

Basic Costing - changes for 2011 reprint

In the 2011 reprints of *Basic Costing Tutorial* and *Basic Costing Workbook* we have made some very minor modifications. These are designed to reflect the current AAT assessments involving analysis of costs. While the traditional analysis of costs into 'materials, labour and expenses' is entirely valid, the AAT assessments tend to use an analysis of 'materials, labour and overheads'. Since virtually all expenses can also be classified as overheads, this does not present any technical issues. We have therefore adjusted a number of the activities to use the analysis of materials, labour and overheads', so that students can become more familiar with this approach.

The page references are as follows:

Basic Costing Tutorial

- page 18 Insertion of new paragraph below Case Study:
'Since expenses are usually also classified as overheads (indirect costs) you could alternatively be asked to analyse costs into 'materials, labour, and overheads'. In this type of task you should assume that 'overheads' excludes materials and labour costs.'
- page 22 Activity 1.6
'Expenses' as a heading replaced by 'Overheads' and 'factory supervisor's salary' and 'works canteen assistant's wages' deleted. This is reflected in the answer on page 124.
- page 40 Case Study
'Expenses' in text and table replaced by 'Overheads' and reference to 'element' removed.
- pages 45 & 51 Activities 2.3, 2.14 & 2.15
'Expenses' in table replaced by 'Overheads' and reference to 'Element' removed. This is reflected in the answers on pages 130 and 131.

Basic Costing Workbook

- page 2 Activity 1.2
'Expenses' in activity replaced by 'Overheads' and 'Salary of the office cleaner' with 'Wages of carpenter who assembles shed panels.' This is reflected in the answer on page 20.
- page 3 Activity 1.3
'Salary of the office cleaner' replaced with 'Wages of carpenter who assembles shed panels.' This is reflected in the answer on page 20.
- page 7 Activity 2.5
'Fixed costs' replaced by 'Fixed overheads' and the word 'Element' removed. This is reflected in the answer on page 23.
- page 37 Task 1.11
'Fixed costs' replaced by 'Fixed overheads' and the word 'Element' removed. This is reflected in the answer on page 62.