

**Specification of Competency Standards**  
**for the Automotive Industry**  
**Unit of Competency**

Functional Area - Corporate Management

Title	Adopt cost accounting techniques
Code	108558L3
Range	This unit of competency is applicable in workplaces relevant to the operational management of the automotive industry. Practitioners should be able to employ cost accounting theory to perform such duty independently and effectively for the industry according to the requirements.
Level	3
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Knowledge (Cost accounting theory)</p> <ul style="list-style-type: none"> <li>• Master basic cost accounting theory, including: <ul style="list-style-type: none"> <li>○ The significance and functions of cost accounting</li> <li>○ The relationship between cost accounting, management accounting and financial accounting</li> <li>○ The cost management system</li> </ul> </li> <li>• Good understanding of the classification of costs, including: <ul style="list-style-type: none"> <li>○ The basic concept of costs</li> <li>○ The classification of costs</li> <li>○ The characteristics and differences of different industries</li> <li>○ The compilation of profit and loss statements</li> </ul> </li> <li>• Good understanding of the cost of quality, including: <ul style="list-style-type: none"> <li>○ The significance of quality</li> <li>○ The importance of cost of quality</li> </ul> </li> <li>• Good understanding of total cost method and variable cost method.</li> </ul> <p>2. Performance (Adopt industry-related cost accounting techniques)</p> <ul style="list-style-type: none"> <li>• Calculate cost, including: <ul style="list-style-type: none"> <li>○ Wages and cost of goods sold, etc.</li> <li>○ Cost estimation</li> <li>○ Regression analysis</li> <li>○ Cost allocations</li> </ul> </li> <li>• Analyse cost, quantity and profits, including: <ul style="list-style-type: none"> <li>○ Break-even analysis</li> <li>○ Calculate break-even point</li> <li>○ Analyse cost, quantity and profits</li> </ul> </li> <li>• Calculate total cost and variable cost, including: <ul style="list-style-type: none"> <li>○ Formulate profit and loss statements by total cost method and variable cost method.</li> <li>○ Assess the impact of changes in inventory level on profit and loss.</li> </ul> </li> </ul>
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are that the practitioner being assessed shall prove that he/she is:</p> <ul style="list-style-type: none"> <li>• Capable of adopting basic cost accounting theory; and</li> <li>• Capable of performing cost accounting duty independently and effectively for the automotive industry according to the legal requirements.</li> </ul>
Remark	