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QUALIFI ASSESSMENT DOCUMENT

Qualification	Qualifi Level 3 integrated Diploma in Business and Management
Qualification No (RQF)	603/4730/2
Unit Name	An Introduction to Finance
Unit Reference	IM302
No of Credits	10 Credits

Introduction

Prior to attempting this coursework assignment, Learners must familiarise themselves with the following policies:

- Centre Specification
 - Can be found at <https://qualifi.net/qualifi-level-3-integrated-diploma-in-business-and-management/>
- Qualifi Quality Assurance Standards
- Qualifi Quality Policy Statement

Plagiarism and Collusion

In submitting the assignment Learner's must complete a statement of authenticity confirming that the work submitted for all tasks is their own. The statement should also include the word count.

Your accredited study centre will direct you to the appropriate software that checks the level of similarity. Qualifi recommends the use of <https://www.turnitin.com> as a part of the assessment.

Plagiarism and collusion are treated very seriously. Plagiarism involves presenting work, excerpts, ideas or passages of another author without appropriate referencing and attribution.

Collusion occurs when two or more learners submit work which is so alike in ideas, content, wording and/or structure that the similarity goes beyond what might have been mere coincidence

Please familiarise yourself on Qualifi's Malpractice and Maladministration policy, where you can find further information

Referencing

A professional approach to work is expected from all learners. Learners must therefore identify and acknowledge ALL sources/methodologies/applications used.

The learner must use an appropriate referencing system to achieve this. Marks are not awarded for the use of English; however, the learner must express ideas clearly and ensure that appropriate terminology is used to convey accuracy in meaning.

Qualifi recommends using Harvard Style of Referencing throughout your work.

Appendices

You may include appendices to support your work, however appendices must only contain additional supporting information, and must be clearly referenced in your assignment.

You may also include tables, graphs, diagrams, Gantt chart and flowcharts that support the main report should be incorporated into the back of the assignment report that is submitted.

Any published secondary information such as annual reports and company literature, should be referenced in the main text of the assignment, in accordance of Harvard Style Referencing, and referenced at the end of the assignment.

Confidentiality

Where a Learner is using organisational information that deals with sensitive material or issues, they must seek the advice and permission from that organisation about its inclusion.

Where confidentiality is an issue, Learners are advised to anonymise their assignment report so that it cannot be attributed to that particular organisation.

Word Count Policy

Learners must comply with the required word count, within a margin of +10%. These rules exclude the index, headings, tables, images, footnotes, appendices and information contained within references and bibliographies.

When an assessment task requires learners to produce presentation slides with supporting notes, the word count applies to the supporting notes only.

Submission of Assignments

All work to be submitted on the due date as per Centre's advice.

All work must be submitted in a single electronic document (.doc file), or via Turnitin, where applicable.

This should go to the tutor and Centre Manager/Programme Director, plus one hard copy posted to the Centre Manager (if required)

Marking and grades

Qualifi uses a standard marking rubric for all assignments, and you can find the details at the end of this document.

Unless stated elsewhere, Learners must answer all questions in this document.

Assignment Questions

Task 1 – 200 words

1. ABC is a start-up company engaged in retail business. This is the third month of their operations. Currently, they sell consumer goods through their main outlet and expect to expand it through other various distribution channels in the future. Alex, the owner of ABC is trying to implement a systematic method of recording financial data and source documents. Because, currently his trainee staff members only record cash expenses and receipts in a very basic level. Owner of ABC has approached you to get an advice on usefulness in systematic financial recording.

You as a consultant, write a report to the owner of ABC, covering below mentioned areas;

- 1.1 Explain the purpose of systematic financial recording.
- 1.2 Explain the importance / advantages of systematic financial recording to a company like ABC.
- 1.3 Briefly explain various financial recording techniques that ABC can follow.

Assessment Criteria

- 1.1 Explain/ understand systematic financial recording.
- 1.2 Importance of financial recording.
- 1.3 Understanding financial recording techniques.

Task 2 – 200 words

2. ABC is now in the third year of their operations. Alex has realized that merely recording financial data does not allow him to make management related decisions. Alex has decided to reach you (consultant) to find out explanations to below mentioned areas. Provide your answers to the below mentioned questions.

2.1 Explain what Management Accounting is and how it helps organisations in decision making.

2.2 Explain components and content of a Master Budget.

2.3 Explain what is a cash flow statement and benefits of maintaining cash flow forecasts.

Assessment Criteria

2.1 Explain the difference between Management Accounting and Financial Accounting.

2.2 Understanding the budgets and budgetary control.

2.2 Understanding cash flow statements and uses.

Task 3 – 200 words (Word count is not considered for 3.3)

3. As the business grows, Alex has realized the importance of understanding and interpreting information in financial statements. As the business has been growing substantially, now he has few other investors who involve in supporting the company financially. Thus, it is important for Alex to periodically provide updates to all the stakeholders of the company. When reviewing his recently prepared Management Accounts, Alex has realized that even in situations where there is a profit, bank balance could be negative in the statement. Considering you are the Accountant of ABC, answer below mentioned questions.
- 3.1 Explain the reasons for the difference between Retained earnings/ profits and the cash/bank balance of an organisation.
- 3.2 Briefly explain who are the stakeholders of an organisation and the use of financial statements to them.
- 3.3 You are provided with below mentioned data extracted from ABC's financial statements. Referring to the data provided, using the format of a cash flow statement, find out what is the net cash flow from Operating Activities.

