



SOUTH AFRICAN QUALIFICATIONS AUTHORITY (SAQA)

In accordance with regulation 24(c) of the National Standards Bodies Regulations of 28 March 1998, the Standards Generating Body (SGB) for

General Education and Training and Further Education and Training: Business, Commerce and Management Studies

Registered by NSB 03, Business, Commerce and Management Studies, publishes the following qualification and unit standards for public comment.

This notice contains the titles, fields, sub-fields, NQF levels, credits, and purpose of the qualification and unit standards. The qualification and unit standards can be accessed via the SAQA web-site at www.saqqa.org.za. Copies may also be obtained from the Directorate of Standards Setting and Development at the SAQA offices, Hatfield Forum West, 1069 Arcadia Street, Hatfield, Pretoria.

Comment on the unit standards should reach SAQA at the address ***below and no later than 5 April 2004***. All correspondence should be marked **Standards Setting – SGB for General Education and Training and Further Education and Training: Business, Commerce and Management Studies** and addressed to

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DIRECTOR: STANDARDS SETTING AND DEVELOPMENT



NATIONAL CERTIFICATE: SMALL BUSINESS FINANCIAL MANAGEMENT: LEVEL 4

- 1. Field:** Business, Commerce and Management Studies
Sub-Field: Finance, Economics and Accounting
- 2. NQF Level:** 4
- 3. Credits:** 120
- 4. Rationale**

In South Africa the labour force is increasingly called upon to be self-employed or to seek employment in small businesses in contrast to the past where the majority of workers were employed by large companies, the State and parastatals. This situation has led to a large increase in the number of small companies with a small labour force.

Business strategic planning and company management need to be very carefully done in the small business and margins of error in terms of financial planning and management need to be kept to a minimum if small companies are to survive. Financial management complements business financial and strategic planning, general management and human resource management.

Unfortunately many small businesses do not survive because of poor financial management and strategic planning. The future well-being of the South African population depends upon the creation and survival of small businesses in the country. The National Certificate in Small Business Financial Management: Level 4 is aimed at providing the entrepreneur and/or a staff member with the necessary knowledge and skills to manage the financial affairs of a small business, thereby assisting it to remain solvent, profitable and compliant with the various legislation relating to taxes, levies, etc.

The Qualification offers learners the opportunity to develop their knowledge and skills associated with the key financial management tasks to be performed in small firms. Specifically, they should be able to perform tasks relating to the keeping of records, VAT, payroll, the preparation and interpretation of final accounts, taxation and the Receiver of Revenue, costing and pricing of products, management of working capital and financial planning and control.

5. Purpose

The Certificate in Small Business Financial Management is specifically designed for those learners who are already, or those who wish to become, owner-managers or

those who are responsible for the keeping of the financial records, of a small business.

The Qualification meets the needs of the following learners:

- Those who are new to financial management and who wish to acquire the essential skills and knowledge required to perform the key financial tasks involved in operating a small business.
- Those who are already employed in record-keeping, financial management or allied roles in a small business and who wish to ensure that they have a firm foundation to perform financial management tasks.
- Those who have performed financial management and financial record-keeping for a long time but who have no formal Qualification which acknowledges their knowledge, skills and expertise.
- Those who were denied access to formal education and who wish to gain a Qualification in financial management related to small businesses

This Qualification could be regarded as the first step in a learning pathway in financial management and accounting, which would end with Accounting and/or Financial Management Qualifications at NQF level 8. The Qualification will be of value to the learner who wishes to study further in the field of Business Planning/Development or Accounting. The knowledge and skills in the National Certificate in Small Business Financial Management: Level 4 underpin the learning at higher levels with a thorough grounding in the fundamental knowledge, understanding and skills associated with the record-keeping and financial management required for operating a small business.

The qualifying learner will have:

- an understanding of fundamental, financial management activities
- the skills required to perform the routine, financial record-keeping tasks in a small business
- the skills required to perform a range of key financial management tasks
- an understanding of the importance of accuracy in performing financial record-keeping and management tasks
- communication skills necessary to communicate effectively with clients, service providers and other staff members
- mathematical literacy skills required to perform the calculations required for effective financial management

6. Level, Credits and learning Components assigned to the Qualification

This Qualification consists of a planned combination of learning components to equip the learner with the knowledge and skills required for effective financial record-keeping and financial management of a small business. The Unit Standards making up this Qualification have been grouped together as Fundamental, Core and Elective Components making up a total credit value of 120 credits.

Fundamental Component

Unit Standards at NQF Level 4 in Communication in a first South African language to the value of twenty credits and Unit Standards at NQF Level 3 in Communication in a second South African language to the value of twenty credits have been included in the Qualification. This has been done to enable the Qualification to meet the requirements of a Further Education and Training Certificate (FETC), which is a requirement for admission to higher education. It also will equip the learner to communicate more effectively in our multi-lingual country.

Unit Standards at NQF Level 4 in Mathematical Literacy to a value of 16 credits have also been added to the Qualification to enable the learner to develop the skills and knowledge necessary to perform the routine and basic calculations required for effective and efficient financial record-keeping and management.

All the Unit Standards in the Fundamental Component are compulsory.

Core Component

Unit Standards to the value of 44 credits have been included in the Core Component. These Unit Standards contain the knowledge and skills required by a person who is responsible for financial management and record-keeping in a small business.

All the Unit Standards in the Core Component are compulsory.

Elective Component

Unit Standards to the value of 25 credits have been included in the Elective Component. These Unit Standards cover a range of computer Literacy Skills that would be of benefit to a person involved in small business financial management and record-keeping.

The learner must choose Unit Standards from this component to the value of 20 credits.

