



education

Department:
Education
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATES (VOCATIONAL)

ASSESSMENT GUIDELINES

FINANCIAL MANAGEMENT

NQF Level 4

September 2007

FINANCIAL MANAGEMENT – LEVEL 4

CONTENTS

SECTION A: PURPOSE OF THE SUBJECT ASSESSMENT GUIDELINES

SECTION B: ASSESSMENT IN THE NATIONAL CERTIFICATES (VOCATIONAL)

- 1 Assessment in the National Certificates (Vocational)**
- 2 Assessment framework for vocational qualifications**
 - 2.1 Internal continuous assessment (ICASS)
 - 2.2 External summative assessment (ESASS)
- 3 Moderation of assessment**
 - 3.1 Internal moderation
 - 3.2 External moderation
- 4 Period of validity of internal continuous assessment (ICASS)**
- 5 Assessor requirements**
- 6 Types of assessment**
 - 6.1 Baseline assessment
 - 6.2 Diagnostic assessment
 - 6.3 Formative assessment
 - 6.4 Summative assessment
- 7 Planning assessment**
 - 7.1 Collecting evidence
 - 7.2 Recording
 - 7.3 Reporting
- 8 Methods of assessment**
- 9 Instruments and tools for collecting evidence**
- 10 Tools for assessing student performance**
- 11 Selecting and/or designing recording and reporting systems**
- 12 Competence descriptions**
- 13 Strategies for collecting evidence**
 - 13.1 Record sheets
 - 13.2 Checklists

SECTION C: ASSESSMENT IN FINANCIAL MANAGEMENT

- 1 Schedule of assessment**
- 2 Recording and reporting**
- 3 Internal assessment of Subject Outcomes in Financial Management - Level 4**
- 4 Specifications for external assessment in Financial Management - Level 4**
 - 4.1 Integrated Summative Assessment Task (ISAT):
 - 4.2 National examination

SECTION A: PURPOSE OF THE SUBJECT ASSESSMENT GUIDELINES

This document provides the lecturer with guidelines to develop and implement a coherent, integrated assessment system for Financial Management in the National Certificates (Vocational). It must be read with the *National Policy Regarding Further Education and Training Programmes: Approval of the Documents, Policy for the National Certificates (Vocational) Qualifications at Levels 2 to 4 on the National Qualifications Framework (NQF)*. This assessment guideline will be used for National Qualifications Framework Levels 2-4.

This document explains the requirements for the internal and external subject assessment. The lecturer must use this document with the *Subject Guidelines: Financial Management* to prepare for and deliver Financial Management (Level 4). Lecturers should use a variety of resources and apply a range of assessment skills in the setting, marking and recording of assessment tasks.

SECTION B: ASSESSMENT IN THE NATIONAL CERTIFICATES (VOCATIONAL)

1 ASSESSMENT IN THE NATIONAL CERTIFICATES (VOCATIONAL)

Assessment in the National Certificates (Vocational) is underpinned by the objectives of the National Qualifications Framework (NQF). These objectives are to:

- Create an integrated national framework for learning achievements.
- Facilitate access to and progression within education, training and career paths.
- Enhance the quality of education and training.
- Redress unfair discrimination and past imbalances and thereby accelerate employment opportunities.
- Contribute to the holistic development of the student by addressing:
 - social adjustment and responsibility;
 - moral accountability and ethical work orientation;
 - economic participation; and
 - nation-building.

The principles that drive these objectives are:

- **Integration**

To adopt a unified approach to education and training that will strengthen the human resources development capacity of the nation.

- **Relevance**

To be dynamic and responsive to national development needs.

- **Credibility**

To demonstrate national and international value and recognition of qualification and acquired competencies and skills.

- **Coherence**

To work within a consistent framework of principles and certification.

- **Flexibility**

To allow for creativity and resourcefulness when achieving Learning Outcomes, to cater for different learning styles and use a range of assessment methods, instruments and techniques.

- **Participation**

To enable stakeholders to participate in setting standards and co-ordinating the achievement of the qualification.

- **Access**

To address barriers to learning at each level to facilitate students' progress.

- **Progression**

To ensure that the qualification framework permits individuals to move through the levels of the national qualification via different, appropriate combinations of the components of the delivery system.

- **Portability**

To enable students to transfer credits of qualifications from one learning institution and/or employer to another institution or employer.

- **Articulation**

To allow for vertical and horizontal mobility in the education system when accredited pre-requisites have been successfully completed.

- **Recognition of Prior Learning**

To grant credits for a unit of learning following an assessment or if a student possesses the capabilities specified in the outcomes statement.

