



Australian Government

**Assessment Requirements for
MSFFDM4007 Identify and calculate
production costs**

Release: 1

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Modification History

Release 1. Unit code and Application changed. Elements and Performance Criteria changed. Range of Conditions removed and relevant content moved to Assessment Requirements. Assessment Requirements changed to remove duplication with Performance Criteria and clarify requirements. Supersedes and is not equivalent to MSFFT4010 Identify and calculate production costs.

Performance Evidence

There must be evidence the candidate has completed the tasks outlined in the elements and performance criteria of this unit, and demonstrated the ability to:

- identify and calculate production and product costs for two different products, and:
 - deliver documentation that identifies accurate costing information about all of the following:
 - materials
 - labour
 - overheads and percentage mark-ups
 - wastage
 - transport and packaging where relevant
 - produce reporting that shows the collection, organisation, and interpretation of information including procedures (in the context of cost), materials costings, payroll data, accounting records, costing matrices of other businesses and past production data
 - select suitable software or other means for documenting and communicating the production and product costs
 - adapt costings based on differences or changes in production scope, and report on the impact of those changes for one of the products.

Knowledge Evidence

There must be evidence the candidate has knowledge of:

- information required to establish production costs and what specific details are required:
 - product specifications
 - process specifications
 - production plan
 - labour unit costs
 - warehousing and distribution
 - logistic support contracts
 - supply agreements

- overhead costs:
 - rental/lease costs
 - utilities
 - non-production resources
 - depreciation of plant and equipment
 - warehousing margins
 - physical distribution unit costs
 - insurance
- workplace financial and costing policies and procedures for calculating and communicating costings
- how changes in product/production scope impact on costings
- features of software applications for calculating production costs to inform appropriate selection
- methods of communication relating to documenting production costs for both internal workplace and stakeholder/client consumption
- mathematical procedures used to calculate production costs:
 - estimation
 - the four basic mathematical operations: addition, subtraction, multiplication, and division
 - calculation of percentage mark-ups.

Assessment Conditions

Skills must have been demonstrated in the workplace or in a simulated environment that reflects workplace conditions and contingencies. The following conditions must be met for this unit:

- use of suitable facilities, equipment and resources, including:
 - product specifications
 - production process information
 - workplace costing policies and procedures
 - current information technology used for calculating and communicating costings.

Assessors must satisfy the NVR/AQTF mandatory competency requirements for assessors.

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=0601ab95-583a-4e93-b2d4-cfb27b03ed73>