

Model Assignment Issued September 2011

OCR Administration (Business Professional)

UNIT 26 (LEVEL 4) - ANALYSE FINANCIAL INFORMATION

Please note:

This OCR model assignment may be used to provide evidence for the unit above. Alternatively, centres may wish to adapt this assignment or devise their own assignment for the purposes of assessment. It is the centre's responsibility to ensure that any adaptations made to this assignment allow learners to meet all the assessment criteria and provide them with sufficient opportunity to demonstrate achievement across the unit.

This unit has a credit value of 4 on the Qualifications and Credit Framework (QCF). The scheme codes for the OCR Administration (Business Professional) qualifications towards which successful completion of this unit assessment may contribute are:

OCR Scheme code	Qualification Title	Qualification Accreditation Number (QAN)
03958	OCR Level 3 Award in Administration (Business Professional)	500/6483/6
03959	OCR Level 3 Certificate in Administration (Business Professional)	500/6484/8
03963	OCR Level 3 Diploma in Administration (Business Professional)	500/6485/X
03966	OCR Level 4 Award in Administration (Business Professional)	500/6488/5
03967	OCR Level 4 Certificate in Administration (Business Professional)	500/6489/7
03968	OCR Level 4 Diploma in Administration (Business Professional)	500/6490/3

The QCA Accreditation Number for this unit is: R/502/3866

This OCR model assignment remains live for the life of these qualifications.

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Model Assignment: Tutor Information

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Introduction to the Tasks

The tasks have been designed to enable learners to demonstrate their skills, knowledge and understanding of financial analysis in the business world.

The learner will need to undertake research into an organisation, correctly applying financial analysis techniques to produce a formal written report on the financial position and probable future performance of that organisation.

The scenario is that the learner works for a fictitious company called Brenchley Engineering Ltd. The board is keen to use its cash reserve to expand into a new market through the acquisition of another UK based company.

Centres should provide learners with details of a suitable company. Full accounts covering at least the last three years should be provided, together with supplementary financial information.

The board wishes to satisfy itself that the company it has chosen as a potential acquisition target is a sound financial choice and wishes the learner to carry out research into the business, then analyse the information to produce a formal financial forecasting report, detailing the financial performance of the organisation over the last three years and making recommendations based on their forecast of its likely financial performance over the next year.

These guidance notes must be used in conjunction with the unit specification and Centre Handbook.

The Tasks

Task 1: Conduct research and produce a PEST analysis

Assessment Criteria: 1.1, 1.2, 1.3 and 1.4 are assessed in this task.

This task is to research the data provided and produce the analysis which will provide the content for the financial forecasting report. The report will be produced in Task 2.

All research and analysis must be the learners own work.

To meet the requirements of the unit and to identify trends, the learner will need to evaluate the company's performance over the last three years.

The learner's research should include:

- Financial analysis using:
 - published accounts of the organisations being researched
 - published statistical research, for example Office for National Statistics and trade organisations
 - previous research, for example commercial market surveys
- Reference to the wider market environment including:
 - political factors
 - economic factors
 - sociological or cultural factors if appropriate
 - technological factors
 - information about national and market trends from the financial press

The learner must use appropriate ratios and performance indicators, for example:

- gross profit percentage
- net profit percentage
- liquidity ratios
- gearing ratio
- return on capital employed
- stock ratios

Following the information-gathering phase of research, the learner should then conduct a PEST analysis, which will form the basis of the report in Task 2.

During the research phase, the learner should retain a research file to evidence this task. Details of the PEST analysis must also be included as evidence.

Task 2: Prepare a formal financial forecasting report

Assessment Criteria: 2.1 and 2.2 are assessed in this task.

In this task the learner is required to use their research findings and analysis to produce a formal written report that is sufficiently detailed and supported by appropriate statistical information to enable the board to evaluate the suitability of the company as an acquisition target.

The report should focus on the identified acquisition target and contain:

- terms of reference
- findings, including financial forecasts for the next financial year
- recommendation and conclusions

Learners should be encouraged to present their work neatly and to check for correct spelling, punctuation and grammar. Style and tone are part of Assessment Criterion 2.2 and must be acceptable for business purpose.

The report must be produced using appropriate software, e.g.:

- Spreadsheet - analysing the data and produce accurate and meaningful graphs and charts
- Word-processing application - producing the narrative, embedding graphs and charts

Scope of permitted Model Assignment modification

The model assignment is self-contained in its present form. The set of tasks form a coherent whole addressing all the Assessment Criteria [AC].

No changes to the Assessment Criteria are permitted. The model assignment can be contextualised or amended to suit the circumstances of the individual learner. However, the tasks must still be set within a business context and must have a clear business purpose/objective.

The following would remain broadly the same, providing a common structure for the range of model assignments produced:

- individual learners' evidence for practical activities
- controls for task taking
- links to other unit assignments, learning and work experience

If modifications are made to the model assignment it is up to the centre to ensure that all assessment criteria are adequately covered.

