Open Awards Qualification Unit

This unit forms part of a regulated qualification.

1 Unit Details

Unit Title:	Understanding Finance for Non-Financial Managers in Logistics
Unit Reference Number:	H/618/7519
Level:	Level 3
Credit Value:	3
Minimum GLH:	22

2 Learning Outcomes and Criteria

Learning Outcome (The Learner will):	Assessment Criterion (The Learner can):
1. Understand the primary financial statements and the linkages between them	1.1 Describe the roles of book-keeping, financial accounting and management accounting
	1.2 Identify primary financial statements
	1.3 Explain the various components of at **least two** financial statements
2. Understand the importance of cash management to a business	2.1 Describe the difference between 'cash' and 'profit'
	2.2 Identify components relating to working capital
3. Be able to interpret the financial health of a business using ratios	3.1 Use ratios to help interpret the financial health of a business
4. Be able to make financial decisions using budgetary control concepts	4.1 Describe at **least two** budgetary control concepts
	4.2 Identify costing techniques relating to budgeting
	4.3 Analyse a budget and identify variances
	4.4 Identify the break-even point
5. Be able to identify financing or funding options	5.1 Explain at least two sources of long-term finance
	5.2 Explain at least two sources of short-term finance

Learning Outcome 1 - Indicative Content

AC 1.1 Learners should understand the difference between the roles of between book-keeper, financial accountant and management accountant.

AC 1.2 Learners should understand primary financial statements including profit and loss, balance sheets and cashflow forecast, how to read them and how they relate to each other.

Learning Outcome 2 - Indicative Content

Learners should understand the importance of:

- Cash flow management
- Cash inflows (revenue, loans and capital)
- Cash outflows (supplies, staff, rent, utilities etc)
- Calculating and monitoring cash flow (positive and negative)
- Profit and how it ensures solvency
- Net cash flows
- Opening and closing balance

Learning Outcome 3 - Indicative Content

Learners should also consider:

- Liquidity and solvency
- Current ratio
- Quick ratio
- Cash ratio
- Financial leverage
- Turnover
- Profitability and market value.

Learning Outcome 4 - Indicative Content

Learners should be able to:

- Monitor budgets (checking accuracy)
- establishing position
- comparing actual with budgeted income and expenditure
- calculate variances and identify reasons for variance
- managing budgets (identify action to keep budget under control).

Learning Outcome 5 - Indicative Content

5.1 Learners should be able to explain at least two of the following long-term sources of finance

- Share release
- Loans
- Venture capital
- Retaining profits.

5.2 Learners should be able to explain at least two of the following short-term sources of finance

- Trade credit
- Factoring
- Commercial bank loans,
- Deferred income and accruals