



# Unit: Financial Management

## 20 credit version

### Sample 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. Hover over 'About Us' on the main menu and then navigate to 'Policies and Procedures' then scroll to the 'Student Support' area.
- You **must** read the NCC Education document Academic Misconduct Policy and ensure that you acknowledge all the sources that you use in your work. These documents are available on the NCC Education website. Hover over 'About Us' on the main menu and then navigate to 'Policies and Procedures' then scroll to the 'Student Support' area.
- You **must** complete the Statement and Confirmation of Own Work. The form is available on the NCC Education website. Hover over 'About Us' on the main menu and then navigate to 'Policies and Procedures' then scroll to the 'Student Support' area.
- Please make a note of the recommended word count. You could lose marks if you write 10% more or less than this.
- You must submit a paper copy and digital copy (on disk or similarly acceptable medium). Media containing viruses, or media that cannot be run directly, will result in a fail grade being awarded for this assessment.
- All electronic media will be checked for plagiarism.

This is an open-ended assignment. That means that the tasks will remain the same every cycle until Winter 2022. However, the management accounting data that students use will change **every** assessment cycle.

**Ensure that your students have the correct management accounting data for the assessment cycle to which they are registered before beginning work on this assignment.**

## Preliminary Information

In order to complete this assignment, you will need to identify a company which is listed on the UK stock exchange, with readily accessible information, such as an internet website. For simplicity, try to avoid insurance/banking and financial services companies whose financial information and accounts will differ from those studied in your course. Typically, a company which trades and/or manufactures in the UK and with interests in other countries will be most suitable. Ensure the company selected is part of a group. Search the webpages to identify relevant information to enable you to address the assignment. Ensure that you are sufficiently familiar with the company, its group structure, customer base and operations to be able to discuss the performance of the business in both financial and non-financial contexts.

When selecting your chosen company:

Choose an industry or industries that you are interested in/familiar with.

- Identify several – THREE (3) or FOUR (4) – companies in those industries that meet the following criteria:
  - in existence for some years.
  - large multinational companies, each with a group structure.
  - has clear information on their website about aims and objectives, products, and stakeholders.
  - publishes details of its corporate governance.
  - publishes both financial and non-financial performance data.
  - has a comprehensive statement provided by the chairman of the company. This is typically known as the 'Chairman's Report'.
  
- Review the tasks in the assignment.
- Consider how you could use the information you have about the companies you have identified to answer the tasks in the assignment.
- In Task 2, you are asked to evaluate statements in the Chairman's report. The statements selected should be short and clear. Evaluating the statements made may involve the need to obtain financial information from the Income Statement, Statement of Financial Position, Statement of Cash flows, ratios and other financial information provided within the annual report to justify or refute claims made by the Chairman. Non-financial information used to evaluate claims of a non-financial nature may be found in specific reports such as a Balanced Scorecard or other data about Key Performance Indicators on matters such as customers, suppliers, employee satisfaction and so on.
- In Task 3, you are asked to consider ethics and corporate governance. These topics cover a wide area, and you will see different examples in the companies you choose. Ethics, for example, can be discussed in matters such as fairness in dealing with the supply chain, approach to bullying, harassment, pay of employees, health and safety and an inclusive working environment, among others. You will find it easier to discuss areas in which you have a particular interest. Corporate governance is usually specifically mentioned in the published information and will often indicate how the company complies with the code on corporate governance.

A well-reasoned answer is required in this and other tasks rather than a 'copying and pasting' of significant information from the company reports. **Remember the requirement for your assignment is that you present your own work, thinking and reasoning and not selected detail prepared by the company or others.**

- In Task 4, you are asked to consider appropriate management accounting techniques which are appropriate for use in the company you have identified. You should select one of the following techniques, which may or may not be used in the actual company chosen.
  - Standard costing
  - Variance analysis
  - Benchmarking
  - Value chain analysis
  - Total Quality Management (TQM)
  - Business process re-engineering

Ensure your choice is particularly relevant to the company and the group. For example, if subsidiaries are suppliers of components to the parent company, value chain analysis may be useful, and you could explain why that would be the case. However, if the company and group are progressing well, business process re-engineering is unlikely to be relevant. As you justify the use of the technique, that would become clear. Plan carefully.

