



Unit Title	Managing financial resources in the water industry (K/506/1605)	
Level	4	
Credit Value	8	
Learning Outcomes – the learner will be able to:	Assessment Criteria – the learner can:	
1. Assess the performance and financial position of a business	1.	describe major inflows and outflows of cash for a business.
	2.	explain how to produce a standard set of company financial statements that conforms to international standards.
	3.	interpret the information in a standard set of company financial statements .
	4.	describe key expenditure types and budget structures.
	5.	explain how companies account for expenditure .
	6.	identify key accounting ratios used to analyse a business's financial performance.
	7.	calculate key accounting ratios .
	8.	evaluate the financial performance of a business.
2. Evaluate the financial information needs of stakeholders	1.	identify the main stakeholders of a water organisation
	2.	explain why stakeholders require financial information.
	3.	identify sources of financial information for given stakeholders.
3. Recommend sources of finance for specified purposes	1.	explain a business entity's requirement for additional sources of finance.
	2.	describe the characteristics of different sources of finance.
	3.	identify sources of finance currently employed by a business.
	4.	categorise sources of finance.
	5.	explain costs associated with different sources of finance.
	6.	explain the costs of funding working capital.
4. Understand the main responsibilities and accountabilities of managing operational budgets	1.	explain the reasons for effective budget management at different levels in an organisation.
	2.	identify the information required to produce an accurate budget.
	3.	describe how budgets are developed and linked to company business plans.
	4.	explain how different techniques are applied to budget preparation.
	5.	explain why budget planning is important.
	6.	explain how forecasting and profiling of spend and income is achieved.
	7.	explain how budget performance is monitored and reported.
	8.	describe how targets and performance are monitored at different levels in an organisation.
	9.	explain how budget variances occur and how they are managed.

Additional information about the unit



Unit purpose and aims	<p>This unit provides the underpinning knowledge and financial understanding which managers need in order to interpret financial information and to make recommendations based on financial data.</p> <p>On completion of the unit the learner will be able to:</p> <ul style="list-style-type: none">• assess the performance and financial position of a business.• evaluate the financial information needs of stakeholders.• recommend sources of finance for specified purposes• describe the key requirements of budget management.
Unit expiry date	31/03/2019
Assessment requirements and guidance	<p>In the assessment of this unit, the learner must ensure that the evidence that they produce covers the following:</p> <ol style="list-style-type: none">1. The learner must describe the major inflows and outflows of cash for a business, identifying three of each using a suitable pro forma.2. The company financial statements should be produced using a suitable pro forma, which must include:<ol style="list-style-type: none">(a) a trading profit and loss account(b) a balance sheet.3. The explanation of how companies account for expenditure must include three examples of capital and revenue expenditure for each of the following:<ol style="list-style-type: none">(a) OPEX(b) CAPEX(c) IRE.4. The learner must identify and calculate six key accounting ratios covering areas of:<ol style="list-style-type: none">(a) profitability(b) liquidity(c) efficiency(d) capital structure.5. The learner's evaluation of the financial performance of a business must take into account the information contained in the financial statements produced and the ratios calculated.6. The learner must give at least two reasons why stakeholders require financial information.7. The learner must identify four sources of financial



	<p>information for given stakeholders.</p> <ol style="list-style-type: none">8. The learner must provide three reasons why a business could require additional sources of finance.9. The learner must describe the characteristics of three different sources of finance.10. The learner must use a balance sheet to identify three sources of finance currently used by a business, including both:<ol style="list-style-type: none">(a) equity(b) loan capital.11. The learner must categorise each source of finance into short term, medium term and long term, and explain their significance.12. The learner must produce one explanation of the costs associated with each of:<ol style="list-style-type: none">(a) additional sources of finance(b) funding working capital.13. The learner must describe three different techniques (methods) used for preparing a budget. <p>The assessment of this unit will be via a combination of centre-devised assignments and tests, and will be conducted in supervised conditions. The assessment strategy for the unit has been agreed with industry stakeholders.</p>
Location of the unit within the subject/sector classification system	4.1 Engineering
Name of the organisation submitting the unit	CABWI Awarding Body
Availability for use	Shared
Unit guided learning hours	32