# Citrus Business Management Programme

Module 6

**Manage your Business: Finance for Agribusiness Managers**

Summative PoE Guide



P.O. Box 461, Hillcrest, 3650
(031) 765-3410

**Content originator:**
Scientific Roets (Pty) Ltd, P.O. Box 461, Kokstad, 4700

**Additional content and adaptation:**
Citrus Academy

**Learning programme and material developer:**
Carol Harington (Rapid Skills Warehouse)

# Contents

| | |
|---|---|
| **Assessor Orientation** | **4** |
| Background Information | 4 |
| Unit Standard Information | 5 |
| Associated Qualification | 7 |
| **Learner Details** | **8** |
| **Section 1: Summative Assessment Activities** | **9** |
| S114805.1 – Work Samples and Knowledge Questionnaire | 9 |
| S114805.2 – Work Sample and Analysis Questionnaire | 12 |
| S114805.3 – Knowledge Questionnaire | 16 |
| S114805.4 – Knowledge Questionnaire with Case Study | 19 |
| **Section 2: Summative Assessment Activities** | **21** |
| S263474.1 – Knowledge Questionnaire | 21 |
| S263474.2 – Case Study and Knowledge Questionnaire | 24 |
| S263474.3 – Knowledge Questionnaire | 28 |
| S263474.4 – Knowledge Questionnaire | 34 |

# Assessor Orientation

## Background Information

The main theme of this module is the establishment of admin and financial management systems in entrepreneurial business. Note that this module has been contextualised for agribusiness.

The module will cover aspects such as:

- Administration systems for:
  - processing payments
  - coordinating marketing and promotional activities
  - controlling and keeping records of confidential information
  - monitoring and controlling staff performance and discipline
- Understanding the financial aspects involved in running an agribusiness
- Cash flow management
- Accounting systems
- Analysis of financial statements
- Financial decision making

This module contributes to the exit level outcome and associated criteria:

4. Manage a new venture by applying business principles and techniques.

4.1 A business plan for a new venture is developed using strategic planning principles and techniques.

4.2 Guidelines for the implementation and monitoring the strategic action plan are formulated in terms of milestones and timeframes.

4.3 Financial management planning principles and techniques are applied in order manage the business in an efficient and effective manner.

4.4 Production and / or operations management is applied in a chosen business opportunity.

This module comprises of 2 unit standards and attracts 10 credits.

| | | | | | | |
|---|---|---|---|---|---|---|
| **Section 1** | **Business Administration** | 114805 | Manage general administration | C | 4 | 4 |
| **Section 2** | **Financial Management** | 263474 | Manage finances of a new venture | C | 4 | 6 |

# Unit Standard Information

**Manage general administration**

<table>
<tr><td>SAQA US ID</td><td colspan="4">UNIT STANDARD TITLE</td></tr>
<tr><td>114805</td><td colspan="4">Manage general administration</td></tr>
<tr><td colspan="5">ORIGINATOR</td></tr>
<tr><td colspan="5">SGB Hairdressing Cosmetology and Beauty</td></tr>
<tr><td colspan="5">PRIMARY OR DELEGATED QUALITY ASSURANCE FUNCTIONARY</td></tr>
<tr><td colspan="5">-</td></tr>
<tr><td colspan="3">FIELD</td><td colspan="2">SUBFIELD</td></tr>
<tr><td colspan="3">Field 11 - Services</td><td colspan="2">Personal Care</td></tr>
<tr><td>ABET BAND</td><td>UNIT STANDARD TYPE</td><td>PRE-2009 NQF LEVEL</td><td>NQF LEVEL</td><td>CREDITS</td></tr>
<tr><td>Undefined</td><td>Regular</td><td>Level 4</td><td>NQF Level 04</td><td>4</td></tr>
<tr><td colspan="2">REGISTRATION STATUS</td><td>REGISTRATION START DATE</td><td>REGISTRATION END DATE</td><td>SAQA DECISION NUMBER</td></tr>
<tr><td colspan="2">Reregistered</td><td>2015-07-01</td><td>2018-06-30</td><td>SAQA 10105/14</td></tr>
<tr><td colspan="2">LAST DATE FOR ENROLMENT</td><td colspan="3">LAST DATE FOR ACHIEVEMENT</td></tr>
<tr><td colspan="2">2019-06-30</td><td colspan="3">2022-06-30</td></tr>
</table>

*In all of the tables in this document, both the pre-2009 NQF Level and the NQF Level is shown. In the text (purpose statements, qualification rules, etc), any references to NQF Levels are to the pre-2009 levels unless specifically stated otherwise.*

This unit standard does not replace any other unit standard and is not replaced by any other unit standard.

