



Unit: Corporate Finance and Decision Making

Winter 2020 - Winter 2023

Assignment

Important notes

- Please refer to the *Assignment Presentation Requirements* for advice on how to set out your assignment. These can be found on the NCC Education website. Click on 'Policies & Advice' on the main menu and then click on 'Student Support'.
- You must read the NCC Education documents *What is Academic Misconduct? Guidance for Candidates* and *Avoiding Plagiarism and Collusion: Guidance for Candidates* and ensure that you acknowledge all the sources that you use in your work. These documents are available on the NCC Education website. Click on 'Policies & Advice' on the main menu and then click on 'Student Support'.
- You **must** complete the *Statement and Confirmation of Own Work*. The form is available on the NCC Education website. Click on 'Policies & Advice' on the main menu and then click on 'Student Support'.
- Please make a note of the recommended word count. You could lose marks if you write 10% more or less than this.
- All electronic media will be checked for plagiarism.

Introduction

In this assignment you will demonstrate your achievement of the module learning outcomes. FIVE (5) of the SIX (6) tasks (you will not be tested on the first task) tests one or more learning outcomes.

Before responding to the SIX (6) tasks there are some preliminary tasks you must do.

Firstly, you will identify a real organisation to study, referred to as 'YourOrg' in these notes.

Selecting YourOrg

Try to choose an organisation that you find interesting or which you already know something about. This will help motivate you and may lead to some good insights which will improve your assignment.

Your chosen organisation can be a business, a non-profit organisation, an international organisation, a public sector organisation or any other organisation that is capable of executing projects in a controlled way.

Most people will choose from one of two types of organisation:

(a) an organisation they know well from personal experience, perhaps because they worked or studied in that organisation; The organisation should provide published information which is sufficient in detail and depth to meet the requirements of Task 2 and Task 3 below so that all information used for the assignment is in the public domain and no confidential information is inadvertently disclosed.

OR

(b) an organisation which is famous in one country or globally, so there is plenty of published information about it which can be found by web search.

In making your choice, you should ensure that the information you have available allows you to research and produce a full analysis of financial and non-financial information as required in task 3. Preparing an appendix of relevant information prior to addressing task 3 will enable you to provide a clear summary and not repeat detailed data from the appendix.

Secondly, once you have selected YourOrg, you should think of a new venture, referred to in these notes as YourVent. This should be a completely new and different type of organisation than the one you have selected as YourOrg. For instance, if YourOrg is a multinational or national company, then the new venture should be a sole trader, partnership or charitable organisation.

YourVent should be conceived as a smaller and separate organisation from YourOrg set up to provide a service to YourOrg. The goal of YourVent may be to, say, develop a new technology for the future or fulfilling some ethical or charitable purpose which YourOrg may wish to support through donation.

Take care to read the assignment requirements as you consider YourVent to ensure you will be able to demonstrate your knowledge and understanding fully through the type of venture you invent and develop.

You are not allowed to use an organisation or new venture which you know another student is using, or which you know another student has used in the past. You are also not allowed to base your project on a published case analysis.

Assignment Notes

- You must complete all SIX (6) Tasks in this assignment
- The total assignment should be **4,000 words** including Tasks 2-6 but excluding Task 1, the bibliography and the appendices. Please limit your appendices to 6 pages.
- Please submit your assignment as ONE (1) document.

The marks are distributed among the tasks as follows:

| | |
|----|----------|
| T1 | n/a |
| T2 | 20 marks |
| T3 | 20 marks |
| T4 | 20 marks |
| T5 | 10 marks |
| T6 | 30 marks |

You are recommended to design the content of your assignment in proportion to the marks allocated. So, an answer that is worth 20 marks is likely to have about twice the words of an answer that is worth 10 marks.

Assignment

The assignment comprises 6 (SIX) tasks. You must respond to all tasks.

Tasks Begin on the Next Page

Task 1: Overview

Identify and describe your chosen organisation (YourOrg) in one paragraph of no more than 100 words. Then summarise the new venture you have conceived (YourVent) in a second paragraph of no more than 100 words. The latter should briefly explain the type of organisation, its aims, products, services, and operations.

NOTE: these two paragraphs will not receive any marks and do not count against the word quota for the assignment.

Task 2: Understand How Business Organisations are Financed

Use the financial information for YourOrg to analyse how long-term and short-term finance has been used and invested within the organisation. Critically evaluate how finance has been managed to attain the goals of the organisation.

Total 20 Marks

Task 3: Assessing Financial Performance

Critically evaluate, in summary form, the performance of YourOrg over the last five years in financial and non-financial terms.

You should include, in the appendices, analysis of the performance of YourOrg from the published ratios for the last five years, within the notes to the published accounts of YourOrg. And, using the organisation's balanced scorecard or similar published data within the annual reports, assess the success or otherwise of the organisation in addressing the needs of customers, employees, the environment and ethical concerns.

Total 20 Marks

Task 4: Performance of YourVent

It has been decided that YourVent should have an initial funding of £100,000. The person proposing setting up the organisation is wealthy and could provide the capital and/or guarantee any loans to be obtained. And others interested in YourVent also have substantial funds available.

Summarise the goals of YourVent and decide what type of organisation it should be (e.g. sole trader, partnership, charity, etc) and what its capital structure should be.

Briefly explain the financial transactions that YourVent will need to undertake in its first month of operations and decide how its performance should be measured in financial and non-financial terms, setting out the basic principles you regard as indicators of its success. Make reference to the financial statements and notes you include in the appendices as detailed in the following paragraph.

In the appendices, forecast how you imagine its income statement and statement of financial position should look and include notes describing TWO (2) accounting policies and principles that it would be appropriate to follow, using this to help illustrate your explanation in the paragraph above.

Total 20 Marks

Task 5: Support for Decision Making in YourVent

Discuss how YourVent will require and use basic costing information to assist with decision making. Give illustrative examples relevant to YourVent and its goals as you have previously described.

Explain the financial information that YourVent would need to provide to external users of financial accounts as compared with YourOrg.

Total 10 Marks

Task 6: Management Accounting for Business Decisions

Assess the potential uses of TWO of the following techniques to YourVent and illustrate how the two you have selected, which should be different from techniques addressed in answering Task 5, could be used to assist in decisions within the organisation:

- Absorption costing
- Marginal costing
- Activity Based costing
- Break-even analysis
- Budgeting
- Capital Investment appraisal

Explain both of the two techniques and evaluate the usefulness or otherwise of each and provide reasoned recommendations for the adoption of one of the techniques. Illustrate, with an example, how the technique recommended could be employed in an organisation of the type and size of YourVent to meet its goals.

Total 30 Marks