	Prior Year (\$)	Current Year (\$)
Net Income		950,000
Depreciation		250,000
Dividends Paid		550,000
Accounts Receivable	2,500,000	3,000,000
Inventory	4,500,000	3,000,000
Accounts Payable	450,000	600,000
Long term Debt	2,300,000	3,000,000
Retained Earnings	7,150,000	7,350,000

Assessment Criteria

- 3.1 Understanding components of Financial Statements and their purpose.
- 3.2 Understanding users of financial statements and benefits to them.
- 3.3 Analysing / Preparing Financial statements.

Task 4 – 400 words

- 4 ABC is now in its 8th year of operations. Company has gone through significant expansion procedure during the last year due to identified growth opportunities. ABC now has created a good brand image and they have an increasing client base due to the excellent customer service they maintain. ABC operates in multiple outlets and Alex has plans to extend its retail operations to overseas countries. He prefers to start with a direct investment in the Asian region. However, he needs to understand the actual performance of the organisation in terms of profitability, liquidity and investment. Alex has requested you (Accountant of ABC), to submit a report covering below mentioned areas. (Note: You are also provided with the below mentioned ratios of ABC to support your report)

Details	Current Year (Year - X)	Last Year (Year - Y)
Gross Margin (%)	24.3	24.3
Operating Margin (%)	5.60	5.70
Return on Assets (%)	8.01	8.10
Current Ratio	0.97	0.88
Quick Ratio	0.24	0.20
Inventory Turnover	8.11	8.08
Debt/Equity	0.54	0.58
Return on Investment (%)	16.9	17
Return on Equity (%)	20.76	21
Earnings Per Share	5.05	5.07

- 4.1 Referring to the ratios provided in the table, analyse, compare ratios for the two years and interpret the status of profitability, liquidity and investments of ABC.
- 4.2 Explain why an organisation shouldn't purely depend on ratio analysis; in other words, limitations in ratio analysis.
- 4.3 Briefly explain advantages in benchmarking for an organisation like ABC.

Assessment Criteria

4.1 Performing, analysing and interpreting ratios.

4.2 Limitations in ratio analysis.

4.3 Explain benchmarking.

	Distinguished	Excellent	Good	Proficient	Basic	Marginal	Unacceptable
Criteria	80+	70	60	50	40	30	0
Content (alignment with assessment criteria)	Extensive evaluation and synthesis of ideas; includes substantial original thinking	Comprehensive critical evaluation and synthesis of ideas; includes coherent original thinking	Adequate evaluation and synthesis of key ideas beyond basic descriptions; includes original thinking	Describes main ideas with evidence of evaluation; includes some original thinking	Describes some of the main ideas but omits some concepts; limited evidence of evaluation; confused original thinking	Largely incomplete description of main issues; misses key concepts; no original thinking	Inadequate information or containing information not relevant to the topic
Application of Theory and Literature	In-depth, detailed and relevant application of theory; expertly integrates literature to support ideas and concept	Clear and relevant application of theory; fully integrates literature to support ideas and concepts	Appropriate application of theory; integrates literature to support ideas and concepts	Adequate application of theory; uses literature to support ideas and concepts	Limited application of theory; refers to literature but may not use it consistently	Confused application of theory; does not use literature for support	Little or no evidence of application of theory and relevant literature
Knowledge and Understanding	Extensive depth of understanding and exploration beyond key principles and concepts	Comprehensive knowledge and depth of understanding key principles and concepts	Sound understanding of principles and concepts	Basic Knowledge and understanding of key concepts and principles	Limited and superficial knowledge and understanding of key concepts and principles	Confused or inadequate knowledge and understanding of key concepts and principles	Little or no evidence of knowledge or understanding of key concepts and principles
Presentation and Writing Skills	Logical, coherent and polished presentation exceeding expectations at this level; free from errors in mechanics and syntax	Logical, coherent presentation demonstrating mastery; free from errors in mechanics and syntax	Logical structure to presentation; makes few errors in mechanics and syntax which do not prohibit meaning	Orderly presentation; minor errors in mechanics and syntax	Somewhat weak presentation; errors in mechanics and syntax may interfere with meaning	Confused presentation; errors in mechanics and syntax often interfere with meaning	Illogical presentation lacking cohesion; contains significant errors that interfere with meaning
Referencing	Advanced use of in-text citation and references	Mastery of in-text citation and referencing	Appropriate use of in-text citation and referencing	Adequate use of in-text citation and referencing	Limited use of in-text citation and referencing	Inadequate use of citation and referencing	Little or no evidence of appropriate referencing or use of sources

Instructor's Comments

Directions:

1. For each of the criteria listed in the first column, circle one box in the corresponding column to the right which best reflects the student's work on this particular assessment activity (e.g., project, presentation, essay).
2. Provide specific feedback to a student about each of the criteria scores he/she earned by writing comments and suggestions for improvement in the last row titled "Instructor's comments."
3. To arrive at a mark, total the boxes and divide by 5 to arrive at final mark.

Example:

	Distinguished	Excellent	Good	Proficient	Basic	Marginal	Unacceptable
Range	80-100	70-79	60-69	50-59	40-49	35-39	0-34

Criteria	Score
Content	50
Application of Theory and Literature	40
Knowledge and Understanding	50
Presentation/Writing Skills	40
Referencing	40
Total Score	220/5 = 44, Basic



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