**PURPOSE OF THE UNIT STANDARD**

The person credited with this unit standard is able to correctly process payments to suppliers, employees and vendors and manage and co-ordinate all promotional activities to general sales

The qualifying learner is capable of:

- Processing payments
- Co-ordinating and monitoring promotional activities
- Controlling and dealing with confidential information and documents
- Implementing control measures with individuals

**LEARNING ASSUMED TO BE IN PLACE AND RECOGNITION OF PRIOR LEARNING**

Learners accessing this qualification will have demonstrated competence against unit standards in mathematical, computer, numerical and communication studies at NQF Level 3 or equivalent.

**UNIT STANDARD RANGE**

- Staff and labour costs, include but are not limited to: legislative requirements, salary. Commission etc
- Operating costs include but are not limited to: water, lights, equipment hire etc
- Promotional resources include but are not limited to; people required, products required, advertising material requirements etc

**Manage finances of a new venture**

| **SAQA US ID** | **UNIT STANDARD TITLE** | | | |
|---|---|---|---|---|
| 263474 | Manage finances of a new venture | | | |
| **ORIGINATOR** | | | | |
| Task Team - New Venture Creation | | | | |
| **PRIMARY OR DELEGATED QUALITY ASSURANCE FUNCTIONARY** | | | | |
| - | | | | |
| **FIELD** | | | **SUBFIELD** | |
| Field 03 - Business, Commerce and Management Studies | | | Generic Management | |
| **ABET BAND** | **UNIT STANDARD TYPE** | **PRE-2009 NQF LEVEL** | **NQF LEVEL** | **CREDITS** |
| Undefined | Regular | Level 4 | NQF Level 04 | 6 |
| **REGISTRATION STATUS** | | **REGISTRATION START DATE** | **REGISTRATION END DATE** | **SAQA DECISION NUMBER** |
| Reregistered | | 2015-07-01 | 2018-06-30 | SAQA 10105/14 |
| **LAST DATE FOR ENROLMENT** | | **LAST DATE FOR ACHIEVEMENT** | | |
| 2019-06-30 | | 2022-06-30 | | |

*In all of the tables in this document, both the pre-2009 NQF Level and the NQF Level is shown. In the text (purpose statements, qualification rules, etc), any references to NQF Levels are to the pre-2009 levels unless specifically stated otherwise.*

This unit standard replaces:

| US ID | Unit Standard Title | Pre-2009 NQF Level | NQF Level | Credits | Replacement Status |
|---|---|---|---|---|---|
| 114586 | Manage finances of a new venture | Level 4 | NQF Level 04 | 5 | Complete |

**PURPOSE OF THE UNIT STANDARD**

This Unit Standard is intended for learners who have to manage the finances of a business venture. Learners who achieve this Unit Standard are able to manage the income and expenditure of own business and base financial decision-making on financial data.

Learners credited with this unit standard will be able to:

- Explain financial aspects involved in running new venture.
- Apply cash flow management in the running of a new venture.
- Apply an accounting system to manage a new venture.
- Analyse an income and expenditure statement.
- Analyse a balance sheet.
- Make a financial decision based on financial statements.

**LEARNING ASSUMED TO BE IN PLACE AND RECOGNITION OF PRIOR LEARNING**

It is assumed that the learner has the following knowledge and skills:

- Communication at NQF Level 3.
- Mathematical Literacy at NQF Level 3.

**UNIT STANDARD RANGE**

N/A

**information**

## Unit Standard References

The SAQA registered unit standards associated with this learning program are included in this guide for your information.

Please do not hesitate to ask the facilitator or assessor to explain anything that you do not understand or need help with.