- **Validity of assessments**

To ensure assessment covers a broad range of knowledge, skills, values and attitudes (SKVAs) needed to demonstrate applied competency. This is achieved through:

- clearly stating the outcome to be assessed;
- selecting the appropriate or suitable evidence;
- matching the evidence with a compatible or appropriate method of assessment; and
- selecting and constructing an instrument(s) of assessment.

- **Reliability**

To assure assessment practices are consistent so that the same result or judgment is arrived at if the assessment is replicated in the same context. This demands consistency in the interpretation of evidence; therefore, careful monitoring of assessment is vital.

- **Fairness and transparency**

To verify that no assessment process or method(s) hinders or unfairly advantages any student. The following could constitute unfairness in assessment:

- Inequality of opportunities, resources or teaching and learning approaches
- Bias based on ethnicity, race, gender, age, disability or social class
- Lack of clarity regarding Learning Outcome being assessed
- Comparison of students' work with other students, based on learning styles and language

- **Practicability and cost-effectiveness**

To integrate assessment practices within an outcomes-based education and training system and strive for cost and time-effective assessment.

2 ASSESSMENT FRAMEWORK FOR VOCATIONAL QUALIFICATIONS

The assessment structure for the National Certificates (Vocational) qualification is as follows:

2.1 Internal continuous assessment (ICASS)

Knowledge, skills values, and attitudes (SKVAs) are assessed throughout the year using assessment instruments such as projects, tests, assignments, investigations, role-play and case studies. The internal continuous assessment (ICASS) practical component is undertaken in a real workplace, a workshop or a "Structured Environment". This component is moderated internally and externally quality assured by Umalusi. All internal continuous assessment (ICASS) evidence is kept in a Portfolio of Evidence (PoE) and must be readily available for monitoring, moderation and verification purposes.

2.2 External summative assessment (ESASS)

The external summative assessment is either a single or a set of written papers set to the requirements of the Subject Learning Outcomes. The Department of Education administers the theoretical component according to relevant assessment policies.

A compulsory component of external summative assessment (ESASS) is the **integrated summative assessment task (ISAT)**. This assessment task draws on the students' cumulative learning throughout the year. The task requires **integrated application of competence** and is executed under strict assessment conditions. The task should take place in a simulated or "Structured Environment". The integrated summative assessment task (ISAT) is the most significant test of students' ability to apply their acquired knowledge.

The integrated assessment approach allows students to be assessed in more than one subject with the same integrated summative assessment task (ISAT).

External summative assessments will be conducted annually between October and December, with provision made for supplementary sittings.

3 MODERATION OF ASSESSMENT

3.1 Internal moderation

Assessment must be moderated according to the internal moderation policy of the Further Education and Training (FET) college. Internal college moderation is a continuous process. The moderator's involvement starts with the planning of assessment methods and instruments and follows with continuous collaboration with and support to the assessors. Internal moderation creates common understanding of Assessment Standards and maintains these across vocational programmes.

3.2 External moderation

External moderation is conducted by the Department of Education, Umalusi and, where relevant, an Education and Training Quality Assurance (ETQA) body according to South African Qualifications Authority (SAQA) and Umalusi standards and requirements.

The external moderator:

- monitors and evaluates the standard of all summative assessments;
- maintains standards by exercising appropriate influence and control over assessors;
- ensures proper procedures are followed;
- ensures summative integrated assessments are correctly administered;
- observes a minimum sample of ten (10) to twenty-five (25) percent of summative assessments;
- gives written feedback to the relevant quality assessor; and
- moderates in case of a dispute between an assessor and a student.

Policy on inclusive education requires that assessment procedures be customised for students who experience barriers to learning, and supported to enable these students to achieve their maximum potential.

4 PERIOD OF VALIDITY OF INTERNAL CONTINUOUS ASSESSMENT (ICASS)

The period of validity of the internal continuous assessment mark is determined by the *National Policy on the Conduct, Administration and Management of the Assessment of the National Certificates (Vocational)*.

The internal continuous assessment (ICASS) must be re-submitted with each examination enrolment for which it constitutes a component.

5 ASSESSOR REQUIREMENTS

Assessors must be subject specialists and should ideally be declared competent against the standards set by the ETDP SETA. If the lecturer conducting the assessments has not been declared a competent assessor, an assessor who has been declared competent may be appointed to oversee the assessment process to ensure the quality and integrity of assessments.

6 TYPES OF ASSESSMENT

Assessment benefits the student and the lecturer. It informs students about their progress and helps lecturers make informed decisions at different stages of the learning process. Depending on the intended purpose, different types of assessment can be used.

6.1 Baseline assessment

At the beginning of a level or learning experience, baseline assessment establishes the knowledge, skills, values and attitudes (SKVAs) that students bring to the classroom. This knowledge assists lecturers to plan learning programmes and learning activities.

