theory

You need to know and understand:

- K6 marginal and absorption costing
- K7 the identification of fixed, variable and semi-variable costs and their use in cost recording, cost reporting and cost analysis
- K8 bases of allocating and apportioning indirect costs to cost centres
- K9 bases of absorption
- K10 calculation of product and service cost
- K11 the drivers behind cost movements
- K12 the effect of changing activity levels on unit costs
- K13 methods of stock control and valuation
- K14 the relationships between the various costing and accounting systems
- K15 the considerations affecting decision-making

The organisation

You need to know and understand:

- K16 the organisation's responsibility centres, expense centres, profit centres and investment centres
- K17 costing systems appropriate to the organisation
- K18 the organisation's house styles

Provide management information

Links to other NOS

1. CAS Computerised Accounting Software [Link](#)
2. SS Spreadsheet Software [Link](#)
3. BS Bespoke or Specialist Software [Link](#)
4. PM Project Management Software [Link](#)
5. WP word processing software [Link](#)
6. ITS IT security for users [Link](#)
7. E1 Manage a budget [Link](#)
8. F1 Manage a project [Link](#)
9. E2 Manage Finance In your area of responsibility [Link](#)
10. D16 Manage Redundancies In Your Area Of Responsibility [Link](#)
11. MN3 Keep Financial Records For Your Business [Link](#)
12. MN4 Manage Cash Flow In Your Business [Link](#)
13. MN5 Get Customers To Pay On Time [Link](#)
14. MN8 Monitor Borrowing For Your Business [Link](#)
15. MN9 Carry Out The Banking For Your Business [Link](#)
16. MN10 Prepare Wages [Link](#)
17. MN11 VAT Registration And Returns [Link](#)
18. E11 Communicate Information And Knowledge [Link](#)
19. ICF IT Communication Fundamentals [Link](#)
20. ISF IT Software Fundamentals [Link](#)
21. B8 Ensure Compliance With Legal, Regulatory, Ethical And Social Requirements [Link](#)
22. E9 Manage The Environmental Impact Of Your Work [Link](#)
23. HSS7 Make Sure Your Own Actions Within The Workplace Aim To Protect The Environment [Link](#)
24. HSS1 Make Sure Your Own Actions Reduce Risks To Health And Safety [Link](#)
25. HSS2 Develop Procedures To Safely Control Work Operations [Link](#)
26. HSS6 Conduct A Health And Safety Assessment Of A Workplace [Link](#)
27. IUF IT User Fundamentals [Link](#)
28. EE5 Build Relationships to Build Your Business [Link](#)
29. F5 Resolve Customer Service Problems [Link](#)
30. F6 Monitor And Solve Customer Service Problems [Link](#)
31. F7 Support Customer Service Improvements [Link](#)
32. F14 Prepare For And Participate In Quality Audits [Link](#)
33. F15 Carry Out Quality Audits [Link](#)
34. LG2 Keep Up To Date With Current Legislation Affecting Your Business [Link](#)

FSP MA2

Provide management information

Developed by	Financial Skills Partnership
Version number	1
Date approved	May 2012
Indicative review date	May 2015
Validity	Current
Status	Original
Originating organisation	Financial Skills Partnership
Original URN	MA2
Relevant occupations	3537 Financial and accounting technicians; 4121 Credit controllers; 4122 Accounts and wages clerks, book-keepers, other financial clerks
Suite	Accountancy
Key words	Accountancy and Finance