# Associated Qualification

This unit standard forms part of the learner support materials for the following qualification:

**Further Education and Training Certificate: New Venture Creation**

<table>
<tr><th>SAQA QUAL ID</th><th colspan="4">QUALIFICATION TITLE</th></tr>
<tr><td>66249</td><td colspan="4">Further Education and Training Certificate: New Venture Creation</td></tr>
<tr><th colspan="5">ORIGINATOR</th></tr>
<tr><td colspan="5">Task Team - New Venture Creation</td></tr>
<tr><th colspan="3">PRIMARY OR DELEGATED QUALITY ASSURANCE FUNCTIONARY</th><th colspan="2">NQF SUB-FRAMEWORK</th></tr>
<tr><td colspan="3">SERVICES - Services Sector Education and Training Authority</td><td colspan="2">OQSF - Occupational Qualifications Sub-framework</td></tr>
<tr><th>QUALIFICATION TYPE</th><th colspan="2">FIELD</th><th colspan="2">SUBFIELD</th></tr>
<tr><td>Further Ed and Training Cert</td><td colspan="2">Field 03 - Business, Commerce and Management Studies</td><td colspan="2">Generic Management</td></tr>
<tr><th>ABET BAND</th><th>MINIMUM CREDITS</th><th>PRE-2009 NQF LEVEL</th><th>NQF LEVEL</th><th>QUAL CLASS</th></tr>
<tr><td>Undefined</td><td>149</td><td>Level 4</td><td>NQF Level 04</td><td>Regular-Unit Stds Based</td></tr>
<tr><th colspan="2">REGISTRATION STATUS</th><th>SAQA DECISION NUMBER</th><th>REGISTRATION START DATE</th><th>REGISTRATION END DATE</th></tr>
<tr><td colspan="2">Reregistered</td><td>SAQA 10105/14</td><td>2015-07-01</td><td>2018-06-30</td></tr>
<tr><th colspan="2">LAST DATE FOR ENROLMENT</th><th colspan="3">LAST DATE FOR ACHIEVEMENT</th></tr>
<tr><td colspan="2">2019-06-30</td><td colspan="3">2022-06-30</td></tr>
</table>

*In all of the tables in this document, both the pre-2009 NQF Level and the NQF Level is shown. In the text (purpose statements, qualification rules, etc), any references to NQF Levels are to the pre-2009 levels unless specifically stated otherwise.*

This qualification replaces:

| Qual ID | Qualification Title | Pre-2009 NQF Level | NQF Level | Min Credits | Replacement Status |
|---|---|---|---|---|---|
| 23953 | Further Education and Training Certificate: New Venture Creation (SMME) | Level 4 | NQF Level 04 | 162 | Complete |

# Learner Details

| | |
|---|---|
| First name: | |
| Surname: | |
| ID number: | |
| Mobile phone contact number: | |
| E-mail address: | |
| Postal address: | |
| Dates on which you completed this summative PoE guide: | |
| Declaration: | I hereby confirm that:<br>• I received the assessment plan and schedule.<br>• I understand my rights in terms of special needs, re-assessment, feedback and appeals against assessment decisions.<br>• I completed the summative assessment independently without assistance from anyone else. |
| Date: | |
| Place: | |
| Signature: | |
| Signature of Assessor: | |

**information**

***Important***

Please remember that this document is seen as legal evidence of your competence. It is very important that you sign and date each section where requested. Your signature confirms that this work is your own and that you have not committed fraud in any way.

# Section 1: Summative Assessment Activities

## S114805.1 – Work Samples and Knowledge Questionnaire

- ✓ Work individually to complete this activity.
- ✓ Please complete this activity in pen (do not write in pencil).
- ✓ Time to spend on this activity: 1 hour.

**Instructions:**

1. Collect workplace examples of each of the following types of documents and attach a copy to your portfolio of evidence: (3).
   - ❑ Invoice for supplier payment
   - ❑ Payslip to reflect salaries and wages payment
   - ❑ Credit note to reflect monies to be recouped from supplier (deducted from supplier payment)
2. Analyse the supplier invoice and answer the following questions:

   2.1. What is the amount that should be paid to the supplier? (1)

| |
|---|
| |
| |

   2.2. What item was the invoice for? (1)

| |
|---|
| |
| |

   2.3. In your opinion, is this a legitimate business expense? Explain your answer. (2)

| |
|---|
| |
| |
| |
| |

2.4. Which options for invoice payment systems are available to business administrators? (2)

| |
|---|
| |
| |
| |
| |

2.5. Which would you choose to apply to your business, and why? (2)

| |
|---|
| |
| |
| |
| |

3. Analyse the supplier credit note and answer the following question:

3.1. What would the impact of this type of document be on your payments system? (1)

| |
|---|
| |
| |
| |
| |

4. Analyse the payslip and answer the following questions:

4.1. How frequently does payment of this document get processed? (1)

| |
|---|
| |
| |

4.2. What amount is paid to the personal account of the employee? (1)

| |
|---|
| |
| |

4.3. What amount of taxes is paid to SARS? (1)

| |
|---|
| |
| |

5. Explain what the impact of each of these documents would be in terms of cash flow management. (3)

| |
|---|
| |
| |
| |
| |
| |
| |

6. Which method of payment processing is more secure? (1)
   - ❑ Sending cash in the mail
   - ❑ Giving cash to the person delivering the invoice
   - ❑ Transferring money directly via electronic transfer
   - ❑ Sending a cheque in the mail