Table showing the Unit Standards in the Fundamental, Core and Elective Components in the National Certificate in Small Business Financial Management: Level 4

NLRD NUMBER	TITLE	LEVEL	CREDITS
FUNDAMENTAL COMPONENT			
COMMUNICATION IN FIRST LANGUAGE			
8974	Engage in sustained oral communication and evaluate spoken texts	4	5
8975	Read, analyse and respond to a variety of texts	4	5
8976	Write for a wide range of contexts	4	5
12153	Use the writing process to compose texts required in the business environment	4	5
Total for Communication in First Language			20
COMMUNICATION IN SECOND LANGUAGE			
8968	Accommodate audience and context needs in oral communication	3	5
8969	Interpret and use information from texts	3	5
8970	Write texts for a range of communicative contexts	3	5
8972	Interpret a variety of literary texts	3	5
Total for Communication in Second Language			20
MATHEMATICAL LITERACY			
9014	Use mathematics to investigate and monitor the financial aspects of personal, business and national issues	4	6
9016	Measure, estimate and calculate physical quantities and explore, critique and prove geometrical relationships in two and three-dimensional space in the life and workplace of the adult with increasing responsibilities	4	4

9015	Apply knowledge of statistics and probability to critically interrogate and effectively communicate findings on life-related problems	4	6
Total for Mathematical Literacy			16
TOTAL FOR FUNDAMENTAL COMPONENT			56
CORE COMPONENT			
	Perform Value Added Tax Calculations and Complete Returns	4	5
	Complete PAYE documents	4	7
	Finalise and interpret Accounts	4	4
	Calculate tax payable by a small business	4	6
	Cost and price a product	4	6
	Manage working capital	4	5
	Record business financial transactions	4	5
	Perform Financial Planning and Control Functions for a Small Business	4	6
TOTAL FOR CORE COMPONENT			44
ELECTIVE COMPONENT			
7546	Describe the application and impact as well as social implications of information technology	3	5
7576	Demonstrate the ability to use a database for business purposes	3	5
7570	Produce word processing documents for business	3	5
7575	Produce presentation documents for business	3	5
7567	Produce and use spreadsheets for business	3	5
TOTAL FOR ELECTIVE COMPONENT			25
			min 20
TOTAL FOR QUALIFICATION			120

Table showing the spread of Critical Cross-field Outcomes across the Unit Standards that are classified as Core and Elective in this Qualification.

Unit Standard Title	Critical Cross-field Outcomes supported by the Unit Standards							
	Solve problems	Team work	Organisation	Information	Communicate	Technology	Related systems	Personal development
Engage in sustained oral communication and evaluate spoken texts	●	●	●	●	●			●
Read, analyse and respond to a variety of texts	●	●	●	●	●	●	●	●
Write for a wide range of texts	●	●	●	●	●	●	●	●
Use the writing process to compose texts required in the business environment	●	●	●	●	●	●	●	●
Accommodate audience and context needs in oral communication	●	●	●	●	●	●	●	●
Interpret and use information from texts	●	●	●	●	●	●	●	
Write texts for a range of communicative contexts	●	●	●	●	●	●	●	

Interpret a variety if literary texts	●	●	●	●	●	●	●	
Use mathematics to investigate and monitor the financial aspects of personal, business and national issues	●	●	●	●	●	●	●	●
Measure, estimate and calculate physical quantities and explore, critique and prove geometrical relationships in two and three-dimensional space in the life and workplace of the adult with increasing responsibilities	●	●		●	●	●	●	●
Apply knowledge of statistics and probability to critically interrogate and effectively communicate findings on life-related problems	●	●	●	●	●	●	●	
Perform Value Added Tax calculations and complete returns	●		●	●	●	●	●	
Calculate tax payable by a small business	●	●	●	●	●	●	●	
Finalise and interpret accounts	●		●	●	●	●	●	
Complete PAYE documents	●		●	●	●	●	●	
Cost and price a product	●	●	●	●	●	●	●	
Manage working capital	●		●	●	●	●		
Record business financial transactions	●		●	●	●	●		●
Perform Financial Planning and Control Functions for a Small Business	●		●	●	●	●		●
Describe the application and impact as well as social implications of information technology		●	●	●	●	●	●	●
Demonstrate the ability to use the database for business purposes			●	●	●	●		●
Produce word processing documents for business		●	●	●	●	●		●
Produce presentation documents for business		●	●	●	●	●		●
Produce and use spreadsheets for business		●	●	●	●	●		

7. Access to the Qualification:

Any learner who is competent in the **Learning assumed to be in place** detailed below, may access this Qualification.

8. Learning assumed to be in Place:

It is assumed that learners are competent in Communication and Mathematical Literacy at NQF Level 3

9. Exit Level Outcomes and Associated Assessment Criteria

The qualifying learner will be able to:

- 9.1 Record business transactions, produce quotations and invoices and prepare reconciliation statements as per organisational requirements and recognised bookkeeping practice

Assessment Criteria

- Receipts are issued and payments made as per organisational requirements
- A record of receipts and payments is kept as per organisational requirements
- Quotations and invoices are produced as per organisational requirements
- Debtors and creditors are recorded as per organisational requirements
- Supplier's statements and the bank account are reconciled as per organisational requirements and standard bookkeeping practice

9.2 Calculate Value Added Tax and prepare returns as required by legislation**Assessment Criteria**

- Value Added Tax is calculated using the current rules and rates of VAT
- VAT is recorded in the books of account and returns are completed and submitted to the relevant authority by due date
- Income tax is calculated and Tax returns are completed for a sole trader

9.3 Calculate gross pay, statutory deductions and prepare IRP 5s as required by legislation**Assessment Criteria**

- Gross wages are calculated from time records
- Deductions are calculated as per statutory requirements
- Wages are paid and payslips are produced to show gross and net pay
- Relevant IRP 5 forms are completed at year end for employees

