



EduQual Diploma in Business Management (SCQF Level 11)

ASSIGNMENT THREE: STRATEGIC FINANCIAL MANAGEMENT

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Assessment Guidelines

Learners of EduQual qualifications must complete the tasks given in the assignment brief approved by EduQual. Learners can request assistance from tutors about completing the tasks, mark schemes and grade descriptors. Learners are expected to adhere to policies and guidelines set out by the centre, which includes word/page/slide count and plagiarism/collusion.

Context

Learners are required to refer to the guidance notes and assignment brief in order to present an answer that would fall within the required context.

Confidentiality

Learners must seek permission and advice when using organisational/business information that would be considered sensitive or confidential within their assignments. **If the organisation's consent is given, and anonymity is a given requirement of the organisation, then the learner must respect this.**

Assessment Criteria and Mark Sheets

The assignment brief will include the mark scheme along with grade descriptors for learners to refer to if needed. The guidance notes before the assignment questions should be used for reference in order to ensure that learners are equipped with the information and formats required. Learners are requested to obtain necessary advice on assignment context, format and other supporting information to clarify and help understand the requirements.

The assessment criteria and the mark sheets will help learners identify how and where the marks have been allocated and allow them to structure their answers accordingly. Please note that learners must achieve a minimum of 40% of the marks allocated for **each** task and that the average mark awarded to all tasks of an assignment must be a minimum of 40% of the overall marks awarded.

Where a task requires coverage of more than one learning outcome, work submitted for each learning outcome of the task will be assessed to ensure it is of sufficient standard (i.e. would achieve a minimum of 40% were it to be marked on its own).

This assignment requires application of financial tools/ratios and the use of commensurate mathematical skills. Assessors are asked to ensure that calculation methodology is accurate wherever appropriate and responses will be penalised where this is not the case. All EduQual External Quality Assurers will be asked to ensure, that in their standards sampling of completed, internally assessed student work, that calculation methodology is accurate.

Tutor Guidance

Learners are allowed **one piece of feedback** for draft answers they present. Any subject-related questions relating to the module can also be directed to the tutor.

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Word Count

It is mandatory that learners adhere to the specified word count given in the assignment brief within a margin of $\pm 10\%$. For certain tasks, the assignment brief may specify the page count depending on the task requirement and, although a word count may not always be applicable for these, the page count must be adhered to at all times. All tables, charts, diagrams, referencing (in-text) will be considered a part of the assignment word count.

If the task requires learners to make a presentation, the word count will only be applicable to the notes provided. The assignment questions may also specify the number of slides, in which case the learners are also required to adhere to this.

Any supporting documents used to reinforce a learner's answer need to be attached at the end of the report as appendices. Such supplementary material will equip the examiner with the required background knowledge on the information provided within the report. However, these will not be considered for grading nor as part of the word/page count.

All assignments submitted with clear disregard for the stipulated page/word counts may be discounted, and the learners may have to resubmit his/her work for assessment pending revision/review of their work.

Referencing and Professionalism

To ensure that learners follow a professional stance at all times, they must:

- Use the Harvard system of referencing for all citations and references (including in-text)
- Use professional, formal English in presenting their work
- Refrain from writing in a first-person perspective (i.e. 'I', 'We', 'Me', etc. should not be used within the answer).

Learners should bear in mind that marks are awarded for professional format and presentation, and that considerable marks can be awarded for validity and quality of referencing. Therefore, referencing and professionalism will be assessed in every task.

Plagiarism and Collusion

Plagiarism and collusion will be considered an academic offence and will be dealt with as a serious issue.

Plagiarism can be defined as: the presentation of the work of another author without appropriate referencing and/or attribution (leading to the false assumption that the learner is the originator of the text).

Collusion can be defined as a circumstance in which: two or more learners present work with distinct similarities in concept and ideas.

Learners must have access to valid plagiarism software (i.e. Turnitin) to assess 'similarity index' between their work and work that has been published elsewhere. This Turnitin report **must** be submitted along with their final assignment scripts for reference purposes.¹

Excessive referencing (i.e. where unneeded/irrelevant) will also be considered an academic offence, which will lead to learners being penalised in marks awarded for structure and format of their work or, in serious cases, leading to the work of learners being discounted as unfit for assessment. Such matters will be decided by academic panel along with EduQual.