Checklist of types of evidence

When completing this model assignment it may be possible to generate evidence for completing a task in a variety of formats. This list is not exhaustive and will depend on the approach taken to complete the task or model assignment. In some cases the task will require a specific format for the outcome and this will be clearly marked in the table with these items in bold.

Task activity	Examples of evidence – specifically required items in bold	Assessment Criteria coverage
Task 1 Conduct research and produce a PEST analysis	<ul style="list-style-type: none"> • Research file containing examples of research findings and source documents • PEST analysis and details of any other analysis carried out 	Assessment Criteria <ul style="list-style-type: none"> • 1.1 • 1.2 • 1.3 • 1.4
Task 2 Prepare a formal financial forecasting report	<ul style="list-style-type: none"> • Formal report 	Assessment Criteria <ul style="list-style-type: none"> • 2.1 • 2.2

Model Assignment: Learner Information

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Q *Do I have to pass this assignment?*

A Yes. You must pass this assignment to achieve the unit.

Q *What help will I get?*

A Your tutor will help you when completing the OCR model assignment and will make sure that you know what resources/facilities you need and are allowed to use.

Q *What if I don't understand something?*

A It is your responsibility to read the assignment carefully and make sure you understand what you need to do and what you should hand in. If you are not sure, check with your tutor.

Q *Can I use other people's work?*

A No. The work that you produce must be your own and you may be asked to sign a declaration confirming this. You should never copy the work of other learners or allow other learners to copy your work. Any information that you use from other sources, e.g. books, newspapers, professional journals or the Internet must be clearly identified and not presented as your own work.

Q *Can I work in a group?*

A Yes. However, if you work in a group at any stage you must still produce work that shows your individual contribution.

Q *How should I present my work?*

A You can present your work in a variety of ways, e.g. hand-written, word-processed, on video. However, what you choose should be appropriate to the task(s) and agreed with your tutor. For some work, e.g. presentations, role-play, work experience, you will need to provide proof that you completed the task(s). A witness statement or observation sheet will usually be used for this. If you are unsure, check with your tutor.

Q *When I have finished, what do I need to hand in?*

A You need to hand in the work that you have completed for each task. Do not include any draft work or handouts unless these are asked for. When you hand in your work make sure that it is has your name and the unit title clearly marked and that it is in the correct order for assessment.

Q *How will my work be assessed?*

A Your work will be marked by an assessor in your centre. The assessor will mark the work using the assessment objectives in the qualification specification. The work will then be sent to an OCR Moderator to ensure that assessors from all centres are marking correctly. You have not passed this unit until this is confirmed by OCR.

Q *Will my work be returned?*

A Submitted work will not be returned so please ensure you keep copies of everything you produce.

Scenario

Brenchley Engineering Ltd

You work as a financial analyst for Brenchley Engineering Ltd. The members of the board are keen to use the company's cash reserves to expand into a new market through the acquisition of another UK based company.

The board wishes to satisfy itself that the acquisition target it has chosen is a sound option financially.

Tasks

Task 1: Conduct research and produce a PEST analysis

Assessment Criteria: 1.1, 1.2, 1.3 and 1.4

Your task is to:

- undertake detailed research into the financial performance of the chosen acquisition target over the last three years. This research should include an analysis of the wider market environment and an appropriate ratio and financial performance analysis.
- produce a PEST analysis and any other analysis you may need to provide the content for a financial forecasting report

Your evidence will be:

- a research file containing the evidence of your research
- a PEST analysis and evidence of any other analysis you have carried out in preparation for the financial forecasting report.

Task 2: Prepare a formal financial forecasting report

Assessment criteria: 2.1 and 2.2

Your task is to:

- use your research findings and analysis to produce a formal, written report forecasting the probable financial performance of the chosen acquisition target for the next financial year.

Your report should be sufficiently detailed and supported by appropriate statistical information to enable the board to evaluate the suitability of the company as an acquisition target.

The report should contain:

- terms of reference
- findings, including financial forecasts for the next financial year
- recommendation and conclusions

To complete this task you will need to use appropriate technology to prepare the report; using, for example, spreadsheet and word processing applications. You should present all information in a suitable format using appropriate style and tone and using graphics as appropriate to illustrate key points.

Learner Evidence Checklist

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LEARNER NAME: _____

CENTRE NUMBER: _____

Task 1 evidence provided (please ✓):	Ref/Page no(s)
<input type="checkbox"/> Folder containing evidence of research	
<input type="checkbox"/> PEST analysis.	

Task 2 evidence provided (please ✓):	Ref/Page no(s)
<input type="checkbox"/> Formal written report	

I confirm that the items listed above are attached. These have been assessed and provide sufficient evidence to demonstrate that the learner has achieved all of the assessment criteria for this unit.

Signed: _____

Name and position _____

Date: _____