9.4 Prepare and interpret final accounts as per organisational requirements**Assessment Criteria**

- Adjustments are made for stock evaluation, depreciation and bad debts
- A trading and profit and loss account and balance sheet are prepared for a sole trader and a partnership
- Liquidity and profitability ratios are calculated to assess the performance of a small business

9.5 Calculate the cost of a product and distinguish between fixed and variable costs, carry out break-even analysis and calculate the selling price of a product**Assessment Criteria**

- The various costs involved in producing a product are calculated using standard formulae
- The difference between fixed and variable costs is understood and explained using examples from the organisation
- The break-even analysis is calculated for an organisation using standard procedures and formulae
- The selling price of goods is calculated using standard formulae

9.6 Calculate working capital for an organisation**Assessment Criteria**

- The level of the working capital required is calculated for a business

- The dangers of overtrading are understood and examples applicable to the organisation are used as illustration
- The effects of cash flow are explained for a business

9.7 Prepare a business plan and a budget for a small business

Assessment Criteria

- A business plan for a small business is drawn up for submission to a financial institution
- Performance of a small business is monitored against the budget

9.8 Communicate effectively in the workplace

Assessment Criteria

- Effective oral communication is engaged in with internal and external clients using appropriate listening and speaking skills and techniques
- Written texts are read and understood and the necessary oral and/or written replies are made to clients
- Reports, memorandums, notices and letters are produced using the correct format, language and register for the circumstances and the client

10. Integrated Assessment

Evidence of competence can be demonstrated in a variety of ways; however the following guidelines need to be borne in mind when learners are assessed:

- all the Specific Outcomes in the Unit Standards and the Exit Level Outcomes must be assessed;
- in circumstances where it is not possible to assess performance across the whole range of situations, the collection of supplementary evidence should ensure that the full range is covered;
- assessment of competence should be done in an integrated way using formative and summative assessment methods, tools and techniques
- the assessment methods must be capable of verification.

Assessors should design assessment tools and conduct assessments against the Unit Standards specified in the Qualification as well as the Exit Level Outcomes in an integrated way. Assessment of competence will be done through a combination of formative and summative assessment tools, techniques and procedures, which do not discriminate against learners in an unjust or invalid way. Formative assessment will integrate theory with practice.

A final summative assessment combining theory and practical competencies will be done through learners writing a series of examinations covering all learning areas.

11. Recognition of Prior Learning

This Qualification may be obtained in whole or in part through a process of RPL. Recognition of prior learning means the comparison of the previous learning of a learner howsoever obtained, against the learning outcomes required for this Qualification in terms of the Specific Outcomes of the constituent Unit Standards and the Exit Level Outcomes of the Qualifications as a whole. The learners will be credited with the knowledge and skills and competencies already mastered. The learner will be credited with the Unit Standards already mastered and will not need to prove competence in them again. If competence can be shown in all the Outcomes, the complete Qualification may be awarded to the learner.

Procedure for Recognition of Prior Learning

A learner requesting RPL will have an initial informal discussion with the registered assessor to establish if there is a likely case for RPL. The basis for RPL will be that the learner has already mastered some or all of the knowledge, skills, attitudes and values contained in the Qualification and can demonstrate the required competence. The learner will be expected to present evidence that the outcomes have been covered to the required level.

The main sources of evidence of competence are:

- Evidence from prior achievement
- Evidence from performance in the workplace
- Evidence from performance in specifically set activities

A combination of the above sources of evidence is likely and where possible this should be collected in the learner's accounting environment. Regardless of the source of evidence, the assessment should be checked bearing in mind the following non-negotiables:

- Validity – does the evidence relate to the specific outcomes to be assessed?
- Authenticity – can the evidence be attributed to the learner?
- Sufficiency – is there enough evidence to meet all the criteria needed to certify the learner as competent?
- Currency – is the evidence related to current competence?

The assessor applying RPL could use any of the following tools and techniques to assess competence:

- Performance of an accounting task in the workplace
- Questioning the learner about the task
- Written evidence that the learner is competent in the skills and knowledge contained in the Qualification
- Simulation of an accounting task
- Case studies
- Preparation of written reports
- Evidence from workplace appraisal
- Interpretation of accounting information
- Evidence of minutes, notes and working papers relating to meetings
- Verification of completed work
- Training records
- Testimonials
- Successful completion of short courses
- Certificates and Qualifications

The learner could be required to prepare a portfolio, which will comprise a collection of evidence of prior learning.

12. International comparability

A comparative study of international Qualifications in Financial Management at this level has indicated that this Qualification compares with the International Association of Bookkeepers Diploma in Small Business Financial Management. The Unit Standards comprising this Qualification can also be favourably compared with the National Occupational Standards for Small Firms and the National Standards for Accounting as registered in the United Kingdom.