¹ Note that centres must provide their learners with access to Turnitin software or else submit learners' work for analysis via Turnitin upon receiving learner assignment scripts. In either case, the Turnitin report must be included with the submission of any learner work for assessment.

Assignment Three: Strategic Financial Management

Task 1

This task constitutes 45% of the overall mark. 10% of the overall marks for any task must be given to 'Structure and Format'. Marks will be deducted where calculation methodology is incorrect.

Select an organisation with which you are familiar, and which has been listed in FTSE (or any equivalent in your own country). Produce a report that addresses the following requirements:

- 1. Identify, evaluate and assess the impact that three key resource decisions have both internally and externally on your organisation's performance and effectiveness, and evaluate the risks that can occur from inadequate resources. In your response, discuss the tools and techniques you would use in planning and allocating resources.***

SRMO: LO 1 (pcs 1.1, 1.2, 1.3)

- 2. Analyse financial statements from your organisation to determine its financial viability and make financial recommendations based on sourced information. Your answer should incorporate the application of financial ratios where this is appropriate to improving information quality.**

SFM: LO 5 (pcs 5.1, 5.2, 5.3)

- 3. Use various strategies and tools to monitor and evaluate your organisation's intangible and tangible resources. Use appropriate techniques to assess how efficiently these are utilised. Explain within your response the value that intangible resources can have for organisations.**

SFM: LO 4 (pcs 4.1, 4.2)

- 4. Explain the importance of costs in pricing strategies and recommend improvements to your organisation's existing costing system. Within your response you should design a costing system for your selected organisation, having explained different approaches to costing and choosing the most appropriate approach for your chosen organisation.**

SFM: LO 2 (pcs 2.1, 2.2)

Task 1 Word Count (formal report)

3000 words maximum.

*** Your answer must address key resource decisions, not resources themselves**

Task 1 – Assessment Criteria and Mark Scheme

Assessment Criteria	Marks allocated	Comments	Mark Given
<p>Identify, evaluate and assess the impact that three key resource decisions have both internally and externally on your organisation's performance and effectiveness, and explain the risks that can occur from inadequate resources. In your response, discuss the tools and techniques you would use in planning and allocating resources.</p> <p>SRMO: LO 1 (pcs 1.1, 1.2, 1.3)</p>	25	<p>Types of resources, including human, financial, physical ; the impact of resource decisions on organisational objectives</p> <p>Tools and techniques, such as budgeting, gap analysis, manpower planning, resource management software, resource histograms, conflict management</p> <p>Types of risk, for example financial risks, manpower risks, performance risks, reputational risks</p> <p>NB work submitted for each learning outcome of the task should be assessed to ensure it is of sufficient standard.</p>	
<p>Analyse financial statements from your organisation to determine its financial viability and make financial recommendations based on sourced information. Your answer should incorporate the application of financial ratios.</p> <p>SFM: LO 5 (pcs 5.1, 5.2, 5.3)</p>	20	<p>Financial statements, for example balance sheet, income statement (profit and loss account), cash flow statement, budgets</p> <p>Financial ratios, for example liquidity or solvency ratios, financial leverage or debt ratios, asset efficiency or turnover ratios, profitability ratios, market value ratios</p> <p>Evaluate information from the financial analysis and ratios to make financial recommendations.</p> <p>NB work submitted for each learning outcome of the task should be assessed to ensure it is of sufficient standard.</p>	
<p>Use various strategies and tools to monitor and evaluate your organisation's intangible and tangible resources. Use appropriate techniques to assess how efficiently these are utilised.</p> <p>SFM: LO 4 (pcs 4.1, 4.2)</p>	20	<p>Tangible resources: fixed and current, for example physical items including cash, inventory, machinery, land or buildings, vehicles; intangible resources, for example copyright, patents, trademarks, goodwill, corporate image, reputational risk and their value to organisations</p> <p>Efficiency as the total amount of resources actually consumed, compared against the amount of resources planned for a specific process; approaches to measuring efficiency such as benchmarking against accepted best practice</p> <p>NB work submitted for each learning outcome of the task should be assessed to ensure it is of sufficient standard.</p>	
<p>Explain the importance of costs in pricing strategies and recommend improvements to your organisation's existing costing</p>	25	<p>Pricing strategies, for example premium pricing, market penetration, economy pricing, price skimming</p>	