# S114805.2 – Work Sample and Analysis Questionnaire

- ✓ Work individually to complete this activity.
- ✓ Please complete this activity in pen (do not write in pencil).
- ✓ Time to spend on this activity: 1 hour.

**Instructions:**

1. Write a list of five of examples of a typical marketing or promotional activities that would be associated with your citrus production business. (5)

2. Prepare an annual promotional plan to implement these types of activities. Use the headings below to guide you in the preparation of the framework:

   2.1. Define your target customers. (1)

   2.2. Define your marketing objectives. (1)

2.3. Tactics (1)

| |
|---|
| |
| |
| |

2.4. Implementation (2)

| |
|---|
| |
| |
| |

2.5. Timeline (2)

| |
|---|
| |
| |
| |
| |

2.6. Budget (3)

| |
|---|
| |
| |
| |
| |

2.7. Evaluate (2)

| |
|---|
| |
| |
| |
| |

3. Analyse the plan you prepared and write down key notes on each of the following:

   3.1. How you would go about identifying the resources you need to implement the plan. (2)

| |
|---|
| |
| |
| |
| |
| |

   3.2. How you will ensure that the promotional plan is implemented correctly. (2)

| |
|---|
| |
| |
| |
| |
| |

   3.3. How you will monitor the plan to ensure that you achieve your marketing objectives. (2)

| |
|---|
| |
| |
| |
| |

   3.4. How you would evaluate the plan to identify inadequacies. (2)

| |
|---|
| |
| |
| |
| |

3.5. How you would ensure that corrective actions for identified inadequacies are taken timeously. (2)

| |
|---|
| |
| |
| |
| |

# S114805.3 – Knowledge Questionnaire

- ✓ Work individually to complete this activity.
- ✓ Please complete this activity in pen (do not write in pencil).
- ✓ Time to spend on this activity: 1 hour.

**Questions:**

1. List five examples of confidential information in an agribusiness. (5)

| |
|---|
| |
| |
| |
| |
| |
| |
| |



2. Define confidentiality (in other words, describe what the term confidentiality means to you). (2)

| |
|---|
| |
| |
| |
| |



3. For each of the elements below, write down a short description of the systems and procedures you intend to use to ensure confidentiality.

    3.1. Computers, fax machines and printers (2)

| |
|---|
| |
| |
| |
| |

3.2. Passwords (2)

| |
|---|
| |
| |
| |
| |
| |

3.3. Access (2)

| |
|---|
| |
| |
| |
| |
| |

3.4. Financial records (2)

| |
|---|
| |
| |
| |
| |
| |

3.5. Files and papers (2)

| |
|---|
| |
| |
| |
| |

3.6. Employee records (2)

3.7. Videos, tape recorders and cell phones (2)

4. Include key notes on the mind map on the following:

4.1. How you will ensure that the documents and records are secured appropriately and in a timely manner. (2)

4.2. How you will ensure that no stakeholder information is compromised. (2)

# S114805.4 – Knowledge Questionnaire with Case Study

- ✓ Work individually to complete this activity.
- ✓ Please complete this activity in pen (do not write in pencil).
- ✓ Time to spend on this activity: 1 hour.

**Questions:**

1. Explain in your own words, what you understand the following to mean in terms of a citrus production unit:

   "It is important to administer employee performance and discipline properly, by keeping records and following correct organisational policies and procedures. (2)."

2. Make a list of at least three examples of instances where control measures may be necessary to be implemented for individuals. (3).

3. Analyse the following case study and answer the questions:

   Ms Qoma has been employed as the personnel officer for Happy Orange Farm. As part of her duties, she is required to maintain strict confidentiality regarding employee information.

   Despite the fact that Ms Qoma was informed (with written records) that as part of her duties as personnel officer she is required to maintain strict confidentiality regarding employee records, some of the staff members have complained that she is gossiping about them and has revealed information about a disciplinary incident in which they were involved.

