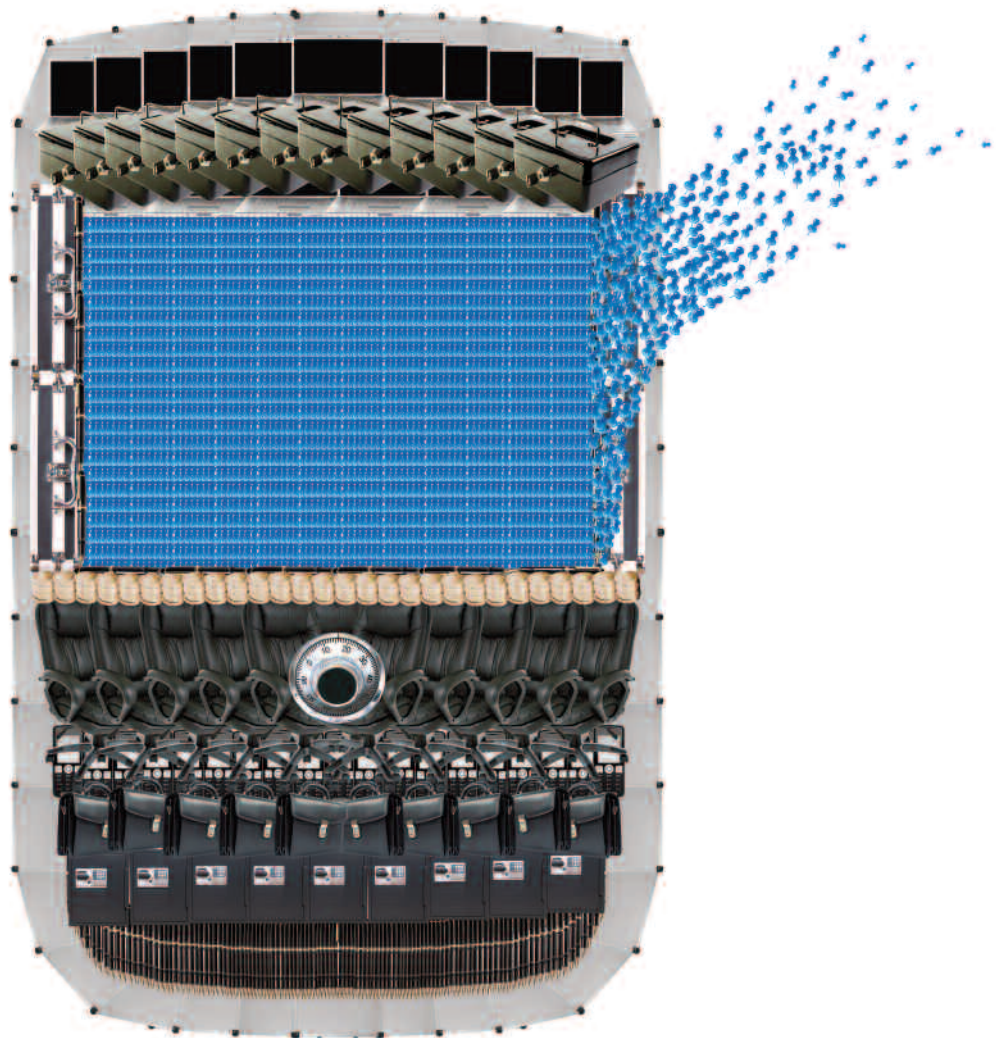


BUSINESS, ADMINISTRATION AND FINANCE

Unit 3: Business finance and accounting



Business, Administration and Finance

Level 2 Unit 3: Business finance and accounting


Sample scheme of work

This is an example of a possible scheme of work. You can use it as it is, adjust it or extract content to create a scheme of work to suit your delivery needs. It can also be adjusted by adding theory workshops to support learners who have/need additional learning time.