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<p>system. Within your response you should design a costing system for your selected organisation having explained different approaches to costing and choosing the most appropriate approach for your chosen organisation.</p> <p>SFM: LO 2 (pcs 2.1, 2.2)</p>		<p>Costing systems, for example historical costing, absorption costing, direct costing, marginal costing, standard costing, uniform costing</p> <p>NB work submitted for each learning outcome of the task should be assessed to ensure it is of sufficient standard.</p>	
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<p>Structure and Format</p> <ul style="list-style-type: none"> • Relevance to the tasks, professional tone and format of response (2 marks). <p>Harvard Referencing (8 marks)</p> <ul style="list-style-type: none"> • In-text citation • Bibliography, listed correctly and correlates to references made • Accurate, correctly-formatted footnotes • Integration of: supporting concepts, frameworks, critical thinking. 	10		
Total Mark	100		

Task 2

This task constitutes 45% of the overall mark. 10% of the overall marks for any task must be given to 'Structure and Format'. Marks will be deducted where calculation methodology is incorrect.

ABC is a clothing manufacturer, which has operated in the UK for the last 10 years. As part of its expansion plan, ABC has decided to set up an operating unit in another country. Produce a report by addressing the requirements below:

- 1. Evaluate the investment appraisal techniques that can be used by an organisation. In answering, you should describe alternative sources of finance available to an organisation that may be accessed through use of the techniques you describe.**

SFM: LO 1 (pcs 1.1, 1.2, 1.3)

- 2. Apply the relevant investment appraisal techniques to the following scenarios to conduct an investment appraisal for ABC Ltd. The current interest rate is 10%. The options available are:**

- **USA:** The estimated running expenses per annum amount to (GBP) £210,000. The expected revenue would amount to (USD) \$700,000 per annum. In addition, an approval fee of (GBP) £22,000 has to be paid in advance for the company to be able to trade within the country on an annual basis.
- **France:** It is expected that the running expenses would amount to £190,000 per annum and the annual turnover is expected to be (Euro) €450,000. The organisation will have to pay an approval fee of (GBP) £25,000 in advance for the company to be able to trade within the country on an annual basis. In addition, the organisation will also have to make a one-off Royalty Fee payment of (GBP) £25,000, regardless of the number of operating years.
- **Switzerland:** The estimated running expenses per annum amount to (GBP) £200,000 while the expected revenue would be (Swiss Francs) CHF 380,000. The organisation would have to pay a licensing fee of (GBP) £30,000 each year. The government stipulated controls ensure that a routine inspection is conducted of the factory every three years, and the cost per inspection would amount to (GBP) £70,000.

SFM: LO 1 (pcs 1.1, 1.2, 1.3)

- 3. Identify and explain risks that relate to the organisation when moving to the chosen international market, and suggest strategies and techniques to mitigate the identified risks. In doing this, you should:**

- Evaluate the different techniques for risk recording and monitoring
- Identify and explain an appropriate means of measuring and monitoring risk in the organisation.

SFM: LO 3 (pcs 3.1, 3.2, 3.3, 3.4)

Task 2 Word Count

2500 words maximum.

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Task 2 Notes and Reference

Average Spot Rate table

Average Spot Rate	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6
USD (\$)	2.10	2.20	2.30	2.10	2.25	2.50
Euro (€)	1.80	1.90	2.00	2.10	1.95	1.90
Swiss Francs (CHF)	10.00	12.00	14.00	12.00	13.00	14.00

