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| Title: | **Understanding the financial needs of an enterprise**  |
| QCF Level: | **2** |
| Credit value: | **3** |
| Unit guided learning hours | **6** |
| Learning outcomes (the learner will) | Assessment criteria (the learner can) |
| 1. Understand the costs involved in starting an enterprise
 | 1.11.2 | Identify the costs needed to start and run the enterpriseExplore sources of finance for starting and running the enterprise |
| 1. Understand the importance and methods of keeping financial records
 | 2.12.2 | Identify the financial records needed to be retained and the reasons for retention Explain how financial records can be used to monitor enterprise growth  |
| 1. Understand the importance of cash flow and break even analysis
 | 3.13.23.3 | Produce a simple cash flow forecast for the proposed enterprise Calculate the break even point for the proposed enterprise Produce a budget to ensure enterprise sustainability  |
| **Additional information about the unit** |  |
| Unit purpose and aim(s) | To understand effective financial planning and the maintenance of records to ensure the success of an enterprise. |
| Details of the relationship between the unit and relevant national occupational standards or professional standards or curricula (if appropriate) | Links to SFEDI 2010 NOS: mn1, MN2, MN3, MN4, Links to CfA 2009 NOS: M&LE1, M&LE2,  |
| Assessment requirements or guidance specified by a sector or regulatory body (if appropriate) |  |
| Support for the unit from a sector skills council or other appropriate body (if required) | Council for Administration (CfA) |
| Equivalencies agreed for the unit (if required) | E2.04 - Exploring the financial needs of a business |
| Location of the unit within the subject/sector classification system | 15.3 - Business Management |
| **Additional Guidance about the Unit** |
| **Indicative Content:** |
| 1 | * The costs of starting and running a business
* Sources of funding and their advantages and disadvantages
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| 2 | * What records need to be kept and their purpose
* Simple balance sheets and profit and loss account
* Methods of monitoring and measuring the financial success of a business
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| 3 | * Ways of forecasting cash flow and how it helps a business to survive
* How to calculate a break even point
* The importance of planning a budget
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