6.2 Diagnostic assessment

This assessment diagnoses the nature and causes of learning barriers experienced by specific students. It is followed by guidance, appropriate support and intervention strategies. This type of assessment is useful to make referrals for students requiring specialist help.

6.3 Formative assessment

This assessment monitors and supports teaching and learning. It determines student strengths and weaknesses and provides feedback on progress. It determines if a student is ready for summative assessment.

6.4 Summative assessment

This type of assessment gives an overall picture of student progress at a given time. It determines whether the student is sufficiently competent to progress to the next level.

7 PLANNING ASSESSMENT

An assessment plan should cover three main processes:

7.1 Collecting evidence

The assessment plan indicates which Subject Outcomes and Assessment Standards will be assessed, what assessment method or activity will be used and when this assessment will be conducted.

7.2 Recording

Recording refers to the assessment instruments or tools with which the assessment will be captured or recorded. Therefore, appropriate assessment instruments must be developed or adapted.

7.3 Reporting

All the evidence is put together in a report to deliver a decision for the subject.

8 METHODS OF ASSESSMENT

Methods of assessment refer to who carries out the assessment and includes lecturer assessment, self-assessment, peer assessment and group assessment.

LECTURER ASSESSMENT	The lecturer assesses students' performance against given criteria in different contexts, such as individual work, group work, etc.
SELF-ASSESSMENT	Students assess their own performance against given criteria in different contexts, such as individual work, group work, etc.
PEER ASSESSMENT	Students assess another student's or group of students' performance against given criteria in different contexts, such as individual work, group work, etc.
GROUP ASSESSMENT	Students assess the individual performance of other students within a group or the overall performance of a group of students against given criteria.

9 INSTRUMENTS AND TOOLS FOR COLLECTING EVIDENCE

All evidence collected for assessment purposes is kept or recorded in the student's PoE.

The following table summarises a variety of methods and instruments for collecting evidence. A method and instrument is chosen to give students ample opportunity to demonstrate the Subject Outcome has been attained. This will only be possible if the chosen methods and instruments are appropriate for the target group and the Specific Outcome being assessed.

	METHODS FOR COLLECTING EVIDENCE		
	Observation-based (Less structured)	Task-based (Structured)	Test-based (More structured)
Assessment instruments	<ul style="list-style-type: none"> • Observation • Class questions • Lecturer, student, parent discussions 	<ul style="list-style-type: none"> • Assignments or tasks • Projects • Investigations or research • Case studies • Practical exercises • Demonstrations • Role-play • Interviews 	<ul style="list-style-type: none"> • Examinations • Class tests • Practical examinations • Oral tests • Open-book tests
Assessment tools	<ul style="list-style-type: none"> • Observation sheets • Lecturer's notes • Comments 	<ul style="list-style-type: none"> • Checklists • Rating scales • Rubrics 	<ul style="list-style-type: none"> • Marks (e.g. %) • Rating scales (1-7)
Evidence	<ul style="list-style-type: none"> • Focus on individual students • Subjective evidence based on lecturer observations and impressions 	<p>Open middle: Students produce the same evidence but in different ways.</p> <p>Open end: Students use same process to achieve different results.</p>	Students answer the same questions in the same way, within the same time.

10 TOOLS FOR ASSESSING STUDENT PERFORMANCE

Rating scales are marking systems where a symbol (such as 1 to 7) or a mark (such as 5/10 or 50%) is defined in detail. The detail is as important as the coded score. Traditional marking, assessment and evaluation mostly used rating scales without details such as what was right or wrong, weak or strong, etc.

Task lists and **checklists** show the student what needs to be done. These consist of short statements describing the expected performance in a particular task. The statements on the checklist can be ticked off when the student has adequately achieved the criterion. Checklists and task lists are useful in peer or group assessment activities.

Rubrics are a hierarchy (graded levels) of criteria with benchmarks that describe the minimum level of acceptable performance or achievement for each criterion. Using rubrics is a different way of assessing and cannot be compared to tests. Each criterion described in the rubric must be assessed separately. Mainly two types of rubrics, namely holistic and analytical, are used.

11 SELECTING AND/OR DESIGNING RECORDING AND REPORTING SYSTEMS

The selection or design of recording and reporting systems depends on the purpose of recording and reporting student achievement. **Why** particular information is recorded and **how** it is recorded determine which instrument will be used.

Computer-based systems, for example spreadsheets, are cost and time effective. The recording system should be user-friendly and information should be easily accessed and retrieved.

12 COMPETENCE DESCRIPTIONS

All assessment should award marks to evaluate specific assessment tasks. However, marks should be awarded against rubrics and not be simply a total of ticks for right answers. Rubrics should explain the competence level descriptors for the skills, knowledge, values and attitudes (SKVAs) that a student must demonstrate to achieve each level of the rating scale.