Present Value table

Year	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%
1	0.990	0.980	0.971	0.962	0.952	0.943	0.935	0.926	0.917	0.909	0.901	0.893	0.885	0.877	0.870	0.862	0.855	0.847	0.840	0.833
2	0.980	0.961	0.943	0.925	0.907	0.890	0.873	0.857	0.842	0.826	0.812	0.797	0.783	0.769	0.756	0.743	0.731	0.718	0.706	0.694
3	0.971	0.942	0.915	0.889	0.864	0.840	0.816	0.794	0.772	0.751	0.731	0.712	0.693	0.675	0.658	0.641	0.624	0.609	0.593	0.579
4	0.961	0.924	0.888	0.855	0.823	0.792	0.763	0.735	0.708	0.683	0.659	0.636	0.613	0.592	0.572	0.552	0.534	0.516	0.499	0.482
5	0.951	0.906	0.863	0.822	0.784	0.747	0.713	0.681	0.650	0.621	0.593	0.567	0.543	0.519	0.497	0.476	0.456	0.437	0.419	0.402
6	0.942	0.888	0.837	0.790	0.746	0.705	0.666	0.630	0.596	0.564	0.535	0.507	0.480	0.456	0.432	0.410	0.390	0.370	0.352	0.335
7	0.933	0.871	0.813	0.760	0.711	0.665	0.623	0.583	0.547	0.513	0.482	0.452	0.425	0.400	0.376	0.354	0.333	0.314	0.296	0.279
8	0.923	0.853	0.789	0.731	0.677	0.627	0.582	0.540	0.502	0.467	0.434	0.404	0.376	0.351	0.327	0.305	0.285	0.266	0.249	0.233
9	0.914	0.837	0.766	0.703	0.645	0.592	0.544	0.500	0.460	0.424	0.391	0.361	0.333	0.308	0.284	0.263	0.243	0.225	0.209	0.194
10	0.905	0.820	0.744	0.676	0.614	0.558	0.508	0.463	0.422	0.386	0.352	0.322	0.295	0.270	0.247	0.227	0.208	0.191	0.176	0.162
11	0.896	0.804	0.722	0.650	0.585	0.527	0.475	0.429	0.388	0.350	0.317	0.287	0.261	0.237	0.215	0.195	0.178	0.162	0.148	0.135
12	0.887	0.789	0.701	0.625	0.557	0.497	0.444	0.397	0.356	0.319	0.286	0.257	0.231	0.208	0.187	0.168	0.152	0.137	0.124	0.112
13	0.879	0.773	0.681	0.601	0.530	0.469	0.415	0.368	0.326	0.290	0.258	0.229	0.204	0.182	0.163	0.145	0.130	0.116	0.104	0.093
14	0.870	0.758	0.661	0.577	0.505	0.442	0.388	0.340	0.299	0.263	0.232	0.205	0.181	0.160	0.141	0.125	0.111	0.099	0.088	0.078
15	0.861	0.743	0.642	0.555	0.481	0.417	0.362	0.315	0.275	0.239	0.209	0.183	0.160	0.140	0.123	0.108	0.095	0.084	0.074	0.065
16	0.853	0.728	0.623	0.534	0.458	0.394	0.339	0.292	0.252	0.218	0.188	0.163	0.141	0.123	0.107	0.093	0.081	0.071	0.062	0.054
17	0.844	0.714	0.605	0.513	0.436	0.371	0.317	0.270	0.231	0.198	0.170	0.146	0.125	0.108	0.093	0.080	0.069	0.060	0.052	0.045
18	0.836	0.700	0.587	0.494	0.416	0.350	0.296	0.250	0.212	0.180	0.153	0.130	0.111	0.095	0.081	0.069	0.059	0.051	0.044	0.038
19	0.828	0.686	0.570	0.475	0.396	0.331	0.277	0.232	0.194	0.164	0.138	0.116	0.098	0.083	0.070	0.060	0.051	0.043	0.037	0.031
20	0.820	0.673	0.554	0.456	0.377	0.312	0.258	0.215	0.178	0.149	0.124	0.104	0.087	0.073	0.061	0.051	0.043	0.037	0.031	0.026

Note: Any additional material or information you will refer to develop your answer needs to be attached at the end of the document as appropriate appendices.

Task 2 – Assessment Criteria and Mark Scheme

Assessment Criteria	Marks allocated	Comments	Mark
<p>Evaluate appropriate sources of finance for an organisation using contrasting investment appraisal techniques.</p> <p>SFM: LO 1 (pcs 1.1, 1.2)</p>	30	<p>Investment appraisal techniques, for example accounting rate of return, payback period, discounted cashflow, investment risk and sensitivity analysis</p> <p>Sources of finance, for example loans, grants, investments, venture capital, angel investment, asset finance</p> <p>NB work submitted for each learning outcome of the task should be assessed to ensure it is of sufficient standard.</p>	
<p>Apply the relevant investment appraisal techniques to the following scenarios to conduct an investment appraisal for ABC Ltd. The current interest rate is 10%. [...]</p> <p>SFM: LO 1 (pcs 1.1, 1.2)</p>	30	<p>Analyse sources of finance and investment appraisal techniques to determine suitable sources of finance.</p> <p>NB work submitted for each learning outcome of the task should be assessed to ensure it is of sufficient standard.</p>	
<p>Identify and explain risks that relate to the organisation when moving to the chosen international market, and suggest strategies and techniques to mitigate the identified risks. In doing this, you should:</p> <ul style="list-style-type: none"> • Demonstrate understanding of the different techniques for risk recording and monitoring • Identify and explain an appropriate means of measuring and monitoring risk in the organisation. <p>SFM: LO 1 (pc 1.3); LO 3 (pcs 3.1, 3.2, 3.3, 3.4)</p>	30	<p>International financial risks such as interest and exchange rate changes, growth in overseas markets, international accounting standards, and tools to minimise exchange rate risks.</p> <p>Different types and sources of risk, including financial, technological, operational, reputational, social, etc.</p> <p>Techniques for determining risk levels and their recording and monitoring, for example traffic light systems, impact/probability grids, risk audits, performance measurement</p> <p>Impact of risks, for example health and safety, financial, sustainability, time, reputation</p> <p>Risk mitigation strategies and techniques, for example , for example avoid risk, reduce risk, transfer risk, accept risk</p>	

