

MODULE 2: MANAGEMENT ACCOUNTING

HKICPA PROFICIENCY LEVELS AND TAXONOMY

The proficiency level indicated in the table below reflects the level at which the topics covered in each particular learning outcome are tested. There are three levels of proficiency:

- Level 1 is the foundational level, covering the skills of knowledge and comprehension.
- Level 2 is the intermediate level, covering the skills of application and analysis.
- Level 3 is the advanced level, covering the skills of integration and evaluation

You are expected to understand which skill is exercised based on the taxonomy verbs with which it is associated. Please note that the list of taxonomy verbs below is for reference only and does not represent an exhaustive list.

Level 1: Foundation	Level 2: Intermediate	Level 3: Advanced
Knowledge The remembering of previously learned material (recall of facts)	Application Using new knowledge. Solve problems to new situations by applying acquired knowledge, facts, techniques and rules in a different way	Integration Compile information together in a different way by combining elements in a new pattern or proposing alternative solutions
Comprehension Demonstrative understanding of facts and ideas by organising, comparing, translating, interpreting, giving descriptions and stating main ideas	Analysis Examine and break information into parts by identifying motives or causes. Make inferences and find evidence to support generalisation	Evaluation The ability to judge the value of material for a given purpose

The syllabus weighting table indicates the relative weightings of the syllabus areas encompassed in this module. It serves as a guide to the percentage of study time spent on each syllabus area. In the long run, the marks allocation in the module examinations would conform to the weightings as shown above. The exact range of marks allocation in each module examination may deviate from the weightings for suitably robust questions to be set.

SYLLABUS AREA		
Principal Learning Outcomes	Supporting Learning Outcomes	Proficiency Level
Explain the Role and Purpose of Management Accounting	Describe the role and purpose of management accounting, including the features and use of business information, as well as the role of management accounting in entities, and theories and principles of management control	1
Apply Cost Accounting	Explain cost classification and illustrate how costs are associated with the production of products and provision of services	1
	Apply costing techniques for materials, labour and overheads	2
	Apply absorption, marginal and job costing	2
	Apply activity-based costing (ABC)	2
	Apply process costing	2
	Apply contribution analysis in decision-making	2

SYLLABUS AREA		
Principal Learning Outcomes	Supporting Learning Outcomes	Proficiency Level
Apply the Principles and Techniques for Budgeting and Forecasting	Apply the principles of budgeting and forecasting, including techniques for forecasting revenue and expenditure and preparing fixed budgets and flexible budgets	2
	Apply the principles of standard costing, including the calculation and interpretation of different types of variances	2
Analyse Information for Performance Measurement	Apply financial and non-financial indicators or measures in analysing business performance	2
	Outline the leading models of performance measurement system	1