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| **What will we be learning?**In Unit 3, learners study the purpose and importance of Personal and Business Finance. They will develop the skills and knowledge needed to understand, analyse and prepare financial information. They will also learn basic numeracy skills, which will help them for may activities later on in life, either in higher education or in employment.  | **Why this? Why now?**Learning Aim F – This looks at how businesses measure their financial performance and requires you to prepare and analyse statements of comprehensive income and statements of financial position. This learning aim will help you analyse the profitability, liquidity, and efficiency of the business and you will be able to make decisions based on the numerical analysis that has been undertaken.  | Key Words:Statement of comprehensive incomeRevenueCost of Goods SoldGross ProfitExpenses / OverheadsNet ProfitPrepaymentsAccrualsStatement of financial positionNon-Current AssetsCurrent AssetsCurrent Liabilities Net Current AssetsNon Current LiabilitiesNet AssetsCapital Gross Profit MarginMark UpProfit MarginROCECurrent RatioAcid Test RatioTrade Receivables Trade PayablesInventory Turnover |
| **What will we learn****Learning Aim F – Complete statements of comprehensive income and financial position and evaluate a business’s performance:**F1 – Statement of comprehensive income – purpose and use, completion, calculation and amendment to include gross profit, calculation of profit / loss for the year, adjustments for depreciation, adjustments for prepayments, accruals and interpretation, analysis and evaluation of statementsF2 – Statement of Financial Position – Purpose and use, completion, calculation and amendment of statement, adjustments for straight line, adjustments for prepayments, accruals and interpretation, analysis and evaluation of statementsF3 – Measuring Profitability – Calculation, interpretation, analysis and evaluation of gross profit margin, mark-up, profit margin, ROCEF4 – Measuring Liquidity – Calculation, interpretation, analysis and evaluation of current ratio, liquid capital ratioF5 – Measuring Efficiency – Calculation, interpretation, analysis and evaluation of trade receivable days, trade payable days, inventory turnoverF6 – Limitations of ratio’s when assessing business performance |
| **What opportunities are there for wider study?**Wider reading of articles through Business Review and using You Yube websites such as Bee Business Bee and Two Teachers to help go over extra material or tutorials.  |
| **How will I be assessed?**Summative assessment throughout and formative assessment through an end of topic test.  |