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		NB work submitted for each learning outcome of the task should be assessed to ensure it is of sufficient standard.	
Structure and Format <ul style="list-style-type: none"> • Relevance to the tasks, professional tone and format of response (2 marks). Harvard Referencing (8 marks) <ul style="list-style-type: none"> • In-text citation • Bibliography, listed correctly and correlates to references made • Accurate, correctly-formatted footnotes • Integration of: supporting concepts, frameworks, critical thinking. 	10		
Total Mark	100		

Assessment Criteria for All Assessments

Marks	Criteria
70-100	<ul style="list-style-type: none"> The answer submitted has an outstanding result with negligible amount of mistakes. The answer shows an appreciative level of knowledge and clear understanding of related models, theories and frameworks. Analytical techniques used show the wide area of knowledge the learner has. The ability to apply and contextualise the models, theories and frameworks is clearly recognisable. The analysis and the use of research data, as well as the ability to use the data to reach acceptable and accurate conclusions, is exceptional. Answers show independent thought and clarity of the learner has led to an overall focused and evaluative answer. The answer has followed proper Harvard referencing.
60-69	<ul style="list-style-type: none"> The answer shows an above average standard with few errors. The answer shows a decent level of knowledge and fairly clear understanding of related models, theories and frameworks. There is a very good level, and use of, analytical techniques that is obvious throughout the answer. The ability to apply and contextualise the models, theories and frameworks is of a good standard. The analysis and the use of research data, as well as the ability to use the data to reach acceptable and accurate conclusions, is above average level. Answers show independent thought and clarity of the learner answer has led to an overall focused and evaluative answer with little inconsistency. The answer has followed proper Harvard referencing.
50-59	<ul style="list-style-type: none"> The answer shows an above average standard with errors. The answer shows a general level of knowledge and a fairly clear understanding of related models, theories and frameworks. There is a good level, and use of, analytical techniques that is obvious throughout the answer. The ability to apply and contextualise the models, theories and frameworks is of a reasonable standard. However, the link between theory and practical knowledge appears to be restricted/limited. The answer shows more assumptions than conclusive deductions/evidences and valid arguments. However, the ability to interpret and evaluate is evident. Answers show independent thought and clarity of the learner answer has led to an overall focused and evaluative answer with some inconsistencies. The answer has followed Harvard referencing at an acceptable level.
40-49	<ul style="list-style-type: none"> There are several shortcomings throughout the answer. The knowledge level reflected in the answer is limited, especially in understanding of related models, theories and frameworks. The case material has been repeated instead of evidencing knowledge. The use of analytical techniques is inadequate. A certain level of relevance is evidence in Harvard referencing.
30-39	<ul style="list-style-type: none"> Answer submitted is quite weak and lacks proper focus. The answer shows a number of spelling errors and/or poor grammar/syntax. The lack of understanding in subject knowledge, related models, theories and frameworks is evident. Contextualisation, interpretation, and evaluation are of a poor standard. Reflects only basic levels of Harvard referencing.
0-29	<ul style="list-style-type: none"> Requires more work on answering skills; overall output is well below the required standard. Answer has little relevance to the assignment briefs. Spelling/syntax poor. Little or no evidence of appropriate subject knowledge. Use of models, theories and frameworks is quite poor. Little to no evidence of, and/or unacceptable mistakes in, Harvard referencing.

The overall Pass Mark must be a minimum of 40% when averaging together the marks obtained for each task. Marks given to each task of the assignment must be an absolute minimum of 40% of the marks available for that task.