A student's project along with the internal assessment commentary is available at www.diplomainfo.org.uk

Total GLH	60
Delivery model	This scheme is divided into topics and linked topics with an approximate indication of the GLH. The topics may then be split according to the duration of sessions and period of delivery.
Aim	<p>To introduce learners to the role of business finance in the survival and the success of enterprises, and discover the basic financial techniques used in business. Learners will:</p> <ul style="list-style-type: none"> • understand the importance of finance and accounting to business • know the main processes and key roles within business finance and accounting • be able to record and process the main types of financial transaction • be able to prepare basic financial documents and reports • understand simple financial planning techniques.
Notes	<p>The assessment for this unit may be included as part of another unit assessment. This unit could also be co-taught with Unit 1: Business enterprise, Unit 2: Business communication and administration, Unit 4: Marketing, sales and customer service for business, and Unit 7: Success at work.</p> <p>Under FS (functional skills):</p> <p>* indicates opportunities for assessment in English of speaking and listening and/or written communication</p> <p>+ indicates opportunities for use of mathematics in analysing, interpreting and presenting information</p> <p>🖨 indicates opportunities for assessment in ICT</p>

Topic	Activities, assignments, assessments	LO and AC	PLTS	FS	GLH
<p>1 Understand the importance of finance and accounting to business</p>	<p>Learners must study two short case studies; one of a successful business, the other of an unsuccessful business, in which the key financial/accounting reasons for their success/failure are detailed. Learners should extract the key points from the case studies.</p> <p>In pairs, learners should put their summaries into a 'graphical organiser' (divided into four quarters, with 'successful business' and 'failing business' along one side and 'financial reasons' and 'accounting reasons' along the other).</p> <p>Conduct a class activity to discuss the tables.</p>	AC1a		* + ☺	6

Topic	Activities, assignments, assessments	LO and AC	PLTS	FS	GLH
<p>2 Know the main processes and key roles within business finance and accounting</p>	<p>Learners must identify from a random list of activities those which are likely to be undertaken by a bookkeeper and an accountant to enable them to describe the main activities involved in these roles.</p> <p>Learners should take part in a group activity preparing job descriptions for a bookkeeper and/or accountant for a range of businesses (eg service, retail, manufacturing, small-scale, large-scale) and present their ideas to the class. Newspaper and on-line advertisements for bookkeepers and accountants which describe the main tasks that the successful candidates will be expected to undertake will be useful. Job descriptions for these roles can be obtained from local businesses.</p> <p>Conduct a teacher-led discussion about costs and taxes with which learners are familiar (eg through work experience, part-time employment, etc). Learners could then broaden this knowledge using businesses' final accounts and the internet. Learners could find annual reports and financial statements for companies that are household names and with which they are familiar, eg Asda, John Lewis, Manchester United. <i>(These documents are highly detailed. It is suggested that learners focus on the key facts they can easily find, eg trend in turnover, remuneration of the highest paid director.)</i></p> <p>Learners should study the completed documents for a number of small business transactions (cash and credit) to sort out the correct groupings of documents and the correct sequence of events. Sets of completed documents may possibly be accessed from the financial department within the consortia. In pairs, learners could record some transactions, one person using manual methods, the other using electronic methods, comparing the accuracy of their figures. Learners could also produce some business documents electronically and either view or prepare examples of databases of financial information.</p> <p>Arrange for a guest speaker to give learners a demonstration of an accounting software package and to lead a discussion on the implications of the purchase for businesses. It would also be helpful if the person could explain a typical day's work for an accountant or bookkeeper.</p>	AC2a-d		* + 	12