When lecturers or assessors prepare an assessment task or question, they must ensure that the task or question addresses an aspect of a Subject Outcome. The relevant Assessment Standard must be used to create the rubric to assess the task or question. The descriptions must clearly indicate the minimum level of attainment for each category on the rating scale.

13 STRATEGIES FOR COLLECTING EVIDENCE

A number of different assessment instruments may be used to collect and record evidence. Examples of instruments that can be (adapted and) used in the classroom include:

13.1 Record sheets

The lecturer observes students working in a group. These observations are recorded in a summary table at the end of each project. The lecturer can design a record sheet to observe students' interactive and problem-solving skills, attitudes towards group work and involvement in a group activity.

13.2 Checklists

Checklists should have clear categories to ensure that the objectives are effectively met. The categories should describe how the activities are evaluated and against what criteria they are evaluated. Space for comments is essential.

SECTION C: ASSESSMENT IN FINANCIAL MANAGEMENT

1 SCHEDULE OF ASSESSMENT

At NQF levels 2, 3 and 4, lecturers will conduct assessments as well as develop a schedule of formal assessments that will be undertaken in the year. All three levels also have an external examination that accounts for 50 percent of the total mark. The marks allocated to assessment tasks completed during the year, kept or recorded in a PoE account for the other 50 percent.

The PoE and the external assessment include practical and written components. The practical assessment in Financial Management must, where necessary, be subjected to external moderation by Umalusi or an appropriate Education and Training Quality Assurance (ETQA) body, appointed by the Umalusi Council in terms of Section 28(2) of the *General and Further Education and Training Quality Assurance Act, 2001 (Act No. 58 of 2001)*.

2 RECORDING AND REPORTING

Financial Management, as is the case for all the other Vocational subjects, is assessed according to five levels of competence. The level descriptions are explained in the following table.

Scale of Achievement for the Vocational component

RATING CODE	RATING	MARKS %
5	Outstanding	80-100
4	Highly Competent	70-79
3	Competent	50-69
2	Not yet competent	40-49
1	Not achieved	0-39

The programme of assessment should be recorded in the Lecturer's Portfolio of Assessment for each subject. The following at least should be included in the Lecturer's Assessment Portfolio:

- A contents page
- The formal schedule of assessment
- The requirements for each assessment task
- The tools used for each assessment task
- Recording instrument(s) for each assessment task
- A mark sheet and report for each assessment task

The college must standardise these documents.

The student's PoE must include at least:

- A contents page
- The assessment tasks according to the assessment schedule
- The assessment tools or instruments for the task
- A record of the marks (and comments) achieved for each task

Where a task cannot be contained as evidence in the PoE, its exact location must be recorded and it must be readily available for moderation purposes.

The following units guide internal assessment in Financial Management Level 4:

NUMBER OF UNITS	ASSESSMENT	COVERAGE
2	Formal written tests	One or more completed topics
1	Internal written exam	All completed topics
3	Practical assessments	Must cover the related Subject Outcomes: These are examples of possible practical assessments: <ul style="list-style-type: none">• Assignment in simulated business environment with simulated documents (no text books) to calculate VAT and tax payable by business, record salaries or wages and petty cash and interpret financial statements.• Community project, e.g. advising a local entrepreneur on reading and understanding of bank statements and conducting basic banking transactions like depositing cash and cheques, compiling a basic income statement and compiling a budget.

**ASSESSMENT OF FINANCIAL MANAGEMENT
LEVEL 4**

3 INTERNAL ASSESSMENT OF SUBJECT OUTCOMES IN FINANCIAL MANAGEMENT - LEVEL 4

Topic 1: Manage finances in a small business

SUBJECT OUTCOME	
1.1 Raise financial support externally.	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> Sources of funds are identified and contacted in order to compile a list of potential financiers, their requirements and possible capital injection values. The most suitable source of funds is followed up and any required collateral is assessed and offered against funding. Application for the loan or funding is compiled and submitted together with a business plan and any other required documentation. Repayments including any interest are determined, matched to the budget in the business plan; and if feasible the agreement is entered into. 	<ul style="list-style-type: none"> Explain how to identify sources of funds, compile a list of potential financiers, their requirements and possible capital injection values and assess required security and offer it against funding. Explain and demonstrate how to compile and submit application for loan/funding, business plan and any other required documentation. Demonstrate how to determine repayments, including any interest and match the repayments to the budget in the business plan. Explain how to determine feasibility of funding. Explain how to enter into the agreement with the financier.
ASSESSMENT TASKS OR ACTIVITIES	
<ul style="list-style-type: none"> Feedback discussion on presentation done by guest speaker. Assess research done on learning outcomes. Assignment: Provide information and examples of documents to enable student to do assignment. Class test. 	