The following equivalences have been determined:

Unit Standards in this Qualification	Equivalent National Occupational Standards for Small Firms	Equivalent National Occupational Standards for Accounting
Recording Business Financial Transactions	Level 4: Unit G1	Level 2: Units 1 and 2
Value Added Tax Calculations and Returns		Level 3: Unit 7
Completing PAYE documents		
Final Accounts and their interpretation		Level 4: Unit 11
The Small Business and the Receiver of Revenue		Level 3: Unit 7 Level 4: Units 18 and 19
Costing and Pricing the Product	Level 4: Unit G2	Level 3: Unit 6 Level 4: Units 8 and 16
Managing Working Capital	Level 4: Unit G3 and G4	
Financial Planning and Control	Level 3: Units 4 and 11 Level 4: Units D1, G1 and G2	Level 4: Unit 9

13. Articulation possibilities

This Qualification articulates horizontally with:

- The National Certificate in New Venture Creation: level 4
- The Certificate for Registered Bookkeeper: Level 4 awarded by the ICB

The Qualification articulates vertically with:

- The National Diploma: Technical Financial Accounting: Level 5
- The National Certificate in Business Accounting: NQF Level 5

Moderation Options

- Anyone assessing a learner or moderating the assessment of a learner against this Qualification must be registered as an assessor with a relevant ETQA or an ETQA that has a Memorandum of Understanding with the relevant ETQA
- Any institution offering learning that will enable the achievement of this Qualification must be accredited as a provider with the relevant ETQA or with an ETQA that has a Memorandum of Understanding with the relevant ETQA
- Assessment and moderation of assessment will be overseen by the relevant ETQA or by an ETQA that has a Memorandum of Understanding with the relevant ETQA, according to the ETQA's policies and guidelines for assessment and moderation; in terms of agreements reached around assessment and moderation between ETQAs (including professional bodies)
- Moderation must include both internal and external moderation of assessments at exit points of the Qualification, unless ETQA policies specify otherwise.
- Anyone wishing to be assessed against this Qualification may apply to be assessed by an assessment agency, assessor or provider institution that is accredited by the relevant ETQA or an ETQA that has a Memorandum of Understanding with the relevant ETQA.

Formative assessment will be conducted internally by the provider with moderation being done by the relevant ETQA.

14. Criteria for the registration of assessors

Anyone performing assessment to determine competence for this Qualification should:

- Hold a Qualification in Accounting or Management Accounting that is registered at NQF Level 5 or above
- Be registered as an assessor with the relevant ETQA or with an ETQA that has a Memorandum of Understanding with the relevant ETQA

1. **TITLE:** Perform Value Added Tax Calculations and Complete Returns
2. **UNIT STANDARD NUMBER:**
3. **LEVEL ON THE NQF:** 4
4. **CREDITS:** 5
5. **FIELD:** Business, Commerce and Management Studies
Sub Field: Finance, Economics and Accounting
6. **ISSUE DATE:**
7. **REVIEW DATE:**
8. **PURPOSE:**

This Unit Standard is for people who are responsible for controlling the finances of a small business or who are responsible for the bookkeeping aspect of financial management in larger organisations

On completion of this Unit standard, learners will be able to calculate VAT and prepare VAT returns

9. **LEARNING ASSUMED TO BE IN PLACE:**

It is assumed that learners are competent in Communication and Mathematical Literacy at NQF Level 3.

10. **SPECIFIC OUTCOMES AND ASSESSMENT CRITERIA:**

Specific Outcome 1: Understand and apply the current rules and rates of VAT

Assessment Criteria

- 1.1 The reasons behind the introduction of VAT are understood and explained orally
- 1.2 The effect of VAT on small businesses, customers and the country is explained using examples that illustrate the advantages and disadvantages
- 1.3 The rules and rates relating to VAT are applied to the transactions of a small business

Specific Outcome 2: Calculate Value Added Tax

Assessment Criteria

- 2.1 VAT output and input tax is calculated in accordance with current VAT rules from gross figures
- 2.2 VAT procedures are applied to cash discounts and trade discounts
- 2.3 Invoices are produced using VAT calculations correctly

Specific Outcome 3: Set up and maintain VAT records

Assessment Criteria

- 3.1 VAT transactions are recorded and kept according to organisational and bookkeeping practice

- 3.2** Adequate and accurate sources of information is obtained for the completion of VAT returns

Specific Outcome 4: Complete VAT returns for both cash and credit transactions

Assessment Criteria

- 4.1** VAT returns are completed using the records of VAT transactions to calculate the necessary entries

11. ACCREDITATION AND MODERATION:

- An individual wishing to be assessed (including through RPL) against this Unit Standard may apply to an assessment agency, assessor or provider institution accredited by the relevant ETQA, or an ETQA that has a Memorandum of Understanding with the relevant ETQA.
- Anyone assessing a learner against this Unit Standard must be registered as an assessor with the relevant ETQA or with an ETQA that has a Memorandum of Understanding with the relevant ETQA
- Any institution offering learning that will enable achievement of this Unit Standard or assessing this Unit Standard must be accredited as a provider with the relevant ETQA or with an ETQA that has a Memorandum of Understanding with the relevant ETQA
- Moderation of assessment will be conducted by the relevant ETQA at its discretion.

12. RANGE STATEMENT:

A person may exhibit this competence in the private and/or the public sector.

13. CRITICAL CROSS-FIELD AND DEVELOPMENTAL OUTCOMES

The ability to:

- Identify and solve problems in which responses display that responsible decisions using critical and creative thinking have been made.
- Organise and manage oneself and one's activities responsibly and effectively.
- Collect, organise and critically evaluate information.
- Communicate effectively using visual, mathematical and language skills in the modes of oral and written presentations.
- Use science and technology effectively and critically (showing responsibility towards the environment and health of others).
- Demonstrate an understanding of the world as a set of related systems.
- Be culturally and aesthetically sensitive across a range of social contexts

1. **TITLE:** Complete PAYE documents
2. **UNIT STANDARD NUMBER:**
3. **LEVEL ON THE NQF:** 4
4. **CREDITS:** 7
5. **FIELD:** Business, Commerce and Management Studies
Sub Field: Finance, Economics and Accounting
6. **ISSUE DATE:**
7. **REVIEW DATE:**
8. **PURPOSE:**

This Unit Standard is for people who are responsible for controlling the finances of a small business or who are responsible for the bookkeeping aspect of financial management in larger organisations

By the end of this unit, learners will be able to:

- Calculate gross wages from either time records or a productivity scheme
- Make and record the correct deductions
- Complete a payslip and other forms to show both Income Tax and deductions
- Complete IRP 5 forms

9. **LEARNING ASSUMED TO BE IN PLACE:**

It is assumed that learners are competent in Communication, Mathematical Literacy and Accounting at NQF Level 3.