## **Analysis of Management Accounting Data**

In Task 5, you must analyse the data provided in a separate document titled 'Management Accounting Data for Financial Management' for the assessment cycle to which you are registered. If you do not have this document, please speak with your teacher/lecturer.

You should NOT access or attempt to analyse real management accounting information about your chosen company. This is because companies rarely publish complete detailed management data, and the data they do provide is too complex for the purposes of this assignment.

- Your management accounting analysis will be based on information provided in a separate document title 'Management Accounting Data for Financial Management'. **Do NOT** base your analysis on the published accounts of your chosen company.
- Please overlook any discrepancies between the management accounting data you have been provided with and anything you might know about the likely performance of your chosen company.

**Once you have considered your initial selection of companies and the requirements you need to address, you should select the company you wish to discuss. You can then plan your answers and approach with confidence.**

**Task 1      200 words****10 marks**

Name and briefly describe your chosen company and its relationships with at least TWO (2) other companies in the group. For example, are they subsidiaries? Briefly highlight their main aims and objectives, products, and services. Suggest a likely reason why there are different companies in the group and not just one single organisation.

**Task 2      800 words****30 marks**

Read the Chairman's Report (or equivalent) and select TWO (2) short statements about financial performance and ONE (1) short statement about non-financial performance. Write the statements as THREE (3) separate headers in your discussion.

Use information from the remainder of the published reports to evaluate the statements made by the chairman about the performance of the business. This should include explanation and justification for the statements made from the published financial statements and non-financial statements. Give reasons why you disagree, if relevant, with any of the chairman's statements you have selected.

**Task 3      500 words****20 marks**

Explain why ethics and corporate governance benefit companies and stakeholders. Illustrate, using TWO (2) examples from the information about corporate governance and/or ethics from the published accounts of your chosen company, how the company has or has not followed ethical and/or governance principles. Explain your reasoning for selecting your examples and what they indicate about the company's commitment to governance and ethics.

**Task 4      200 words****10 marks**

Briefly explain ONE (1) management accounting technique which could be adopted by the chosen company. Explain how it could be used, why it would be beneficial to the company and group, and why it is particularly relevant to the chosen company.

**Task 5      500 words****20 marks**

Refer to the data provided in the document titled 'Management Accounting Data for Financial Management' and dated for the relevant assessment cycle. Assume that this data is for your chosen company and reflects the type of business you have described in Task 1.

From the data provided, prepare an investment appraisal. This should include a numerical analysis and an evaluation of the options provided in your calculations. Non-financial factors should also be considered, and you should try to set your analysis in the context and industry in which your chosen business operates.

**Do NOT use management accounting data from your chosen company's real financial reports. Refer ONLY to the management accounting data provided.**

## Task 6

10 marks

Using the Rolfe, G., Freshwater, D. and Jasper, M. (2001) model, critically review the learning that you have undertaken in order to complete this assignment.

Based upon your learning, your reflection should include a description; an analysis; and an action plan in order to bring about improvements in the future.

## Guidance

Follow the guidelines below when completing these tasks.

### Tasks 1 - 6

- Remain within the word count. You can write up to 10% more or less than the stated word count.
- Due to the word count, your answers will need to be brief. You should also select brief statements from the Chairman's Report for the same reason.
- Using bullet points, heading and subheadings and other stylistic techniques that allow you to keep your answer brief but thorough are all acceptable.
- Complete tables for your investment appraisal calculations for task 5. Include the tables in an Appendix. This will not be included in the word count.
- Refer to your course notes for information about how to complete analyses of performance

### Revision stage

- Make sure your ideas are clearly presented.
- Proofread your answers to check for spelling, punctuation, grammar, and vocabulary errors.
- Check your word count and ensure you have the right number of words for each task.

## Submission requirements

- Your answers must be word-processed and double-spaced.
- You will need to hand in an electronic copy of your essay, with the *Statement and Confirmation of Own Work* form attached.
- You will need to include your name and NCC Education student number in the header on every page of your essay.

## Candidate checklist

Please use the following checklist to ensure that your work is ready for submission.

Have you read the NCC Education document *Academic Misconduct Policy* and ensured that you have acknowledged all the sources that you have used in your work?

Have you completed the *Statement and Confirmation of Own Work* form and attached it to your assignment? **You must do this.**

Have you ensured that your work has not gone over or under the recommended word count by more than 10%?

Have you ensured that your work does not contain viruses and can be run directly?