



	Theme	Overview of key learning to take place	How learning will be assessed
Term 2	Unit 5: Finance and accounting	<p><b>Key Topic 1: The need for business finance</b></p> <ul style="list-style-type: none"> <li>a) I can explain why businesses need finance to start up and to grow</li> <li>b) I can analyse why different needs for finance might mean different sources are appropriate</li> <li>c) I understand the meaning and significance of working capital as a source of finance</li> <li>d) I can explain the significance of the distinction between revenue expenditure and capital expenditure</li> </ul> <p><b>Key Topic 2: Sources of finance</b></p> <ul style="list-style-type: none"> <li>a) I can explain the relationship between the legal structure of a business and its sources of finance</li> <li>b) I can analyse the distinction between short- and long-term sources of finance</li> <li>c) I can compare internal sources of finance: retained earnings, sale of unwanted assets, sale, and leaseback of non-current assets, working capital</li> <li>d) I can compare external sources of finance: share capital, new partners, venture capital, overdrafts, leasing, hire purchase, bank loans, mortgages, debentures, micro-finance, crowd funding and government grants</li> <li>e) I can discuss factors influencing the choice of sources of finance in a given situation: cost, flexibility, need to retain control, the use to which it is put, level of existing debt [but note, at Cambridge International AS Level, candidates will not be expected to know the term 'gearing']</li> <li>f) I can explain and compare the appropriateness of each possible source in a given situation</li> </ul>	<p><b>Formative assessment</b> to take place 4 times per term. Feedback will be given to help students to improve and progress in the topic area. Grades will not be given at this time.</p> <p><b>Examples of Formative Assessment to be used this term:</b>            Copybook Assessments            Assignments (Research Assignment on chosen section – 1000 words formal project assignment)            Writing task in style required for examination            Multiple choice activity (which requires challenge, not obvious answers)</p> <p><b>Summative assessment</b> at end of units studied. Minimum of 2 summative end of unit assessments per term. Students will receive a percentage for this assessment. Assessment will be combination of short and long style questions which matches the Paper 1 Exam paper of syllabus.</p>

### Key Topic 3: Costs

- a) I can explain the need for accurate cost data
- b) I can define types of costs: fixed, variable, marginal; direct and indirect
- c) I can identify problems of trying to allocate costs in given situations
- d) I can use cost information for decision making purposes, e.g., average, marginal, total costs when analysing and evaluating
- e) I can explain how costs can be used for pricing decisions
- f) I can explain how costs can be used to monitor and improve business performance, including using cost information to calculate profits
- g) I can determine the minimum level of production needed to break even or the profit made
- h) I can define, calculate, and interpret the margin of safety and the uses and limitations of break-even analysis

### Key Topic 4: Accounting fundamentals

- a) I can describe the contents of an income statement including revenue, cost of sales, gross profit, operating profit, profit for the year, retained earnings
- b) I can recite and apply the contents of a statement of financial position including noncurrent, assets, current assets, current liabilities, working capital, net assets, non-current liabilities, reserves, and equity, acid test ratio, current ratio, gross profit margin, profit margin
- c) I understand how each of these ratios is used reasons for the results obtained
- d) I can list the ways that businesses might try to improve ratio results, including reducing working capital problems
- e) I can compare of ratios results between businesses and the limitations of these accounting ratios
- f) I can identify of the kind of information that individual stakeholder groups might seek

		<ul style="list-style-type: none"> <li>g) I can explain the limitations of the usefulness of published accounts: historical, may not reflect the future, may be out of date, does not reflect qualitative aspects of a business,</li> <li>h) I can explain the possibility of 'window dressing', and that it may not have details of the performance of individual parts of a business</li> </ul>	
Term 2		<p><b>Key Topic 5: Forecasting and managing cash flows</b></p> <ul style="list-style-type: none"> <li>a) I know and can explain the difference between cash and profits</li> <li>b) I can justify the need to hold a suitable level of cash within a business, and the consequences of not doing so</li> <li>c) I can explain uses of cash flow forecasts</li> <li>d) I can construct a cash flow forecasts, including recognising the uncertainty of cash flows</li> <li>e) I can interpret a simple cash flow forecasts from given data</li> <li>f) I can amendment of cash flow forecasts in the light of changes in business circumstances</li> <li>g) I can demonstrate how reducing costs or improving the management of trade receivables and trade payables can improve cash flow</li> <li>h) I can explain further methods of improving cash flows: debt factoring, sale and leaseback, leasing, hire purchase</li> <li>i) I can recognize situations in which the various methods of improving cash flow can be used</li> </ul>	