10. **SPECIFIC OUTCOMES AND ASSESSMENT CRITERIA:**

Specific Outcome 1: Calculate gross wages from either time records or a productivity scheme

Assessment Criteria

- 1.1 The difference between gross pay and net pay is explained with examples
- 1.2 Payments that are made to and/or by the worker that are not subject to tax or that give a tax rebate are explained with examples
- 1.3 Gross Pay for a weekly/monthly pay roll is calculated for Income Tax purposes
Range: week, month or year based on annual salary, basic weekly or monthly pay, overtime, from information on timesheets or clock/swipe cards, shift pay, performance related pay

Specific Outcome 2: Make and record the correct deductions
Range: Including, but not limited to, Unemployment Insurance Fund, medical aid, retirement fund contributions, PAYE/SITE

Assessment Criteria

- 2.1 The deductions that are to be paid by the employer are explained with examples of what they are and to whom they are paid
- 2.2 The deductions that are to be paid by the employee are explained with examples of what they are and to whom they are paid

- 2.3 The various deductions to be paid are calculated on Gross Pay and the necessary forms completed accurately

Specific Outcome 3: Complete payslips and other forms to show both Income Tax and deductions

Assessment Criteria

- 3.1 Information is extracted from weekly/monthly working sheets to produce pay slips and to complete the required forms for submission to the Receiver of Revenue
Range: UIF, PAYE, Skills Development Levy
- 3.2 Pay slips and the necessary forms are completed for submission to the Receiver of Revenue on time
- 3.3 The deadlines, requirements and the procedures for monthly and quarterly payments to the Receiver of Revenue are known and adhered to at all times

Specific Outcome 4: Complete IRP 5 forms

Assessment Criteria

- 4.1 Information from weekly/monthly working sheets is extracted to produce IRP5's for each employee

11. ACCREDITATION AND MODERATION:

- An individual wishing to be assessed (including through RPL) against this Unit Standard may apply to an assessment agency, assessor or provider institution accredited by the relevant ETQA, or an ETQA that has a Memorandum of Understanding with the relevant ETQA.
- Anyone assessing a learner against this Unit Standard must be registered as an assessor with the relevant ETQA or with an ETQA that has a Memorandum of Understanding with the relevant ETQA
- Any institution offering learning that will enable achievement of this Unit Standard or assessing this Unit Standard must be accredited as a provider with the relevant ETQA or with an ETQA that has a Memorandum of Understanding with the relevant ETQA
- Moderation of assessment will be conducted by the relevant ETQA at its discretion.

12. RANGE STATEMENT:

A person may exhibit this competence in the private and/ or the public sector.
VAT returns are included.

13. CRITICAL CROSS-FIELD AND DEVELOPMENTAL OUTCOMES

The ability to:

- Identify and solve problems in which responses display that responsible decisions using critical and creative thinking have been made.
- Organise and manage oneself and one's activities responsibly and effectively.
- Collect, organise and critically evaluate information.
- Communicate effectively using visual, mathematical and language skills in the modes of oral and written presentations.
- Use science and technology effectively and critically (showing responsibility towards the environment and health of others).
- Demonstrate an understanding of the world as a set of related systems.
- Be culturally and aesthetically sensitive across a range of social contexts

1. **TITLE:** Finalise and Interpret Accounts
2. **UNIT STANDARD NUMBER:**
3. **LEVEL ON THE NQF:** 4
4. **CREDITS:** 4
5. **FIELD:** Business, Commerce and Management Studies
Sub Field: Finance, Economics and Accounting
6. **ISSUE DATE:**
7. **REVIEW DATE:**
8. **PURPOSE:**

This Unit Standard is for people who are responsible for controlling the finances of a small business or who are responsible for the bookkeeping aspect of financial management in larger organisations

Qualifying learners will be able to:

- Make adjustments to total expenses and purchases of assets
- Prepare a trading and profit and loss account and balance sheet for a small business
- Understand the distinctions between gross profit, net profit and cash in hand
- Be able to calculate and use basic liquidity and profitability ratios to assess the performance of a small business

9. **LEARNING ASSUMED TO BE IN PLACE:**

It is assumed that learners are competent in Communication, Mathematical Literacy and Accounting at NQF Level 3.

10. **SPECIFIC OUTCOMES AND ASSESSMENT CRITERIA:**

Specific Outcome 1: Make adjustments to total expenses and purchases of assets

Assessment Criteria

- 1.1 The straight line and reducing balance methods of stock evaluation are understood and examples given of how each is used in an organisation
- 1.2 Adjustments are made for stock evaluation, depreciation of fixed assets, pre-payments and bad debts of a small business using the straight line and reducing balance methods

Specific Outcome 2: Prepare a trading and profit and loss account and balance sheet for a small business
Range: sole trader and partnership

Assessment Criteria

- 2.1 The reasons for preparing a trading account, a profit and loss account and a balance sheet for a small business are explained giving examples of the advantages and disadvantages for the business if they are not prepared

- 2.2** A trading account, a profit and loss account and a balance sheet are prepared for a small business using information from the financial records of the business

Specific Outcome 3: Understand the distinctions between gross profit, net profit and cash in hand

Assessment Criteria

- 3.1** The differences between gross and net profit and cash in hand are known and explained using examples from a small business
- 3.2** The significance of these distinctions is explained for a business

Specific Outcome 4: Calculate and use basic liquidity and profitability ratios to assess the performance of a small business

