

International Pre-Master's in Business

Quartz ID: 1274

Paper ID: 2359-SAMPLE

Finance and Accounting for Managers

Global Assignment

Sample Assessment

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.
- You **must** correctly and clearly cite all of your sources using the Harvard style of referencing, which is the only acceptable system when submitting your work to NCC Education Ltd. The use of any other referencing systems, valid or otherwise, even if applied consistently, will not be accepted and will be penalised in accordance with NCC Education's policies.
- All electronic media will be checked for plagiarism.

Introduction

This assignment requires you to demonstrate knowledge and skills you have acquired throughout this module by reading the scenario below and answering the tasks accordingly.

The Scenario

Wood Resources Ltd, a furniture manufacturer, deposited £20,000 into its bank account on 1 June 2025 to start operations. This amount comprises £6,000 from the owner and £14,000 from a lender, both of which were deposited into the business's bank account. This method of raising funds gives rise to claims against the business from both the owner (as capital) and the lender (as a liability).

When preparing a balance sheet for Wood Resources Ltd after these transactions, the assets and claims will be represented as follows:

Wood Resources Ltd			
Balance sheet as of 1 June 2025			
	£		£
Assets		Claims	
Cash at bank	20,000	Capital	6,000
		Liabilities – loan	<u>14,000</u>
	<u>20,000</u>		<u>20,000</u>

The prepared balance sheet indicates that total claims are equal to total assets. This leads us to the equation: Assets = Capital + Liabilities

This relationship, commonly known as the balance sheet equation, is always valid. Regardless of changes to a business's assets or liabilities, the balance sheet will be adjusted accordingly to maintain its balance.

The following are some transactions for Wood Resources Ltd:

- On June 2, 2025, a motor van was purchased for £5,000, with payment made by cheque.
- On June 3, 2025, inventories worth £3,000 were acquired on one month's credit (this means the goods are purchased on June 3, but payment to the supplier will only occur on July 3).
- On June 4, 2025, £2,000 of a loan was repaid to the lender.
- On June 6, 2025, the owner contributed another £4,000 to the business's bank account.

A balance sheet can be prepared after each trading day, allowing us to observe the impact of each transaction on the business's assets and liabilities.

The balance sheet as of 2 June 2025 will be as follows:

Wood Resources Ltd			
Balance sheet as of 2 June 2025			
	£		£
Assets		Claims	
Cash at bank (20,000 - 5,000)	15,000	Capital	6,000
Motor van	<u>5,000</u>	Liabilities – loan	<u>14,000</u>
	<u>20,000</u>		<u>20,000</u>

Acquiring a motor van reduces the bank balance by £5,000 and adds it as an asset to the balance sheet. The total of assets does not change; only their composition is affected. The business's liabilities remain the same because the funding has not changed.

The balance sheet as of 3 June 2025, following the purchase of inventories, will be as follows:

Wood Resources Ltd			
Balance sheet as of 3 June 2025			
	£		£
Assets		Claims	
Cash at the bank	15,000	Capital	6,000
Motor van	5,000	Liabilities – loan	14,000
Inventories (stock)	<u>3,000</u>	Liabilities – trade payable	<u>3,000</u>
	<u>23,000</u>		<u>23,000</u>

Acquiring inventory results in the addition of a new asset (inventories) to the balance sheet. Furthermore, since payment for these goods remains outstanding, the business's liabilities will increase by £3,000, owed to the supplier and classified as a trade payable (or trade creditor) on the balance sheet.

Instructions

Based on the scenario, answer all FOUR (4) tasks below:

Task 1 – 20 Marks

Create a balance sheet for Wood Resources Ltd as of June 4, 2025. Discuss how the repayment of a £2,000 loan affects the balance sheet.

Task 2 – 20 Marks

Draft a balance sheet for Wood Resources Ltd as of June 6, 2025, and analyse the impact of the owner's additional funding on the balance sheet.

Task 3 – 30 Marks

On June 7, 2025, the company successfully sold all inventory for £5,000 and received an immediate cheque from the customer for this amount. Prepare a balance sheet for the business as of June 7, 2025, and evaluate its current financial position.

Task 4 – 30 Marks

Consider how the balance sheet would change if the inventory had been sold on June 7, 2025, for £1,000 instead of £5,000. Create a revised balance sheet to reflect this scenario. Explain how selling the inventory has altered the balance sheet situation.

Guidance

Consult with your tutor if you are uncertain about any aspect of this assignment.

Submission Requirements

- Your submitted work must be a single word-processed document, justified and double-spaced.
- Your assignment should answer Tasks 1 to 4.
- You will need to submit an electronic copy.
- You will need to include your name and NCC Education student number in the header on every page of your work.

Candidate checklist

Please use 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?