|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 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 | | | 1.1  1.2 | Identify the costs needed to start and run the enterprise  Explore sources of finance for starting and running the enterprise |
| 1. Understand the importance and methods of keeping financial records | | | 2.1  2.2 | 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 | | | 3.1  3.2  3.3 | 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 | | | |
| 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 | | | |
| 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 | | | |