Assessment Criteria

- 4.1** Ratio calculations are made in respect of profitability and liquidity for a small business
- 4.2** The performance of a business is appraised and commented on following a ratio and liquidity analysis
- 4.3** The limitations of ratio analysis for assessing the current and future potential performance is understood for a business

11. ACCREDITATION AND MODERATION:

- An individual wishing to be assessed (including through RPL) against this Unit Standard may apply to an assessment agency, assessor or provider institution accredited by the relevant ETQA, or an ETQA that has a Memorandum of Understanding with the relevant ETQA.
- Anyone assessing a learner against this Unit Standard must be registered as an assessor with the relevant ETQA or with an ETQA that has a Memorandum of Understanding with the relevant ETQA
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- Moderation of assessment will be conducted by the relevant ETQA at its discretion

12. RANGE STATEMENT:

A person may exhibit this competence in the private and/ or the public sector.
VAT returns are included.

13. CRITICAL CROSS-FIELD AND DEVELOPMENTAL OUTCOMES

The ability to:

- Identify and solve problems in which responses display that responsible decisions using critical and creative thinking have been made.
- Organise and manage oneself and one's activities responsibly and effectively.
- Collect, organise and critically evaluate information.
- Communicate effectively using visual, mathematical and language skills in the modes of oral and written presentations.

- Use science and technology effectively and critically (showing responsibility towards the environment and health of others).
- Demonstrate an understanding of the world as a set of related systems.
- Be culturally and aesthetically sensitive across a range of social contexts

1. **TITLE:** Calculate tax payable by a small business
2. **UNIT STANDARD NUMBER:**
3. **LEVEL ON THE NQF:** 4
4. **CREDITS:** 6
5. **FIELD:** Business, Commerce and Management Studies
Sub Field: Finance, Economics and Accounting
6. **ISSUE DATE:**
7. **REVIEW DATE:**
8. **PURPOSE:**

This Unit Standard is for people who are responsible for controlling the finances of a small business or who are responsible for the bookkeeping aspect of financial management in larger organisations

Qualifying learners will be able to:

- Distinguish between expenses that are allowable and which aren't allowable as tax rebates/deductions for a sole trader
- Calculate capital allowances
- Calculate the figures required for the completion of an income tax return
- Calculate the tax payable by an individual who is a sole trader
- Apply the concepts of limited liability and incorporation to a sole trader.

9. LEARNING ASSUMED TO BE IN PLACE:

It is assumed that learners are competent in Communication, Mathematical Literacy and Accounting at NQF Level 3.

10. SPECIFIC OUTCOMES AND ASSESSMENT CRITERIA:

Specific Outcome 1: **Distinguish between the main business expenses that are not allowable for income tax purposes and those that are allowable**

Assessment Criteria

- 1.1 The concepts of tax rebates and expenses that are tax deductible are explained using examples from the expenses of a small business
- 1.2 Expenditure items that are tax deductible and those that are not are identified and listed for a small business for use on a tax return

Specific Outcome 2: Understand and calculate Capital Allowances

Assessment Criteria

- 2.1 The concept of Capital Allowances is understood and illustrated with examples from a sole trader
- 2.2 Capital Allowances are calculated for the purpose of making the appropriate entries in an income tax return

Specific Outcome 3: **Calculate the figures required for the completion of an income tax return**

Assessment Criteria

- 3.1** The information that is required to enable tax returns to be completed is identified and explained with examples
- 3.2** The required entries for an income tax return, including turnover for tax purposes, are calculated where the small business is the single source of income

Specific Outcome 4: **Calculate the tax payable by an individual who is a sole trader**

Assessment Criteria

- 4.1** The tax payable by an individual who is a sole trader or where a small business is the sole source of income is calculated using the Receiver of Revenue's tax tables
- 4.2** The required tax forms are completed correctly for an individual who is a sole trader or who derives income entirely from a small business

Specific Outcome 5: **The concepts of limited liability and incorporation are applied**

Assessment Criteria

- 5.1** The concepts of limited liability and legal status is explained for a limited company
- 5.2** The tax liability of a small business is explained with examples of the implications of compliance and non-compliance

11. ACCREDITATION AND MODERATION:

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- Moderation of assessment will be conducted by the relevant ETQA at its discretion

12. RANGE STATEMENT:

A person may exhibit this competence in the private and/ or the public sector.
VAT returns are included

13. CRITICAL CROSS-FIELD AND DEVELOPMENTAL OUTCOMES

The ability to:

- Identify and solve problems in which responses display that responsible decisions using critical and creative thinking have been made.
- Organise and manage oneself and one's activities responsibly and effectively.
- Collect, organise and critically evaluate information.

- Communicate effectively using visual, mathematical and language skills in the modes of oral and written presentations.
- Use science and technology effectively and critically (showing responsibility towards the environment and health of others).
- Demonstrate an understanding of the world as a set of related systems.
- Be culturally and aesthetically sensitive across a range of social contexts

1. **TITLE:** **Cost and price a product**
2. **UNIT STANDARD NUMBER:**
3. **LEVEL ON THE NQF:** 4
4. **CREDITS:** 6
5. **FIELD:** Business, Commerce and Management Studies
Sub Field: Finance, Economics and Accounting
6. **ISSUE DATE:**
7. **REVIEW DATE:**
8. **PURPOSE:**

This Unit Standard is for people who are responsible for controlling the finances of a small business or who are responsible for the bookkeeping aspect of financial management in larger organisations.

Qualifying learners will be able to:

- calculate the total costs involved in producing a product
- distinguish between fixed and variable costs
- carry out a break-even analysis
- know how to calculate the selling price of a product.

