

Learning Assessment Guide

Unit Standard 19015 – Version 2

Carry out and report on financial analysis in a business operation

Level 4 – 3 Credits

Assessment Summary			
Learner to complete			
Learner's name:			
Employer:			
NSN no. (ROL):		DOB:	
Signed:		Date:	
Assessor to complete			
<input type="checkbox"/> Meets requirements <input type="checkbox"/> More training required <input type="checkbox"/> More evidence required			
Assessor's name:		Assessor's No.	
Signed:		Date:	

Before you begin...

- As well as this Learning Assessment Guide, you may also want to refer to the unit standard from the NZQA website (<http://www.nzqa.govt.nz>).
- Read the Trainee Information Kit. The kit contains important information and guidelines for Learners and can be found on the Learning State website (<http://www.learningstate.govt.nz>) under Learners, then Learning Assessment Guides.
- Check the learning resources available for this unit standard on the Learning State website (<http://www.learningstate.govt.nz>) under Learners, then Learning Assessment Guides.

The tasks in this assessment are designed to show your assessor that you can:

- Demonstrate knowledge of financial analysis in a business operation
- Calculate ratios to provide measures in a business operation
- Report the results of financial analysis in a business operation.

This Learning Assessment Guide is made up of:

- Tasks for you to complete.
- Assessment Guide that the assessor will use to assess your competence.

Special notes relating to this unit standard:

1. This unit standard is for people who need to understand and interpret financial information, such as management accounts.
2. Glossary: *GAAP* is generally accepted accounting practices. A *business operation* may form part of an organisation's activities or it may constitute a complete organisation.
3. The benchmarks for ongoing financial viability of the business operation will have been established for the learner. Competencies will be demonstrated in conjunction with a financial management software package.
4. This unit standard will be assessed on the basis of evidence of demonstrated performance in the workplace, or in simulated situations that demand performance equivalent to that required in work.

Assessment Task One – Element 1

Introduction

Assessment task one is designed to assess your knowledge of financial analysis in a business operation.

Instructions

Answer all questions. For this assessment task you will need to refer to measures and ratios relating to a particular business operation in your own workplace. This may be part of your organisation's activities or may constitute the complete organisation.

Question 1

- a) There are a number of measures that are used in the financial analysis of a business operation. For each of the following measures,
- i) explain what the measure is, and how it affects the financial position of a business operation.
 - ii) provide an example of the measure.

- **Statement of Financial Performance**

Explanation and how it affects the financial position of the business operation:

Example:

- **Statement of Financial Position**

Explanation and how it affects the financial position of the business operation:

Example:

- **Gross Profit Ratio**

Explanation and how it affects the financial position of the business operation:

Example:

- **Operating Ratio**

Explanation and how it affects the financial position of the business operation:

Example:

- **Net Profit Ratio**

Explanation and how it affects the financial position of the business operation:

Example:

b) Choose **three** of the following ratios. For each,

- i) provide an example of the ratio.
- ii) explain what the ratio is, and how it affects the financial position of a business operation.

- **Current**
- **Liquid**
- **Expense**
- **Proprietary**
- **Stock Turnover**
- **Return on Total Resources**
- **Return on Proprietors' Funds**
- **Asset-Proprietorship**
- **Liabilities-Proprietorship**
- **Stock-Working Capital**
- **Capital Gearing**

Ratio 1: _____

Explanation and how it affects the financial position of the business operation:

Example:

Ratio 2: _____

Explanation and how it affects the financial position of the business operation:

Example:

Ratio 3: _____

Explanation and how it affects the financial position of the business operation:

Example:

Question 2

Who would use financial analysis in a business operation?

Question 3

Explain the ways budgeting is applied in a business operation.

The completed assessment for task one will include:

All questions are completed.

Assessment Task Two – Element 2

Introduction

Assessment task two is designed to assess your ability to calculate ratios to provide measures in a business operation.

Instructions

For this assessment task you will need to refer to a particular business operation in your own workplace. This may be part of your organisation's activities or may constitute the complete organisation.

Calculate ratios to provide the following measures for a business operation you are familiar with. The ratios must be calculated in accordance with the GAAP. Use an appropriate financial software package, and print the results. Clearly label these printouts, and submit them with this Learning Assessment Guide.

- **Profitability**
- **Asset utilisation**
- **Ongoing financial viability.**

The completed assessment for task two will include:

All ratios are calculated, and evidence of working is presented.

Assessment Task Three – Element 3

Introduction

Assessment task three is designed to assess your ability to report the results of financial analysis in a business operation.

Instructions

For this assessment task you will need to refer to a particular business operation in your own workplace. This may be part of your organisation's activities or may constitute the complete organisation.

You will need to conduct financial analysis of the business operation then present the results in a report. Use a report format that is appropriate for the end user(s) of the report and for the task.

You need to clearly state who will be the end user(s) of the report.

In the report, compare:

- At least two accounting periods
- At least two parts of the business operation (these could be, for example, different branches, departments, regions, or subsidiary companies).

You also need to include:

- Two limitations of the financial analysis
- An outline of the deficiencies you have identified in the operation's performance
- Recommendations for actions to address these deficiencies.

The completed assessment for task three will include:

The report contains all required content.

Assessment Guide

These are the evidence and judgements that your assessor will use to assess your competence in unit standard 19015.

Task / Element	Evidence required	Judgement
<p><i>Task 1 / Element 1</i></p> <p>Demonstrate knowledge of financial analysis in a business operation.</p>	All questions are completed	<p>Measures and ratios are explained clearly and accurately. Appropriate examples are given.</p> <p>Relevant users of financial analysis are identified.</p> <p>Relevant ways in which budgeting is applied are identified and clearly explained.</p>
<p><i>Task 2 / Element 2</i></p> <p>Calculate ratios to provide measures in a business operation.</p>	All questions are completed	Ratios are calculated correctly in accordance with the GAAP.
<p><i>Task 3 / Element 3</i></p> <p>Report the results of financial analysis in a business operation.</p>	The report addresses all required content	<p>The report must be presented in an appropriate format. It must also:</p> <ul style="list-style-type: none"> • clearly and accurately compare and interpret ratios calculated in at least two accounting periods • clearly and accurately compare and interpret ratios for at least two different parts of the business operation • clearly identify two relevant limitations to the financial analysis • include appropriate recommendations for actions to address any deficiencies in the operation's performance.