Topic	Activities, assignments, assessments	LO and AC	PLTS	FS	GLH
<p>3 Be able to record and process the main types of financial transaction</p>	<p>Learners need to understand how financial information is recorded and processed. Learners could be shown examples of how a range of simple transactions would be recorded manually and compare this with a demonstration of how the same transactions would be recorded using a software package. Learners could compare the two methods and show the key differences.</p> <p>Provide case studies showing completed cash books and discount and VAT calculations with practice material and model answers. Learners must then complete cash books and consider their value to the owner(s) of a business.</p> <p>Learners must calculate trade and cash discounts and VAT on simple transactions using current rates.</p> <p>Provide case studies showing completed profit calculations and income statements with practice materials and model answers. Learners should prepare calculations of gross profit and profit, and practise preparing simple income statements.</p> <p>Learners must use peer and/or self assessment to check their work and consider the implications of making errors.</p>	AC3a, b		<p>*</p> <p>+</p> <p>✓</p>	12

Topic	Activities, assignments, assessments	LO and AC	PLTS	FS	GLH
<p>4 Be able to prepare basic financial documents and reports</p>	<p>Use news reports of the financial results of well-known businesses (available from printed and electronic media) as a basis for discussion of this topic. Wherever possible use a range of real financial statements.</p> <p>Learners must prepare documents manually or electronically for a typical set of transactions for a range of businesses (retail, service, manufacturing) based on orders, purchase and sale on credit, issuing receipts and writing cheques. Transactions, where appropriate, will include calculation of VAT. Learners should work in pairs/groups to complete documents for a variety of situations, considering the value of documentation to the owner(s) of businesses. They should also devise means of checking their own work, recording the possible consequences of any errors discovered in their work.</p> <p>Demonstrate how to complete a cash-flow forecast using actual examples. Use a range of case studies requiring completion of cash-flow forecasts, of both differing degrees of difficulty and of success.</p> <p>Learners must prepare simple cash-flow forecasts using manual and electronic templates. Learners should also prepare more complex cash-flow forecasts including cash flows arising from credit transactions. They should consider the value of the cash-flow process to the owner(s) of businesses and how best to avoid cash-flow problems. In pairs or small groups ask learners to devise strategies to overcome problems, describing the impact of their ideas on cash flows. They should present their ideas to the whole group for further discussion.</p> <p>Demonstrate how to complete income statements and balance sheets using actual examples. Present a range of case studies requiring completion of income statements and balance sheets, of both different degrees of difficulty and of success.</p> <p>Learners must prepare income statements and balance sheets using manual and electronic templates. Learners must consider the value of these statements to the owner(s) of businesses, devising strategies for overcoming problems and considering the impact of any recommended actions on profit and the position as shown by the balance sheet.</p>	AC4a–c	IE4	* + ☺	18

Topic	Activities, assignments, assessments	LO and AC	PLTS	FS	GLH
<p>5 Understand simple financial planning techniques</p>	<p>Learners need to be aware of the uses of financial information and accounting records. Use case studies to demonstrate this. Learners should consider a number of cases of successful and failing businesses that demonstrate aspects of profitability (including operating at a loss), solvency and the value of the business.</p> <p>Learners must use examples of forecasts and budgets (cash flow and income statements) to develop an understanding of their value in managing a business and preventing or overcoming problems. Learners should prepare revised forecasts and budgets where businesses use a range of techniques to improve financial viability.</p> <p>Learners should consider case studies of businesses using different sources of finance. Learners could use a 'graphic organiser' (as in LO1) to analyse the case studies and derive a record of benefits and shortcomings of each potential source of finance.</p> <p>Learners should consider a range of examples of businesses requiring finance and, working in pairs/groups, make recommendations as to which source of finance to use. Learners must present their ideas to the rest of the group for further discussion.</p>	AC5a–d		* + ☺	12

RESOURCES

Websites

HM Revenue & Customs: www.hmrc.gov.uk (information about corporation tax, income tax and VAT)

Books

Austen, D. and Hailstone, P. (2008) *AQA Accounting for AS*. Nelson Thornes.

Cox, D. and Fardon, M. (2004) *AS Accounting for AQA*. Osborne Books.

(Examples of sole trader final accounts from which learners will be able to research typical business costs can be found in these books.)