

Syllabus and study guide

Management Information and Costing (F2)



July 2027 to August 2028

Designed to help with planning study and to provide detailed information on what could be assessed in any examination session.

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1. Overall aim of the syllabus

The overall aim of the syllabus is to develop knowledge and understanding of how to prepare, process and present management information, with a specific focus on cost information, to provide support for one of the key drivers of any organisation, the management of its costs.

2. Introduction to the syllabus

The syllabus for F2, Management Information and Costing, starts by introducing candidates to the nature and purpose of management information, including the sources of management information, the types of systems used to record information and how transactions are coded. It also covers the presentation of management information in terms of suitable formats, confidentiality principles and the use of data visualisation. Candidates will learn how to be a user of management reports and identify key information.

The next section of the syllabus focuses on cost classification and cost behaviour so different types of costs can be identified and calculated. Candidates will also be introduced the concept of responsibility accounting.

The syllabus then moves from classifying costs to how to account for specific types of costs: materials, labour and other expenses. This is essential knowledge for the final section of the syllabus which addresses the two fundamental costing techniques of absorption and marginal costing.

3. Main capabilities

On successful completion of this course of study, candidates should be able to:

- Understand the nature and sources of management information and how to classify cost information
- Identify the most appropriate way to present management information to meet the needs of the user
- Describe how to account for different types of costs using established costing techniques
- Calculate a cost per unit to provide vital information for the effective management of costs and subsequent business decisions

4. Intellectual levels

This course of study assesses both knowledge and skills within an accounting or business context. The assessment of knowledge is denoted by a superscript ^K and the assessment of skills is denoted by the superscript ^S shown at the end of each learning outcome.

5. The syllabus

A Management information

1. Nature and purpose of management information
2. Sources of management information
3. Information systems and coding
4. Presenting management information

B Cost classification and behaviour

1. Cost classification
2. Cost behaviour
3. Responsibility accounting

C Accounting for costs

1. Accounting for material
2. Accounting for labour
3. Accounting for other expenses

D Costing techniques

1. Absorption costing
2. Marginal costing

6. Detailed study guide

A Management information

1. Nature and purpose of management information

- a) Describe the purpose of management information: planning, control and decision-making.^[K]
- b) Describe the differences between cost and management accounting and external financial reporting.^[K]
- c) State the differences between data and information.^[K]
- d) Describe the attributes of good information.^[K]

2. Sources of management information

- a) Describe the three main data sources: machine/sensor, transactional and human/social.^[K]
- b) Identify sources of information including internal, external, primary and secondary.^[K]
- c) Describe categories of information including internal, external, primary and secondary.^[K]
- d) Describe the uses and limitations of published information/data.^[S]
- e) Describe the relationship between costing systems and control systems for materials, labour and expenses, for example the labour costing system and payroll accounting system.^[K]
- f) Describe the controls over data used within the organisation.^[K]

3. Information systems and coding

- a) Describe the systems used to ensure the correct authorisation of materials, labour and other expenses (input costs).^[K]
- b) Describe the material control cycle and the processes necessary to order, receive, store and issue materials.^[K]
- c) Describe the systems and processes for recording input costs and sales transactions.^[K]
- d) Describe the systems used to ensure the correct coding and analysis of transactions.^[K]
- e) Describe and illustrate the use of codes in categorising and processing transactions, including sequential, hierarchical, block, faceted and mnemonic coding methods.^[S]

4. Presenting management information

- a) Describe methods of analysing, presenting and communicating information.^[K]
- b) Identify suitable formats for presenting and communicating management information according to purpose and organisational guidelines.^[S]
- c) Identify the general principles of distributing reports (e.g. procedures, timing, recipients), including the reporting of confidential information.^[K]
- d) Describe and illustrate the use of data visualisation techniques including tables, charts and graphs (bar charts, line graphs, pie charts and scatter graphs).^[S]
- e) Identify key information from management reports, including tables, charts and graphs.^[S]

B Cost classification and behaviour

1. Cost classification

- a) Describe the variety of cost classifications used for different purposes in a cost accounting system.^[K]
- b) Identify and calculate production and non-production costs.^[S]
- c) Identify and calculate direct (prime) and indirect costs.^[S]
- d) Identify and calculate costs by nature: materials, labour and expenses.^[S]

2. Cost behaviour

- a) Describe the variety of cost behaviours used for different purposes in a cost accounting system.^[K]
- b) Identify and calculate variable, fixed, stepped fixed and semi-variable costs.^[S]
- c) Identify and describe different types of cost behaviour, including from graphical representations.^[S]
- d) Identify and calculate the effect of changes in activity levels and prices on unit costs.^[S]