SUBJECT OUTCOME	
1.2 Calculate the break-even budget.	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> Fixed and variable costs are assessed, based on the business plan. The contribution margin ratio is determined per unit of product/service offered. Trading expenses per a revised business plan are included in order to produce a budget of all anticipated costs and expenses. Break-even point is established in terms of rand and units of required sales per period to meet this total budget. 	<ul style="list-style-type: none"> Explain and demonstrate how to assess fixed and variable costs, based on the business plan. Determine the contribution margin ratio per unit of product/service offered. Explain and demonstrate how to include trading expenses according to a revised business plan to produce a budget of all anticipated costs and expenses. Explain and demonstrate how break-even point is established in terms of rand and units of required sales per period to meet this total budget.
ASSESSMENT TASKS OR ACTIVITIES	
<ul style="list-style-type: none"> Assignment: Provide necessary information to enable student to do assignment on learning outcomes. Class discussions. 	

SUBJECT OUTCOME	
1.3 Assess the impact of tax and other statutory expenses.	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> • The impact of company tax is determined in accordance with the type of business ownership constructed. • Value Added Tax is (VAT) managed in accordance with statutory requirements. • All monthly statutory returns are timeously completed and remitted with the appropriate payment. • Taxes and other statutory payments are calculated and included in the budget. 	<ul style="list-style-type: none"> • Explain and determine the impact of company tax in accordance with the type of business ownership constructed. • Explain how Value Added Tax (VAT) is managed in accordance with statutory requirements. • Explain accurate completion of all monthly statutory returns and importance of timeous remittance with appropriate payment. • Calculate taxes and other statutory payments and included in budget.
ASSESSMENT TASKS OR ACTIVITIES	
<ul style="list-style-type: none"> • Feedback discussion on presentation of guest speaker. • Class discussions. • Class test. 	

SUBJECT OUTCOME	
1.4 Supervise financial record keeping and cash flow.	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> • Source documents of all income, expense and balance sheet items are appropriately filed and stored. • Data is captured on the accounting system in use, in order for the appropriate reports to be compiled. • Debtors and creditors are controlled in order to keep the cash flow in a positive or acceptable position. • Overdraft facilities are negotiated with a financial institution. 	<ul style="list-style-type: none"> • Explain and demonstrate appropriate filing and storage of all source documents for income, expenses and balance sheet accounts. • Explain capturing of data on the accounting system in use, in order for appropriate reports to be compiled. • Explain how to control debtors and creditors to keep the cash flow in a positive or acceptable position. • Explain how to negotiate overdraft facilities with a financial institution.
ASSESSMENT TASKS OR ACTIVITIES	
<ul style="list-style-type: none"> • Group discussions to assess student's knowledge. • Practical assignments in a simulated office environment. • Topic test before advancing to the next topic. 	

Topic 2: Financial planning and control functions for a small business

SUBJECT OUTCOME	
2.1: Prepare a business plan suitable for submission to a financial institution.	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> • 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. • A business plan is constructed in a form that would be generally acceptable by a financial institution. 	<ul style="list-style-type: none"> • Identify various components that should be included in a business plan that will be submitted to a financial institution. • Provide examples from a successful organisation. • Compile/construct a business plan in a format which will be acceptable by a financial institution.
ASSESSMENT TASKS OR ACTIVITIES	
<ul style="list-style-type: none"> • Assess participation in group discussion. • Case study: Provide necessary information to perform learning outcomes to evaluate student's understanding of learning outcomes and importance of being responsible citizens and providing authentic and trustworthy information in a business plan. • Feedback on information provided by guest speaker (if this learning activity is used). 	

SUBJECT OUTCOME	
2.2: Monitor actual performance of an organisation against budget.	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> • A columnar budget is constructed so that planned income and expenditure can be compared to actual income and expenditure. • Positive and negative variances are identified using standard financial management practice. • A report is drawn up on the financial position resulting from the comparison of actual versus budgeted income and expenditure so as to aid decision-making and future action for the organisation. 	<ul style="list-style-type: none"> • Construct a columnar budget to compare planned income and expenditure against actual income and expenditure. • Identify positive and negative variances. • Draw up a report, after comparison of planned and actual income and expenditure, on the financial position of the organisation to aid in decision making and future action for the organisation using standard financial management practices.

ASSESSMENT TASKS OR ACTIVITIES
<ul style="list-style-type: none"> • Case study / Assignment: Provide information for student to be evaluated on learning outcomes, analytical and critical thinking skills and responsible decision making. • Lecturer-students discussions. • Feedback on information provided by guest speaker (if this learning activity is used).

