

**Unit of Competency****Functional Area: Finance**

Title	Identify cost of products
Code	105231L4
Range	This unit of competency is applicable to practitioners in import and export industry to estimate the costs of products for decision makers.
Level	4
Credit	4 (for reference only)
Competency	<p>Performance Requirement</p> <ol style="list-style-type: none"> <li>1. Describe cost estimation <ul style="list-style-type: none"> <li>• Conduct analysis on the elements of costs (e.g., direct costs, indirect costs, and overhead cost) to estimate costs of products</li> <li>• Describe the cost-estimating approaches (e.g., top-down approach and bottom up approach)</li> </ul> </li> <li>2. Estimate costs <ul style="list-style-type: none"> <li>• Determine the activities (e.g., product delivery involves activities to process customer order, produce or source the product, perform quality check, arrange product packing, and deliver product to customers)</li> <li>• Select the appropriate cost estimation methods (e.g., consensus methods, ratio methods, apportion methods, template methods, range estimating)</li> <li>• Estimate costs of products</li> <li>• Present the results to facilitate decision makers in allocating resources</li> </ul> </li> <li>3. Compare actual costs against estimated costs <ul style="list-style-type: none"> <li>• Collect data to compare the actual cost against estimated cost</li> <li>• Identify the variation</li> <li>• Take corrective action to eliminate the variation (if required)</li> </ul> </li> </ol>
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> <li>• Capable of applying appropriate cost estimation methods to estimate cost of products</li> <li>• Capable of presenting cost estimation to facilitate the decision maker in allocating resources</li> </ul>
Remark	