



education

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NATIONAL CERTIFICATES (VOCATIONAL)

ASSESSMENT GUIDELINES

FINANCIAL MANAGEMENT NQF LEVEL 2

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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. 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 for students who experience barriers to learning be customised 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 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 Portfolio of Evidence (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. They 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. It is a different way of assessment 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 simply be a total of ticks for right answers. Rubrics should explain the competence level descriptors for the skills, knowledge, values and attitudes (SKVAs) 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 Portfolio of Evidence (PoE) account for the other 50 percent.

The Portfolio of Evidence (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 should at least 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 Portfolio of Evidence (PoE) must at least include:

- 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 tasks cannot be contained as evidence in the Portfolio of Evidence (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 2:

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 2**

3 INTERNAL ASSESSMENT OF SUBJECT OUTCOMES IN FINANCIAL MANAGEMENT –LEVEL 2

Topic 1: Manage Finances for a New Venture

SUBJECT OUTCOME	
Explain financial controls for managing a business.	
ASSESSMENT STANDARDS	LEARNING OUTCOMES
<ul style="list-style-type: none"> • The necessity of banking and banking accounts are discussed with examples of the consequences of not having them. • Skills for interpreting bank statements and operating banking accounts are explained with examples. • The various types of account are identified and explained in relation to own business venture. <i>Range: Types of account include, but are not limited to, cash books, journal ledgers and balance sheets.</i> • Financial concepts and principles are related to own business venture. <i>Range: Financial concepts and principles include but are not limited to start-up capital, working capital, cash flow management, profit forecasts, management of assets and liabilities.</i> 	<ul style="list-style-type: none"> • Discuss the necessity of banking and banking accounts with examples of the consequences of not having them. • Explain the skills necessary to interpret bank statements and operate banking accounts with examples. • Identify and explain the various types of account in relation to own business venture. <i>Range: Types of account include, but are not limited to, cash books, journal ledgers and balance sheets.</i> • Relate financial concepts and principles to own business. <i>Range: Financial concepts include, but are not limited to, start-up capital, working capital, cash flow management, profit forecasts, management of assets and liabilities.</i>
ASSESSMENT ACTIVITIES	
<ul style="list-style-type: none"> • Explain and demonstrate Learning Outcomes in lesson format. • Provide actual practical examples of Learning Outcomes. • Research: Students visit financial institutions or internet websites to collect information on different bank accounts. Evaluate research done by students. • Guest speaker from financial institution – evaluate feedback from students on guest speaker. • Lecturer-student discussions • Class test, assignments and case studies 	

SUBJECT OUTCOME	
Identify and apply accounting practices and procedures.	
ASSESSMENT STANDARDS	LEARNING OUTCOMES
<ul style="list-style-type: none"> • Accounting systems are explained with reference to own venture. • Suitable accounting support structures are identified in accordance with own business requirements. <i>Range: Accounting support structures include, but are not limited to, the appointment of an accounting officer, accounting clerks, bookkeepers and coaches or mentors.</i> • Taxation requirements required in the administration of finances are explained in relation to own venture and controls for managing these requirements are identified to ensure that legislative regulations are adhered to. • The elements of an income and expenditure statement are analysed in relation to own business venture. • The elements of a cash flow statement are explained in relation to own business venture. • Payment terms and procedures relating to liabilities are identified and implemented accordingly. 	<ul style="list-style-type: none"> • Explain accounting systems with reference to own venture. • Identify suitable accounting support structures in accordance with own business requirements. <i>Range: Accounting support structures include, but are not limited to, the appointment of an accounting officer, accounting clerks, bookkeepers and coaches or mentors.</i>
ASSESSMENT ACTIVITIES	
<ul style="list-style-type: none"> • Explain and demonstrate Learning Outcomes in lesson format. 	