SUBJECT OUTCOME	
2.3: Decide on the purchase of fixed assets (non-current) based on highest financial return.	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> • Investment appraisal techniques are used to calculate forecast returns from the potential purchase of fixed (non-current) assets. • The results of investment appraisal calculations are used to decide which fixed assets to purchase. 	<ul style="list-style-type: none"> • Identify and explain investment appraisal techniques to calculate forecast returns from the potential purchase of fixed assets. <i>Range: Payback, internal rate of return, net present value.</i> • Demonstrate calculation of investment appraisal techniques. <i>Range: Payback, internal rate of return, net present value</i> • Demonstrate how results of investment appraisal technique are used to decide which fixed assets to purchase.

ASSESSMENT TASKS OR ACTIVITIES
<ul style="list-style-type: none"> • Case study/Assignment: Provide information for student to be evaluated on learning outcomes, analytical and critical thinking skills and responsible decision making. • Assessing of students during group discussions

SUBJECT OUTCOME	
2.4. Understand the importance of financial reporting.	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> • The different types of financial reporting done by a small organisation are identified and an indication given of the target audience of each report. • The advantages of producing periodic financial reports/statements are explained with examples. • The dangers presented to a small business by the absence of financial reports are explained with the use of examples. 	<ul style="list-style-type: none"> • Identify different types of financial reports. • Identify target audience of each type of report. • Explain and provide examples of advantages of periodic financial reporting. • Explain and provide examples of dangers of not presenting periodic financial reports in a small business.

ASSESSMENT TASKS OR ACTIVITIES
<ul style="list-style-type: none"> • Case study/Assignment: Provide information for student to be evaluated on learning outcomes, analytical and critical thinking skills and responsible decision making. • Assessing of students during group discussions. • Class test. • Topic test before advancing to the next topic.

Topic 3: Interpret basic financial statements

SUBJECT OUTCOME	
3.1. Analyse the basic elements of an income and expenditure statement.	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> • The purposes of an income and expenditure statement are explained and an indication is given of how often these statements are required for two case studies. • Sources of income and expenditure are identified for three different types of financial statements. • Sources of income and expenditure are explained with reference to an income and expenditure statement. • Three income and expenditure statements are examined and evaluated in terms of financial viability of the enterprise. 	<ul style="list-style-type: none"> • Explain the purpose of an income and expenditure statement. • Indicate how often income and expenditure statement is required. • Identify and explain the sources of income and expenditure for three different types of financial statements. • Examine and evaluate income and expenditure statements in terms of financial viability of an organisation.
ASSESSMENT TASKS OR ACTIVITIES	
<ul style="list-style-type: none"> • Evaluate daily practical exercises to assess accuracy, analytical and evaluation skills, as well as level of understanding. • Assignment/Case study. • Class test. • Lecturer-student discussions. 	

SUBJECT OUTCOME	
3.2. Analyse the basic elements of a balance sheet.	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> • The purpose of a balance sheet is explained and an indication is given of how often a balance sheet is necessary for two case studies. • A balance sheet is analysed and evaluated in terms of equity or financial net worth. • The concept of an asset is explained and the assets in a balance sheet are classified in terms of fixed and current assets. • The concept of a liability is explained and the liabilities in a balance sheet are classified in terms of long term and current liabilities. • Balance sheets for an entity are compared and evaluated in terms of performance over two years and a decision is made based on evidence in the balance sheet. 	<ul style="list-style-type: none"> • Explain the purpose of a balance sheet. • Indicate how often a balance sheet is required. • Analyse and evaluate a balance sheet in terms of equity or financial net worth. • Explain the concept of an asset. • Classify assets in terms of fixed and current assets. • Explain the concept of a liability. • Classify liabilities in terms of long term and current liabilities. • Compare and evaluate balance sheet of an entity in terms of performance over two years and make financial decisions.
ASSESSMENT TASKS OR ACTIVITIES	
<ul style="list-style-type: none"> • Evaluate daily practical exercises to assess accuracy, analytical and evaluation skills, as well as level of understanding. • Assignment/Case study. • Class test. • Lecturer-student discussions. 	

SUBJECT OUTCOME	
3.3. Compile a personal assets and liabilities statement.	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> • A personal assets and liabilities statement is compiled based on own financial situation over the past year. • The situations when an assets and liabilities statement are required, are listed and an indication s given of the advantages of keeping such records. 	<ul style="list-style-type: none"> • Compile personal assets and liabilities statement based on own financial situation over the past year. • List situations when assets and liabilities statement is required. • Provide advantages of keeping record of assets and liabilities statement.
ASSESSMENT TASKS OR ACTIVITIES	
<ul style="list-style-type: none"> • Assignment/Case study. • Group discussions. 	