9. **LEARNING ASSUMED TO BE IN PLACE:**

It is assumed that learners are competent in Communication, Mathematical Literacy and Accounting at NQF Level 3.

10. **SPECIFIC OUTCOMES AND ASSESSMENT CRITERIA:**

Specific Outcome 1: **Calculate the total production, administration, selling and distribution costs of a product**

Assessment Criteria

- 1.1 The costs involved in producing a product are identified, including the apportionment of overheads
- 1.2 The total production cost of a product is calculated using all available information

Specific Outcome 2: Distinguish between fixed and variable costs

Assessment Criteria

- 2.1 The differences between fixed and variable costs is explained using examples of each
- 2.2 The factors increasing or decreasing variable costs are explained with examples
- 2.3 Ways in which the variable costs associated with the production of a particular product by an organization can be reduced are identified and an explanation given of the advantages and disadvantages of implementing each

Specific Outcome 3: **Carry out simple break-even analysis**

Assessment Criteria

- 3.1 The concept of break-even for a small business is explained with examples

- 3.2** The necessary sales volumes to reach break-even for an organisation are calculated using total cost of production.
- 3.3** Break-even analysis is used to make investment, pricing and purchasing decisions

Specific Outcome 4: **Calculate a selling price by using the mark-up or the margin**

Assessment Criteria

- 4.1** The concepts of “mark-up” and “profit” are explained with examples
- 4.2** The selling prices of a product are calculated using Mark-up and profit and a recommendation is made as to the advantages and disadvantages of each method of calculation for the product in question

Specific Outcome 5: **Apply the concepts of chargeable hours and total hours worked to the costing and pricing of a product**

Assessment Criteria

- 5.1** The concepts of “chargeable hours” and “total hours worked” are explained using examples from an organization
- 5.2** The cost and resultant price of a product are calculated using Chargeable hours
- 5.3** The cost and resultant price of a product are calculated using a costing for total hours worked and an explanation given of why chargeable hours is generally used for this purpose

11. ACCREDITATION AND MODERATION:

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12. RANGE STATEMENT:

A person may exhibit this competence in the private and/ or the public sector.
VAT returns are included.

13. CRITICAL CROSS-FIELD AND DEVELOPMENTAL OUTCOMES

The ability to:

- Identify and solve problems in which responses display that responsible decisions using critical and creative thinking have been made.
- Organise and manage oneself and one's activities responsibly and effectively.
- Collect, organise and critically evaluate information.
- Communicate effectively using visual, mathematical and language skills in the modes of oral and written presentations.
- Use science and technology effectively and critically (showing responsibility towards the environment and health of others).
- Demonstrate an understanding of the world as a set of related systems.
- Be culturally and aesthetically sensitive across a range of social contexts

1. **TITLE:** Manage working capital
2. **UNIT STANDARD NUMBER:**
3. **LEVEL ON THE NQF:** 4
4. **CREDITS:** 5
5. **FIELD:** Business, Commerce and Management Studies
Sub Field: Finance, Economics and Accounting
6. **ISSUE DATE:**
7. **REVIEW DATE:**
8. **PURPOSE:**

This Unit Standard is for people who are responsible for controlling the finances of a small business or who are responsible for the bookkeeping aspect of financial management in larger organisations

The qualifying learner will be able to:

- calculate working capital in a business
- identify and explain the dangers of over trading
- demonstrate the effects that external and internal events and actions have on cash flow
- calculate an approximate APR for an organisation.

9. **LEARNING ASSUMED TO BE IN PLACE:**

It is assumed that learners are competent in Communication, Mathematical Literacy and Accounting at NQF Level 3.

10. **SPECIFIC OUTCOMES AND ASSESSMENT CRITERIA:**

Specific Outcome 1: Calculate the level of working capital in a business

Assessment Criteria

- 1.1 The current assets and liabilities of an organisation are calculated correctly
- 1.2 The working capital of the organisation is calculated using all available information

Specific Outcome 2: Identify and explain the dangers of overtrading

Assessment Criteria

- 2.1 The concept of overtrading is explained with examples
- 2.2 Low or negative levels of working capital are identified for an organization and an explanation given with regard to the potential risks

Specific Outcome 3: Understand the effects on cash flow of external and internal events and actions

Range: debtors taking extra credit, an increase in bad debts, receiving payment by credit card, the loss of discount received, allowing cash discounts, factoring debts, using purchase and lease back or Hire Purchase for the purchase

of fixed assets, slow moving stocks, over stocking and obsolete stock

Assessment Criteria

- 3.1** The external events that can affect the cash flow of an organisation are identified and an explanation given of how each can affect the organisation
- 3.2** The internal events and actions that can affect the cash flow of an organisation are identified and an explanation given of how each can affect the organisation

Specific Outcome 4: **Calculate an approximate APR**

Assessment Criteria

- 4.1** The concept of APR is explained with examples
- 4.2** An approximate APR is calculated for an organization from a given cash flow or Hire Purchase scheme in order to be able to compare rates and make finance choices

11. ACCREDITATION AND MODERATION:

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- Moderation of assessment will be conducted by the relevant ETQA at its discretion

12. RANGE STATEMENT:

A person may exhibit this competence in the private and/ or the public sector.
VAT returns are included.