   3.1. How would you ensure that Ms Qoma is informed of her duties and that the appropriate records of the agreement are kept? (2)

   3.2. What non-conformances to policy and procedure can you identify? (1)

   3.3. How would you go about remedying the situation with Ms Qoma, and what records would you keep of the remedial action? (3)

# Section 2: Summative Assessment Activities

## S263474.1 – Knowledge Questionnaire

- ✓ Work individually to answer the questions.
- ✓ Please complete this activity in pen (do not write in pencil).
- ✓ Time to spend on this activity: 1 hour.

**Questions:**

1. Explain and / or define each of the following financial terms in your own words or with an example from your workplace:

    1.1. Start-up capital (2)

| |
|---|
| |
| |
| |
| |

    1.2. Working capital (2)

| |
|---|
| |
| |
| |
| |

    1.3. Fixed capital (2)

| |
|---|
| |
| |
| |
| |

1.4. Cash flow (2)

| |
|---|
| |
| |
| |
| |

1.5. Profit (2)

| |
|---|
| |
| |
| |
| |

1.6. Short-term finance (2)

| |
|---|
| |
| |
| |
| |

1.7. Medium-term finance (2)

| |
|---|
| |
| |
| |
| |

1.8. Long-term finance (2)

| |
|---|
| |
| |

| |
|---|
| |
| |

2. Explain in your own words or by using examples:

   2.1. What is the difference between working capital and start-up capital? (2)

| |
|---|
| |
| |
| |
| |

   2.2. What is the difference between working capital and fixed capital? (2)

| |
|---|
| |
| |
| |
| |

   2.3. What is the link between cash flow and profit? (2)

| |
|---|
| |
| |
| |
| |

# S263474.2 – Case Study and Knowledge Questionnaire

- ✓ Work individually to complete this activity.
- ✓ Please complete this activity in pen (do not write in pencil).
- ✓ Time to spend on this activity: 1 hour.

**Instructions:**

1. Analyse the following cash flow statement for Lowry Citrus Farm, and answer the questions below.

**Lowry Citrus Farm**

**Statement of Cash Flows**

**for the year ended 28 February 2017**

| | | |
|---|---|---|
| **Cash flows from operating activities** | | |
| Cash receipts from customers | R45,800,000 | |
| Cash paid to suppliers | (29,800,000) | |
| Cash paid to employees | (11,200,000) | |
| Cash generated from operations | 4,800,000 | |
| | | |
| Interest paid | (310,000) | |
| Income taxes paid | (1,700,000) | |
| *Net cash from operating activities* | | R2,790,000 |
| | | |
| **Cash flows from investing activities** | | |
| Purchase of property, plant, and equipment | (580,000) | |
| Proceeds from sale of equipment | 110,000 | |
| *Net cash used in investing activities* | | (470,000) |
| | | |
| **Cash flows from financing activities** | | |
| Proceeds from issuance of common stock / shares | 1,000,000 | |
| Proceeds from issuance of long-term debt | 500,000 | |
| Principal payments under capital lease obligation | (10,000) | |
| Dividends paid | (450,000) | |
| *Net cash used in financing activities* | | 1,040,000 |
| | | |
| **Net increase in cash and cash equivalents** | | 3,360,000 |
| **Cash and cash equivalents at beginning of period** | | 1,640,000 |
| **Cash and cash equivalents at end of period** | | R5,000,000 |

**Reconciliation of net income to net cash provided by operating activities:**

| | | |
|---|---|---|
| Net income | | R2,665,000 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortisation | R125,000 | |
| Provision for losses on accounts receivable | 15,000 | |
| Gain on sale of equipment | (155,000) | |
| Increase in interest and income taxes payable | 32,000 | |
| Increase in deferred taxes | 90,000 | |
| Increase in other liabilities | 18,000 | |
| Total adjustments | | 125,000 |
| Net cash provided by operating activities | | R2,790,000 |

1.1. Is this a cash flow statement for a new or existing business? (1)

1.2. Over what period was the cash flow statement prepared? (1)

1.3. What was the Rand value of cash in hand available at the beginning of the financial period? (1)

1.4. What was the Rand value of cash in hand available at the end of the financial period? (1)

1.5. How did the situation change? (1)

1.6. Find three examples of items that contributed to the change in cash flow liquidity. (3)

| |
|---|
| |
| |
| |
| |
| |
| |

1.7. In your opinion, is this a healthy business? Explain your answer. (2)

| |
|---|
| |
| |
| |
| |

2. You have been asked to prepare a cash flow forecast for a new business. Design a flowchart with key notes on the steps to follow in order to prepare a cash flow forecast.