3. Responsibility accounting

- a) Describe the concept of cost units.^[K]
- b) Describe the concept of cost centres.^[K]
- c) Describe the concept of revenue centres.^[K]
- d) Describe the concept of profit centres.^[K]
- e) Describe the concept of investment centres.^[K]

C Accounting for costs

1. Accounting for materials

- a) State the main categories of materials (raw material, work in progress and finished goods).^[K]
- b) Describe and prepare the accounting entries for material costs.^[S]
- c) Calculate the value of materials issued from inventory by applying FIFO (first in, first out) and AVCO (average cost), both periodic weighted average and cumulative weighted average.^[S]

2. Accounting for labour

- a) Define and calculate direct and indirect costs of labour, including idle time and overtime.^[S]
- b) Describe and prepare the accounting entries for labour costs.^[S]
- c) Define and calculate gross and net earnings.^[S]
- d) Describe labour remuneration methods (time-based systems, piecework systems, individual and group incentive schemes) and calculate employee earnings.^[S]

3. Accounting for other expenses

- a) Define and calculate direct and indirect expenses.^[S]
- b) Describe and prepare the accounting entries for expenses.^[S]
- c) Describe and calculate types of expenses e.g. non-cash.^[S]
- d) Describe and calculate asset and expenses items and prepare the relevant accounting entries.^[S]

D Costing techniques

period profit reporting and inventory valuation.^[K]

1. Absorption costing

- a) Describe the rationale for absorption costing.^[K]
- b) Describe the nature of production and service cost centres and their significance for production overhead allocation, apportionment and absorption.^[K]
- c) Describe the process of allocating, apportioning and absorbing production overheads to establish product costs.^[K]
- d) Calculate the overheads apportioned to cost centres using the appropriate bases.^[S]
- e) Calculate production cost centre absorption rates using labour hour and machine hour methods and use these to absorb overheads into product costs.^[S]
- f) Describe methods of attributing non-production overheads to cost units.^[S]
- g) Calculate product cost and profit using the absorption costing method (including mark-up and margin).^[S]
- h) Prepare profit statements using the absorption costing method.^[S]

2. Marginal costing

- a) Describe and calculate contribution.^[S]
- b) Prepare profit statements using the marginal costing method.^[S]
- c) Calculate product cost and profit using the marginal costing method (including mark-up and margin).^[S]
- d) Describe the differences between the use of absorption and marginal costing for

7. Approach to examining the syllabus

The syllabus is assessed by a two-hour computer-based examination. Questions will assess all parts of the syllabus and will test knowledge and some comprehension or application of this knowledge.

The examination will consist of two sections.

Section A will contain 45 two-mark objective test questions (OTs).

Section B will contain two five-mark multi-task questions (MTQs). One MTQ will examine syllabus section C: **Accounting for costs** and one MTQ will examine syllabus section D: **Costing techniques**.

8. Guide to ACCA examination structure and delivery mode

The structure of examinations varies, depending on the level of the qualification.

The Foundations examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus.

All Foundations examinations are assessed by two-hour computer-based examinations.

The pass mark for all Foundations examinations is 50%.

9. Guide to ACCA examination assessment

ACCA reserves the right to examine anything contained within the study guide at any examination session. This includes knowledge, techniques, principles, theories, and concepts as specified.

For specified financial accounting, audit and tax examinations, except if indicated otherwise, ACCA will publish examinable documents once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions. Regulation issued, or legislation passed on or before 31 August annually, will be assessed from 1 September of the following year to 31 August of the year after. Please refer to the examinable documents for the exam (where relevant) for further information.

Regulation issued or legislation passed in accordance with the above dates may be examinable even if the effective date is in the future. The terms 'issued' or 'passed' relate to when regulation or legislation has been formally approved.

The term 'effective' relates to when regulation or legislation must be applied to entity transactions and business practices.

The study guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The study guide should therefore be read in conjunction with the examinable documents list, where applicable.

10. Learning hours and education recognition

The ACCA Qualification does not prescribe or recommend any particular number of learning hours for examinations because study and learning patterns and styles vary greatly between people and organisations. This also recognises the wide diversity of personal, professional and educational circumstances in which ACCA candidates find themselves.

As a member of the International Federation of Accountants, ACCA seeks to enhance the education recognition of its qualification on both national and international education frameworks, and with educational authorities and partners globally. In doing so, ACCA aims to ensure that its qualifications are recognised and valued by governments and regulatory authorities and employers across all sectors. To this end, ACCA qualifications are currently recognised on the educational frameworks in several countries. Please refer to your national education framework regulator for further information about recognition.