13. CRITICAL CROSS-FIELD AND DEVELOPMENTAL OUTCOMES

The ability to:

- Identify and solve problems in which responses display that responsible decisions using critical and creative thinking have been made.
- Organise and manage oneself and one's activities responsibly and effectively.
- Collect, organise and critically evaluate information.
- Communicate effectively using visual, mathematical and language skills in the modes of oral and written presentations.
- Use science and technology effectively and critically (showing responsibility towards the environment and health of others).
- Demonstrate an understanding of the world as a set of related systems.
- Be culturally and aesthetically sensitive across a range of social contexts

1. **TITLE:** Record Business Financial Transactions
2. **UNIT STANDARD NUMBER:**
3. **LEVEL ON THE NQF:** 4
4. **CREDITS:** 5
5. **FIELD:** Business, Commerce and Management Studies
Sub Field: Finance, Economics and Accounting
6. **ISSUE DATE:**
7. **REVIEW DATE:**
8. **PURPOSE:**

This Unit Standard is for people who are responsible for controlling the finances of a small business or who are responsible for the bookkeeping aspect of financial management in larger organisations

Qualifying learners will be able to:

- Process Receipts and Payments
- Enter records in an analysed cash book for both cash and bank entries
- Check invoices received against orders
- Produce quotations and invoices
- Record debtors and creditors
- Reconcile supplier's statements
- Prepare a bank reconciliation statement

9. **LEARNING ASSUMED TO BE IN PLACE:**

It is assumed that learners are competent in Communication, Mathematical Literacy and Accounting at NQF Level 3.

10. **SPECIFIC OUTCOMES AND ASSESSMENT CRITERIA:**

Specific Outcome 1: Process Receipts and Payments

Assessment Criteria

- 1.1 Cash payments are received and made according to organisational procedures and accepted bookkeeping practice
- 1.2 Cheque payments are received and made according to organisational procedures and accepted bookkeeping practice
Range: Completion of cheques and deposit slips
- 1.3 Debit and Stop order payments are received and made according to organisational procedures and accepted bookkeeping practice

Specific Outcome 2: Enter records in an analysed cash book for both cash and bank entries

Assessment Criteria

- 2.1 Transactions are processed through a columnar/analysis cash book

- 2.2** The cash book is balanced and the cash and bank balances are brought down according to standard bookkeeping procedure

Specific Outcome 3: Check invoices received against orders

Assessment Criteria

- 3.1** Invoices received are checked against relevant source information
3.2 Invoices received are checked for arithmetical accuracy

Specific Outcome 4: Produce quotations and invoices

Assessment Criteria

- 4.1** Quotations are prepared from the relevant source documentation and information
4.2 Sales invoices are prepared from the relevant source documentation and information

Specific Outcome 5: Record debtors and creditors

Assessment criteria

- 5.1** Records of all debts owed to and by a business are kept securely
5.2 Outstanding debts that are owed to a business are calculated accurately
5.3 Outstanding debts that are owed by a business are calculated accurately

Specific Outcome 6: Reconcile supplier's statements

Assessment criteria

- 6.1** A statement of account received from a trade creditor is reconciled with relevant source documentation and the cash book
Range: products ordered and received, supplier invoices received)

Specific Outcome 7: Prepare a bank reconciliation statement

Assessment Criteria

- 7.1** The time lag differences between the cash book bank account postings and the bank statement postings is accounted for using standard accounting practice
7.2 The cash book balance is updated for time lag differences following reconciliation

11. ACCREDITATION AND MODERATION:

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12. RANGE STATEMENT:

A person may exhibit this competence in the private and/ or the public sector.
VAT returns are included.

13. CRITICAL CROSS-FIELD AND DEVELOPMENTAL OUTCOMES

The ability to:

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- Demonstrate an understanding of the world as a set of related systems.
- Be culturally and aesthetically sensitive across a range of social contexts

1. **TITLE:** **Perform Financial Planning and Control Functions for a Small Business**

2. **UNIT STANDARD NUMBER:**

3. **LEVEL ON THE NQF:** 4

4. **CREDITS:** 6

5. **FIELD:** Business, Commerce and Management Studies
Sub Field: Finance, Economics and Accounting

6. **ISSUE DATE:**

7. **REVIEW DATE:**

8. **PURPOSE:**

This Unit Standard is for people who are responsible for controlling the finances of a small business or who are responsible for the bookkeeping aspect of financial management in larger organisations

Qualifying learners will be able to:

- prepare a business plan
- monitor actual performance against a budget
- make decisions on purchasing of fixed assets
- understand the importance of financial reporting.

9. **LEARNING ASSUMED TO BE IN PLACE:**

It is assumed that learners are competent in Communication, Mathematical Literacy and Accounting at NQF Level 3.

10. **SPECIFIC OUTCOMES AND ASSESSMENT CRITERIA:**

Specific Outcome 1: Prepare a business plan suitable for submission to a financial institution

Assessment Criteria

- 1.1 The various components that should be included in a business plan that will be submitted to a financial institution, are identified with examples given from the plan of a successful organisation
- 1.2 A business plan is constructed in a form that would be generally acceptable by a financial institution

Specific Outcome 2: Monitor actual performance of an organisation against budget

Assessment Criteria

- 2.1 A columnar budget is constructed so that planned income and expenditure can be compared against actual income and expenditure.
- 2.2 Positive and negative variances are identified using standard financial management practice

- 2.3** A report is drawn up on the financial position of the organization resulting from the comparison of actual versus budgeted income and expenditure so as to aid decision-making and future action for the organisation

Specific Outcome 3: Decide on the purchase of fixed assets based on highest financial return

Assessment Criteria

- 3.1** Investment appraisal techniques are used to calculate forecast returns from the potential purchase of fixed assets.
Range: Payback, Internal Rate of Return and Net Present Value
- 3.2** The results of investment appraisal calculations are used to decide which fixed assets to purchase

Specific Outcome 4: Understand the importance of financial reporting

Assessment Criteria

- 4.1** The different types of financial reporting done by a small organization are identified and an indication given of the target audience of each report
- 4.2** The advantages of producing periodic financial reports/statements are explained with examples
- 4.3** The dangers presented to a small business by the absence of financial reports are explained with the use of examples.

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The ability to:

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