- Provide actual practical examples of Learning Outcomes.
- Guest speaker: Bookkeeper or accountant – evaluate feedback from students on guest speaker.
- Lecturer-student discussions
- Class test, assignments and case studies

SUBJECT OUTCOME	
Manage business accounts and maintain business records.	
ASSESSMENT STANDARDS	LEARNING OUTCOMES
<ul style="list-style-type: none"> • Books of accounts are identified for interpretation purposes. • All records pertaining to financial and related transactions are kept and stored for input into books of accounts. • Key issues pertaining to books of accounts are discussed and explained in relation to own business venture. • Books of accounts are kept on a monthly basis to ensure effective financial management of business venture. 	<ul style="list-style-type: none"> • Identify books of accounts for interpretation purposes. • Explain how to keep and store all records pertaining to financial and related transactions for input into books of accounts. • Explain and discuss key issues pertaining to books of accounts in relation to own business venture. • Explain how to keep books of accounts on a monthly basis to ensure effective financial management of business.
ASSESSMENT ACTIVITIES	
<ul style="list-style-type: none"> • Explain and demonstrate Learning Outcomes in lesson format. • Provide actual practical examples of Learning Outcomes. • Evaluate and explain daily practical exercises. • Lecturer-student discussions • Class test, assignments and case studies 	

SUBJECT OUTCOME	
Use financial statements to identify business progress.	
ASSESSMENT STANDARDS	LEARNING OUTCOMES
<ul style="list-style-type: none"> • The elements of an income and expenditure statement are analysed in relation to own business venture. • An income and expenditure statement is compared to a cash flow statement. • Profit or loss is ascertained to determine financial progress of business. • Financial records are compared to business plans to determine whether business objectives are being met and problem areas are rectified accordingly. 	<ul style="list-style-type: none"> • Analyse an income and expenditure statement in relation to own business venture. • Compare an income and expenditure statement to a cash flow statement. • Determine profit or loss to determine financial progress of business. • Compare financial records to business plan to determine whether business objectives are being met and rectify problem areas accordingly.
ASSESSMENT ACTIVITIES	
<ul style="list-style-type: none"> • Explain and demonstrate Learning Outcomes in lesson format. • Provide actual practical examples of Learning Outcomes. • Evaluate and explain daily practical exercises. • Lecturer-student discussions • Class test, assignments and case studies • Topic test before advancing to next topic 	

Topic 2: Perform Basic Business Calculations in Retail or Wholesale Practices

SUBJECT OUTCOME	
Consider options and make decisions, relating business calculations to a range of retail or wholesale practices when selling goods for profit.	
ASSESSMENT STANDARDS	LEARNING OUTCOMES
<ul style="list-style-type: none"> • Business calculations applied to retail or wholesale practices when selling goods for profit are described and performed. 	<ul style="list-style-type: none"> • Understand the legal requirements associated with value-added tax (VAT) calculations. • Perform a range of business calculations.

<p><i>The basic business calculations include cost price, profit, including mark-ups and mark-downs, value-added tax (VAT) calculations, discount on cash and terms (payment of accounts).</i></p>	<ul style="list-style-type: none"> • Use electronic equipment when making business calculations to enhance accuracy and efficiency. <i>Range: Calculators, adding machines, point of sale terminals, etc.</i>
ASSESSMENT ACTIVITIES	
<ul style="list-style-type: none"> • Explain and demonstrate techniques for performing basic business calculations in the form of practical exercises. • Explain and demonstrate techniques for using electronic equipment to perform basic business calculations. A point of sale terminal should be available to students in a practicum room or simulated workplace. • Daily assessment of practical exercises performed by students • Group work to evaluate understanding of calculations, equipment and calculation techniques • Assignment to evaluate understanding of topic by providing calculations in the form of questions and case studies • Practical assignment to assess the correct and accurate use of electronic equipment • Topic test before advancing to next topic. 	