SUBJECT OUTCOME	
3.4. Use the evidence in financial statements to make a financial decision.	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> • The financial strengths and weaknesses of an entity are analysed and suggestions are made of ways to improve income and reduce costs. • The concept of a cost to income ratio is explained and suggestions are made on how to improve the ratio. • The relationship between turnover, income, revenue, sales/earnings and profit is explained with examples. • The concept of cash flow is explained in terms of liquidity. 	<ul style="list-style-type: none"> • Analyse financial strengths and weaknesses of a business. • Suggest how to improve income and reduce costs. • Explain concept of cost to income ratio. • Suggest how to improve cost to income ratio. • Explain relationship between turnover, income, revenue, sales/earnings and profit and provide examples. • Explain the concept of cash flow in terms of liquidity.
ASSESSMENT TASKS OR ACTIVITIES	
<ul style="list-style-type: none"> • Case studies/Assignments. • Group discussions. • Evaluation of practical daily exercises. • Topic test before advancing to next topic. 	

Topic 4: Apply the budget function in a business unit

SUBJECT OUTCOME	
4.1 Explain the concept of budgeting in a business unit.	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> • The concept of a budget is explained with reference to income and expenditure in relation to a specific business unit. • The items that make up gross revenue are identified for a specific business unit. • The items that make up expenditure in a business unit budget are listed with reference to cost of sales and cash outflows. • The budgeting technique appropriate to the type of budget is explained with reference to the purpose of the budget. • The relationship between the selected budgeting technique and the organisation's budgeting requirements is explained for a specific organisation. 	<ul style="list-style-type: none"> • Explain the concept of a budget with reference to income and expenditure. • Identify and list items that make up gross revenue. • Identify and list items that make up expenditure with reference to cost of sales and cash outflows. • Explain techniques of budgeting in relation to the type of budget. • Explain the relationship between selected budgeting technique and the business budget requirements in relation to a specific business.

ASSESSMENT TASKS OR ACTIVITIES
<ul style="list-style-type: none"> • Case studies/Assignments. • Group discussions. • Evaluation of practical daily exercises. • Class test.

SUBJECT OUTCOME	
4.2 Analyse the budget needs of a business unit.	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> • The budget needs are identified against the business plan of the business unit. • The implications of the identified budgeting needs of a business unit are explained with reference to management expenses and economic viability. • Past budgets of a business unit are analysed to forecast budget needs. • The concept of a zero based budget is applied in order to prepare a budget proposal. • A budget breakdown is prepared for a business it with reference to planned activities and estimated costs. • The estimated costs of a budget breakdown are substantiated and an indication is given of how the required figure was calculated. • Project timeframes for income and expenditure are estimated for a specific business unit activity. • Internal and external constraints on a budget are identified with reference to planned activities, available resources, market size and unpredictable changes. 	<ul style="list-style-type: none"> • Identify budget needs against business plan of business/business unit. • Explain implications of identified budget needs of a business/business unit with reference to management expenses and economic viability. • Analyse past budgets to make forecasts for future budget needs. • Apply the concept of a zero based budget to prepare a budget proposal. • Prepare a budget breakdown for a specific business/business unit with reference to planned activities and estimated costs. • Verify the estimated costs of a budget break down and indicate how the figure was calculated. • Estimate project time frames for income and expenditure for a specific business unit activity. • Identify internal and external constraints on a budget, with reference to planned activities, available resources, market size and unpredictable changes.
ASSESSMENT TASKS OR ACTIVITIES	
<ul style="list-style-type: none"> • Case studies/Assignments. • Group discussions. • Lecturer-individual student discussion. • Evaluation of practical daily exercises. 	

SUBJECT OUTCOME	
4.3 Present and justify a proposed budget for a business unit.	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> • Proposed activities are presented and substantiated in terms of cost benefit returns. • The budgeted amounts for the proposed activities are justified in terms of research, rational projections and previous experience. 	<ul style="list-style-type: none"> • Present and verify proposed activities in terms of cost benefit returns. • Justify budgeted amounts for proposed activities in terms of research, rational projections and previous experience.
ASSESSMENT TASKS OR ACTIVITIES	
<ul style="list-style-type: none"> • Case studies/Assignments. • Group discussions. 	

SUBJECT OUTCOME	
4.4 Monitor and control actual expenses and revenue against projected expenses and revenue.	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> • An existing system is used to ensure budget items are recorded correctly. • A variance report is analysed and corrective measures are proposed to address the situation. • Feedback on the budgetary situation of a business unit is provided with reference to variance, actions taken to correct any variance and notable trends. • Past experience relating to income and costs is used to project future activities and make changes to a current budget. • Control systems are proposed to monitor and control revenue and expenses. 	<ul style="list-style-type: none"> • Use an existing system to ensure budget items are recorded correctly and accurately. • Analyse a variance report. • Recommend corrective measures to address the situation. • Provide feedback on the budgetary situation of a business/business unit with reference to variance, actions taken to correct any variance and notable trends. • Project future activities and make changes to a current budget, using past experience relating to income and costs. • Recommend control systems to monitor and control revenue and expenses.
ASSESSMENT TASKS OR ACTIVITIES	
<ul style="list-style-type: none"> • Case studies/Assignments. • Group discussions. • Lecturer-individual student discussion. • Topic test before advancing to next topic. 	

