

AAT

Q2022

Principles of Costing

EXAM KIT

This Exam Kit supports study for the following AAT qualifications:

AAT Level 2 Certificate in Accounting

AAT Level 2 Certificate in Bookkeeping

AAT Certificate in Accounting at SCQF Level 6

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Features in this exam kit

In addition to providing a wide ranging bank of real exam style questions, we have also included in this kit:

- unit-specific information and advice on exam technique
- our recommended approach to make your revision for this particular unit as effective as possible.

You will find a wealth of other resources to help you with your studies on the AAT website:

www.aat.org.uk/

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Our Quality Co-ordinator will work with our technical team to verify the error and take action to ensure it is corrected in future editions.

UNIT-SPECIFIC INFORMATION

THE EXAM

FORMAT OF THE ASSESSMENT

The assessment will comprise seven independent tasks. Learners will be assessed by computer-based assessment.

In any one assessment, learners may not be assessed on all content, or on the full depth or breadth of a piece of content. The content assessed may change over time to ensure validity of assessment, but all assessment criteria will be tested over time.

The learning outcomes for this unit are as follows:

	Learning outcome	Weighting
1	Understand the cost recording system within an organisation	30%
2	Use cost recording techniques	40%
3	Provide information on actual and budgeted costs and income	20%
4	Use tools and techniques to support cost calculations	10%
	Total	100%

Time allowed

90 minutes

PASS MARK

The pass mark for all AAT CBAs is 70%.



Always keep your eye on the clock and make sure you attempt all questions!

DETAILED SYLLABUS

The detailed syllabus and study guide written by the AAT can be found at:

www.aat.org.uk/

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Section 1

PRACTICE QUESTIONS

COST CLASSIFICATION

FINANCIAL AND MANAGEMENT ACCOUNTING

1 FAMA

The table below lists some of the characteristics of financial accounting and management accounting systems.

Indicate two characteristics for each system by putting a tick in the relevant column of the table below:

Characteristic	Financial accounting	Management accounting
<ul style="list-style-type: none">• Have to be produced annually.• Analyses historic events to help produce forecasts.• Is always produced using accounting standards.• Is produced on an ad hoc basis when required.		

2 FINANCIAL AND MANAGEMENT

The table below lists some of the characteristics of financial accounting and management accounting systems.

Indicate two characteristics for each system by putting a tick in the relevant column of the table below:

Characteristic	Financial accounting	Management accounting
<ul style="list-style-type: none">• Must be presented as specified by the Companies Act and accounting standards.• Helps managers run the business on a day-to-day basis.• Used as the basis for the calculation of the organisation's tax charge.• Can include anything that managers feel is useful for the business.		

3 MAFA

The table below lists some of the characteristics of financial accounting and management accounting systems.

Indicate two characteristics for each system by putting a tick in the relevant column of the table below:

Characteristic	Management accounting	Financial accounting
<ul style="list-style-type: none"> • It is based on past events. • Its purpose is to provide information for managers. • It is based on future events. • It complies with company law and accounting rules. 		

4 FEATURES

The table below lists some features typical of financial accounting and management accounting systems.

Indicate which feature applies to which system by putting a tick in the relevant column of the table below:

Feature	Financial accounting	Management accounting
<ul style="list-style-type: none"> • Analysis of profit by cost centre. • Statement of profit or loss using format as dictated by accounting standards and company law. • Cash flow forecasts. • Cost per unit calculation. 		

RESPONSIBILITY CENTRES

5 MARIAM

Mariam operates a business that bakes bread. These are made in a small bakery and then sent to Mariam's shop, where they are sold. Mariam also has a small office where all of the administration is undertaken.

Identify whether the following departments are likely to be profit or cost centres by putting a tick in the relevant column of the table below:

	Cost centre	Profit centre
<ul style="list-style-type: none"> • Bakery • Shop • Office 		



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