

Unit of Competency

Functional Area: Finance

Title	Provide accurate estimates to develop budgets
Code	105224L4
Range	This unit of competency is applicable to the development of different kinds of budget in the import and export industry, and involves the capability to identify information relevant for budget planning as well as to develop the required business budget.
Level	4
Credit	6 (for reference only)
Competency	<p>Performance Requirement</p> <ol style="list-style-type: none"> 1. Possess relevant knowledge of budget planning <ul style="list-style-type: none"> • Describe the different categories of budget (e.g., cash flow budget, revenue budget, and expenditure budget) • Employ a range of budgeting techniques (e.g., internal rate of return, profitability index, present value of multiple cash flows, and payback period) to develop budgets 2.1. Identify required financial data and information to prepare a budget <ul style="list-style-type: none"> • Identify the current resources • Identify the resources requirements of the business plan 2.2. Develop a financial budget <ul style="list-style-type: none"> • Identify the business goals • Review documents, such as income statement, balance sheet, assets, liabilities, and projection of cash flow • Define the costs involved in each of the business goals and analyse the resource requirements • Estimate the level of risk of cash flows • Develop budgetary estimates based on historical data and forecast information • Present a budget plan according to industry standards 3. Provide accurate estimates in budget development <ul style="list-style-type: none"> • Provide an accurate estimate of costs and revenues • Provide an accurate estimate of cash flow and provide recommendation to mitigate liquidity risk
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Capable of identifying required financial data and relevant information to prepare a budget • Capable of developing business budget according to industry standards • Capable of providing accurate estimates in budget development
Remark	