

Specification of Competency Standards
for the Jewellery Industry
Unit of Competency

Functional Area - Operational Management

Title	Apply cost accounting techniques
Code	108853L3
Range	This unit of competency is applicable to practitioners responsible for operational management or related work in the jewellery industry. Practitioners should be capable of mastering cost accounting theory and employing the techniques to independently perform cost accounting duties in the jewellery industry according to the requirements of the organization.
Level	3
Credit	9
Competency	Performance Requirements 1. Understand basic cost accounting theory • Understand basic cost accounting theory, including: ○ The significance and functions of cost accounting ○ The relationship between cost accounting, management accounting and financial accounting ○ The cost accounting system • Understand the classification of costs, including: ○ The basic concept of costs ○ The classification of costs ○ The characteristics of different industries and their differences ○ The preparation of profit and loss statements • Understand the cost of quality, including: ○ The significance of quality ○ The importance of cost of quality ○ Understand the definitions of total cost method and variable cost method 2. Apply industry-related cost accounting techniques • Independently perform cost accounting duties in the jewellery industry ○ Calculate cost, including: ▪ Raw materials, wages and cost of goods sold ▪ Cost estimation ▪ Regression analysis ▪ Cost sharing ▪ Cost sharing among service departments ○ Analyze cost, quantity and profits, including: ▪ Break-even analysis ▪ Calculate break-even point ▪ Analyze cost, quantity and profits ○ Calculate total cost and variable cost, including: ▪ Prepare profit and loss statements by using the total cost method and variable cost method ▪ Assess the impact of changes in inventory level on profit and loss ○ Employ information technology on cost accounting duties 3. Professionalism • Ensure that the financial information/data provided is accurate • Prevent any abuse or corrupt practices through financial management

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Assessment Criteria	The integrated outcome requirement of this unit of competency is: • Able to master the knowledge of accounting and employ the techniques to independently perform accounting duties in the jewellery industry in accordance with the organization's requirements, such as cost calculation, cost analysis, quantity and profit.
Remark	