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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 income  Revenue  Cost of Goods Sold  Gross Profit  Expenses / Overheads  Net Profit  Prepayments  Accruals  Statement of financial position  Non-Current Assets  Current Assets  Current Liabilities  Net Current Assets  Non Current Liabilities  Net Assets  Capital  Gross Profit Margin  Mark Up  Profit Margin  ROCE  Current Ratio  Acid Test Ratio  Trade Receivables  Trade Payables  Inventory 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 statements  F2 – 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 statements  F3 – Measuring Profitability – Calculation, interpretation, analysis and evaluation of gross profit margin, mark-up, profit margin, ROCE  F4 – Measuring Liquidity – Calculation, interpretation, analysis and evaluation of current ratio, liquid capital ratio  F5 – Measuring Efficiency – Calculation, interpretation, analysis and evaluation of trade receivable days, trade payable days, inventory turnover  F6 – 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. | |