Topic 3: Conduct Basic Financial Transactions

SUBJECT OUTCOME	
Explain and apply the basic procedures for receiving and receipting payments.	
ASSESSMENT STANDARDS	LEARNING OUTCOMES
<ul style="list-style-type: none"> • Receipting procedures are described. • The parties to and the legal importance of a receipt is explained. • The procedures for the securing of monies are applied. • The legal requirements of valid cheques are explained. • The safekeeping of all relevant source documents are demonstrated. 	<ul style="list-style-type: none"> • Describe receipting procedures, including how to keep a receipt book, complete a receipt in duplicate, determine the validity of cheques, count money correctly and check amounts. • Explain the parties to and the legal importance of a receipt, as well as proper keeping of duplicate receipts and correct signing of person issuing the receipt according to the requirements of a computerised or manual system to ensure successful receipting. • Explain the validity of cheques according to legal requirements by identifying the payer and validating the amount in figures and in words, the date on the cheque and the signature. • Explain and demonstrate the procedures for the safekeeping of money and relevant source documents in a lock-up area or safe.
ASSESSMENT ACTIVITIES	
<ul style="list-style-type: none"> • Explain and demonstrate Learning Outcomes using practical exercises and examples. • Students collect information through observation in a real-life environment by visiting a shop and paying for a product to evaluate the process. Students can give feedback on this practical experience, analysing the process. • Practical exercises in the completing of receipts for assessment • Students demonstrate or role play receiving money, validating cheques, completing receipts and keeping the money safe using a manual or computerised system. • Class test to test theoretical knowledge 	

SUBJECT OUTCOME	
Use a petty cash system to purchase office items.	
ASSESSMENT STANDARDS	LEARNING OUTCOMES
<ul style="list-style-type: none"> • Petty cashier is approached for relevant funds and justification for purchase is explained. • The necessary application forms are completed. • Items are purchased and receipts for items are returned to petty cash officer according to organisational procedures. 	<ul style="list-style-type: none"> • Explain procedures when using the petty cash system for purchases in an office environment. • Complete a petty cash voucher according to organisational requirements.
ASSESSMENT ACTIVITIES	
<ul style="list-style-type: none"> • Explain and demonstrate use of petty cash system for purchases in an office environment using practical exercises and examples. 	

- Analyse purchases which qualify as petty cash items.
- Practical exercises in the completing of receipts for assessment
- Students demonstrate or role play every step of the petty cash system.
- Class questions or class test to test theoretical knowledge

SUBJECT OUTCOME	
Conduct basic banking transactions.	
ASSESSMENT STANDARDS	LEARNING OUTCOME
<ul style="list-style-type: none"> • Documentation is prepared for banking according to organisational procedures. • Deposit books or slips are completed. • Cash and cheque deposits are verified against receipt books. • The physical deposit of cash to the bank is ensured. • Deposit books or slips are secured and filed according to organisational procedures. 	<ul style="list-style-type: none"> • Explain and demonstrate the importance of accurately preparing for banking; completing deposit books; verifying cash and cheque deposits against receipt books; depositing money at a bank and filing and safekeeping deposit books or slips according to organisational procedures.
ASSESSMENT ACTIVITIES	
<ul style="list-style-type: none"> • Explain the theory of banking procedures and safekeeping of documentation in the workplace and personal environments. • Demonstrate the completion of a deposit book or slip. • Students demonstrate or role play every step of the banking procedure. • Assignment: Students collect deposit slips from any financial institution and complete deposit slips with information provided by the lecturer. Allocate different financial institutions to different students so that students complete different institutions' deposit slips. • Class questions and topic test before advancing to the next topic. 	

Topic 4: Complete Basic Business Calculations (Income Statement, Shrinkage)

SUBJECT OUTCOME	
Complete a basic income statement.	
ASSESSMENT STANDARDS	LEARNING OUTCOMES
<ul style="list-style-type: none"> • Income statement entries – sales, cost of goods sold, gross profit, expenses, net profit, interest, tax, dividends and retained income – are explained with their effect on the net profit of the organisation. • The net profit of an organisation is calculated in an exercise given the necessary amounts. • The impact of breakages in an outlet is explained in terms of their effect on the profits of the outlet. 	<ul style="list-style-type: none"> • Explain the effect of entries on an income statement on the net profit. <i>Entries include sales, cost of sales, gross profit, other income, expenses, net profit, interest, tax, dividends and retained income.</i> • Complete an income statement. • Calculate the net profit with given amounts. • Explain the impact of breakages on profits of a retail or wholesale business.
ASSESSMENT ACTIVITIES	
<ul style="list-style-type: none"> • Explain identifying income statement entries using a given practical exercise. • Explain the effect of income statement entries on the net profit. • Explain the impact of breakages on the profit of the business using practical exercises. • Students identify and analyse information to complete an income statement and calculate net profit accurately in given practical exercises or case studies. • Students critically evaluate impact of breakages on net profit in given practical exercises or case studies. • Assignment with given information to be completed by students to evaluate understanding of Subject Outcome • Class test 	

SUBJECT OUTCOME	
Identify expenses requiring improvement.	
ASSESSMENT STANDARDS	LEARNING OUTCOMES
<ul style="list-style-type: none"> • Different types of expenses are identified and explained as they apply to a wholesale or retail outlet. 	<ul style="list-style-type: none"> • Identify and explain different types of expenses. • Explain causes of increase or decrease of expenses.