| |
|---|
| |

Answer the following questions:

2.1. Why is cash flow management important in terms of running a successful business? (2)

| |
|---|
| |
| |
| |
| |
| |

2.2. How can a cash flow forecast be used as a budgeting tool? (2)

| |
|---|
| |
| |
| |
| |
| |

2.3. How can a cash flow forecast be used to determine the working capital of a business? (2)

| |
|---|
| |
| |
| |
| |

2.4. List three types of information you would look for on a bank statement in order to perform a cash book reconciliation. (3)

| |
|---|
| |
| |
| |
| |

# S263474.3 – Knowledge Questionnaire

- ✓ Work individually to complete this activity.
- ✓ Please complete this activity in pen (do not write in pencil).
- ✓ Time to spend on this activity: 1 hour.

**Instructions:**

1. Draw a flowchart explaining the steps you would follow to set up a new accounting system. (7)

2. Give a brief description of each of the steps required in establishing an accounting system:

    2.1. Step 1: Pick an accounting method (1)

| |
|---|
| |
| |
| |
| |
| |

    2.2. Step 2: Decide which bookkeeping system to use (1)

| |
|---|
| |
| |
| |
| |
| |

    2.3. Step 3: Choose a method for recording transactions (1)

| |
|---|
| |
| |
| |
| |

    2.4. Step 4: Create templates (1)

| |
|---|
| |
| |
| |
| |

2.5. Step 5: Create a filing system (1)

| |
|---|
| |
| |
| |
| |
| |

2.6. Step 6: Open a business bank account (1)

| |
|---|
| |
| |
| |
| |

2.7. Step 7: Organise the accounting department (1)

| |
|---|
| |
| |
| |
| |

3. Write key notes on the physical aspects of the task and duties associated with establishing and running a new accounting system, for example when it should be performed, what sorts of tools, instruments, systems and source documents are needed to perform this task.

3.1. Overall responsibility for the accounting system (1)

| |
|---|
| |
| |
| |
| |

3.2. Management of the computer system (1)

| |
|---|
| |
| |
| |
| |

3.3. Accounts receivable (1)

| |
|---|
| |
| |
| |
| |

3.4. Accounts payable (1)

| |
|---|
| |
| |
| |
| |

3.5. Order entry (1)

| |
|---|
| |
| |
| |

3.6. Cost accounting (1)

| |
|---|
| |
| |
| |
| |
| |

3.7. Monthly reporting (1)

| |
|---|
| |
| |
| |
| |
| |

3.8. Inventory control (1)

| |
|---|
| |
| |
| |
| |

3.9. Payroll (even if you use an outside payroll service, someone must be in control and responsible) (1)

| |
|---|
| |
| |
| |
| |

3.10. Internal accounting control (1)

| |
|---|
| |
| |
| |
| |

3.11. Fixed assets (1)

| |
|---|
| |
| |
| |
| |

3.12. Monitoring the accounting system (1)

| |
|---|
| |
| |
| |
| |

4. Explain how you would ensure that you make provision for taxation in your accounting system, so as to ensure your business does not run into cash flow problems when needing to pay taxes. (2)

| |
|---|
| |
| |
| |
| |
| |
| |

# S263474.4 – Knowledge Questionnaire

- ✓ Work individually to complete this activity.
- ✓ Please complete this activity in pen (do not write in pencil).
- ✓ Time to spend on this activity: 1 hour.

**Instructions:**

1. Financial calculations can be very helpful in making strategic business decisions. Write down three examples of business decisions that could be influenced by financial analysis and calculations. (3)

| |
|---|
| |
| |
| |
| |
| |
| |
| |
| |
| |



2. For each of the following ratio calculations, research and conclude:
   a. How it is calculated (the formula).
   b. What kind of financial information you will get from it, and how it may influence your business decision-making process.

   2.1. Profitability ratios (2)

| |
|---|
| |
| |
| |
| |
| |

2.2. Liquidity ratios (2)

| |
|---|
| |
| |
| |
| |
| |

2.3. Stability ratios (2)

| |
|---|
| |
| |
| |
| |
| |

2.4. Cost income ratio (2)

| |
|---|
| |
| |
| |
| |
| |