Topic 5: Calculate tax payable by a small business

SUBJECT OUTCOME	
5. 1. Distinguish between the main business expenses that are not allowable for income tax purposes and those that are allowable.	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> • The concepts of tax rebates and expenses that are tax deductible are explained using examples from the expenses of a small business. • 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. 	<ul style="list-style-type: none"> • Explain the concept of tax rebates and expenses that are tax deductible, using examples. • Identify and list expenditures that are tax deductible and not tax deductible for use on tax return form for a sole trader.
ASSESSMENT TASKS OR ACTIVITIES	
<ul style="list-style-type: none"> • Class test. • Feedback and group discussion on presentation by guest speaker. • Group discussions. 	

SUBJECT OUTCOME	
5. 2. Understand and calculate capital allowances.	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> • The concept of capital allowances is understood and illustrated with examples from a sole trader. • Capital allowances are calculated for the purposes of making the appropriate entries in an income tax return. 	<ul style="list-style-type: none"> • Explain the concept of capital allowance, with examples. • Demonstrate calculation of capital allowance with the purpose to make appropriate entries on an income tax return for a sole trader.
ASSESSMENT TASKS OR ACTIVITIES	
<ul style="list-style-type: none"> • Class test. • Feedback and group discussion on presentation by guest speaker. • Group discussions. 	

SUBJECT OUTCOME	
5.3 Calculate the figures required for the completion of an income tax return.	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> The information that is required to enable tax returns to be completed is defined and explained with examples. 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. 	<ul style="list-style-type: none"> Identify and explain what information (provide examples) is required to complete tax returns. Calculate required entries for an income tax return, including turnover for tax purposes where the small business is the single source of income.
ASSESSMENT TASKS OR ACTIVITIES	
<ul style="list-style-type: none"> Feedback and group discussion on presentation by guest speaker. Group work/competitions (fun and rewards). Assessing of daily practical exercises to evaluate critical thinking and accuracy. 	

SUBJECT OUTCOME	
5.4 Calculate the tax payable by an individual who is a sole trader.	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> The tax payable by an individual who is a sole trader or where a small business is the source of income is calculated using the South African Revenue Service's tax tables. The required tax forms are completed correctly for an individual who is a sole trader or who derives income entirely from a small business. 	<ul style="list-style-type: none"> Calculate tax payable, using the South African Revenue Service's tax tables. Complete required tax forms correctly for an individual who is a sole trader or where a small business is the sole source of income.
ASSESSMENT TASKS OR ACTIVITIES	
<ul style="list-style-type: none"> Feedback and group discussion on presentation by guest speaker. Group work / competitions (fun and rewards). Assessing of daily practical exercises to evaluate critical thinking and accuracy. 	

SUBJECT OUTCOME	
5.5 The concepts of limited liability and incorporation are applied.	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> The concepts of limited liability and legal status are explained for a limited company. The tax liability of a small business is explained with examples of the implications of compliance and non-compliance. 	<ul style="list-style-type: none"> Explain the concepts of limited liability and legal status for a limited company. Explain tax liability of a small business. Provide examples of implications of compliance and non-compliance.
ASSESSMENT TASKS OR ACTIVITIES	
<ul style="list-style-type: none"> Feedback and group discussion on presentation by guest speaker. Group discussions. Assignment to cover Subject outcomes of whole of topic. Topic test. 	

4 SPECIFICATIONS FOR EXTERNAL ASSESSMENT IN FINANCIAL MANAGEMENT - LEVEL 4

4.1 Integrated Summative Assessment Task (ISAT):

A compulsory component of ESASS is the **Integrated Summative Assessment Task (ISAT)**, which is a major assessment task that draws on the students' cumulative learning achieved throughout the full year. The task requires **integrated application of competence** and is executed and recorded in compliance with assessment conditions.

ISAT should be applied as follows:

- The students will have achieved the competencies through the year, but the competencies will be assessed cumulatively in a single assessment/exam session at the end of the year
- The ISAT will be set by the externally appointed examiner and be conveyed to colleges within the first quarter of each year.
- The integrated assessment approach allows for the student to be assessed in more than one subject within the same ISAT.

4.2 National examination

A national examination is conducted annually in October or November by means of a paper set externally, and marked and moderated externally. The following distribution of cognitive application is suggested:

LEVEL 4	KNOWLEDGE AND COMPREHENSION	APPLICATION	ANALYSIS, SYNTHESIS AND EVALUATION
	40%	40%	20%