<ul style="list-style-type: none"> The causes of increases or decreases in store expenses are explained as applicable to an outlet. Expenses requiring improvement are identified as shown on an income statement. 	<ul style="list-style-type: none"> Identify an improvement of expenses as shown in an income statement applicable to a wholesale or retail business.
ASSESSMENT ACTIVITIES	
<ul style="list-style-type: none"> Explain Learning Outcomes using practical exercises. Students identify and analyse information to complete an income statement and calculate net profit accurately in given practical exercises or case studies. Students critically evaluate the impact of breakages on the net profit in given practical exercises or case studies. Assignment with given information to be completed by students to evaluate understanding of Subject Outcome Class test and class and group discussions to get students involved and motivate initiative 	

SUBJECT OUTCOME	
Identify ways to reduce shrinkage.	
ASSESSMENT STANDARDS	LEARNING OUTCOMES
<ul style="list-style-type: none"> The effect of shrinkage on an outlet is explained in terms of its impact on the profits of the business. The method for calculating shrinkage in the business is explained along with the various entries in the calculation. General methods for reducing shrinkage are explained as they apply to the industry. 	<ul style="list-style-type: none"> Explain shrinkage and its effect on profit. Explain and demonstrate methods of shrinkage calculation. Explain general methods to reduce shrinkage as applicable to industries.
ASSESSMENT ACTIVITIES	
<ul style="list-style-type: none"> Use practical examples from real business situations to explain shrinkage. Practical exercises to evaluate students' understanding of shrinkage and its effect on net profit of a business Use practical exercises to demonstrate and explain Learning Outcomes accurately. Feedback discussions to test understanding of Learning Outcomes Assignment to evaluate understanding of topic and accuracy of students when doing calculations Topic test 	

4 SPECIFICATIONS FOR EXTERNAL ASSESSMENT IN FINANCIAL MANAGEMENT– LEVEL 2

4.1 Integrated summative assessment task (ISAT)

A compulsory component of the external assessment (ESASS) is the **integrated summative assessment task (ISAT)**. The integrated summative assessment task (ISAT) draws on the students' cumulative learning achieved throughout the year. The task requires **integrated application of competence** and is executed and recorded in compliance with assessment conditions.

Two approaches to the integrated summative assessment task (ISAT) may be as follows:

The students are assigned a task at the beginning of the year which they will have to complete in phases throughout the year to obtain an assessment mark. A final assessment is made at the end of the year when the task is completed.

OR

Students achieve the competencies throughout the year but the competencies are assessed cumulatively in a single assessment or examination session at the end of the year.

The integrated summative assessment task (ISAT) is set by an externally appointed examiner and is conveyed to colleges in the first quarter of the year.

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

4.2 National Examination

A National Examination is conducted annually in October or November by means of a paper(s) set and moderated externally. The following distribution of cognitive application should be followed:

LEVEL 2	KNOWLEDGE AND COMPREHENSION	APPLICATION	ANALYSIS, SYNTHESIS AND EVALUATION
	40%	40%	20%

MARK ALLOCATION PER QUESTION		
Section 1: Compulsory (must cover all topics)		
Two questions of 25 marks each, covering short questions, e.g. true or false, leave out words and monkey puzzles.		50 marks
Section 2: Compulsory		
Four compulsory application questions covering all the topics.		
Question 1:	Manage Finances for a New Venture	40 marks
Question 2:	Perform Basic Business Calculation in Retail or Wholesale Practices	20 marks
Question 3:	Conduct Basic Financial Transactions	20 marks
Question 4:	Complete Basic Business Calculations (Income Statement, Shrinkage)	20 marks
		100 marks
GRAND TOTAL		150 marks